i) as expressly permitted by the terms of any Bank Documents under which that deposit was made;
ii) for the purpose of complying with its obligations under the Bank Documents; or
iii) with the prior written consent of Westpac NZ.

13.6 Interest

Each amount deposited with Westpac NZ under clause 13.5 will (unless otherwise agreed) bear interest calculated by reference to successive deposit periods of a duration agreed by Westpac NZ and the Borrower (or, in the absence of agreement, as Westpac NZ may nominate). The rate of interest applicable to a deposit period will be as agreed by Westpac NZ and the Borrower (or, in the absence of agreement, as Westpac NZ certifies as applicable to deposits of similar size and maturity placed with it by customers). As long as no Event of Default or Potential Event of Default has occurred (in which case interest is to be added to the deposit) and subject to clause 13.1, that interest is to be paid to the Borrower as it may direct.

14. protection of officers

To the extent permitted by law, neither Westpac NZ nor any Officer or Attorney will be liable in respect of any conduct, (including but not limited to the agreement to provide the Loan), omission, delay, negligence or breach of duty in the exercise or failure to exercise a Power or for any loss (including consequential loss) which results. However, Westpac NZ and any Officer or Attorney will be liable where liability arises from its own fraud or wilful misconduct.

15. no reliance on Westpac NZ

The Borrower confirms that:

a) it has not entered into any Bank Document in reliance on, or as a result of any conduct of any kind of or on behalf of Westpac NZ or any Related Company of Westpac NZ (including any advice, warranty, representation or undertaking); and
b) neither Westpac NZ nor any Related Company of Westpac NZ is obliged to do anything (including disclose anything or give advice),

except as expressly set out in the Bank Documents or in writing signed by or on behalf of Westpac NZ or any Related Company of Westpac NZ.

16. assignment

16.1 Westpac NZ may assign

Westpac NZ can transfer this Agreement and all or part of the Outstanding Moneys to someone else. If it does, this Agreement and any transferred Bank Document will apply to the transferee as if it was Westpac NZ. To the maximum extent allowed by law, any transfer will be free of any set off, equity or cross claim which the Borrower would have had against Westpac NZ or the transferee of any Bank Document but for this clause.

16.2 Borrower may not assign

The Borrower may not assign or otherwise transfer or grant any Security Interest over any of its rights and obligations under this Agreement or any other Bank document.

16.3 disclosure of information

Westpac NZ may disclose to a Related Company, potential assignee or transferee of its rights or obligations under any Bank Document or any other relevant party any information about the Borrower as Westpac NZ considers appropriate. However, before disclosing to any potential assignee or transferee Westpac NZ will, in relation to information which is not publicly available:

a) advise the Borrower of its intention; and
b) require an undertaking protecting the confidentiality of that information from any potential assignee or transferee or other relevant party.

17. counterpart execution

This Agreement may be executed in two or more counterparts, all of which will be deemed to constitute the same instrument. Westpac NZ may accept as an original a facsimile copy of this Agreement executed by the Borrower and a facsimile copy, when taken with a counterpart executed by Westpac NZ, will be deemed to be one original copy of this Agreement.

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18. anti-money laundering

The Borrower agrees to provide all information to Westpac NZ which Westpac NZ requires in order to manage its anti-money-laundering and countering terrorism financing obligations, to manage its economic and trade sanctions risks or to comply with any laws, rules or regulations in New Zealand or any other country. The Borrower agrees that Westpac NZ may refuse to establish a business relationship with the Borrower, may be required to delay, defer, stop or refuse to process any transaction, or may terminate its business relationship with the Borrower at any time and without notice, if the Borrower fails to provide this information to Westpac NZ in the manner and timeframe specified by Westpac NZ. The Borrower agrees that Westpac NZ may delay, defer, stop or refuse to process any transaction without incurring any liability if Westpac NZ knows or suspects that:

a) the transaction will or may breach any laws or regulations in New Zealand or any other country; or

b) the transaction involves any person (natural, corporate or governmental) that is itself sanctioned, or is connected, directly or indirectly, to any person (natural, corporate or governmental) that is sanctioned, under economic and trade sanctions imposed by any country.

Unless the Borrower has disclosed to Westpac NZ that the Borrower is acting in a trustee capacity or on behalf of another party, the Borrower warrants that the Borrower is acting solely on the Borrower's own behalf in entering into this Agreement.

For each transaction conducted under this Agreement, the Borrower represents and warrants to Westpac NZ that, to best of the Borrower's knowledge, information and belief at the time the transaction takes place, the processing of that transaction by Westpac NZ in accordance with the Borrower's instructions will not breach any laws or regulations in New Zealand or any other country relevant to the transaction.

19. interpretation

19.1 Definitions

The following definitions apply, unless the context requires otherwise:

Agreement means this agreement and any variations or additions to it agreed in writing between the parties;

Attorney means a person appointed as attorney under any Bank Document;

Availability Period means the period beginning on the date that Westpac NZ confirms to the Borrower that the condition precedent in this Agreement has been satisfied and expiring on 30 June 2015;

Bank Document means a document or agreement:

a) to which Westpac NZ and any one or more of the Borrower and/or any Guarantor are or become parties or purport to be or become parties; or

b) under which obligations arise or are intended to arise from any one or more of the Borrower and/or any Guarantor to, or for the benefit of, Westpac NZ;

(in each case whether or not the parties are involved or it arises as a result of an assignment or transfer). It includes this Agreement and any Security;

Banking Day means any day (other than a Saturday or Sunday) on which registered banks are open for business of the nature required by this Agreement in Auckland and, if on that day a transfer of funds is to be made under this Agreement, the city to which the funds are to be transferred;

Commencement Date means the date the Loan is first drawn down;

Default Rate means the aggregate of Westpac NZ's Indicator Lending Rate from time to time and 7% per annum;

Development means the development to be carried out on the land at 200 Wakefield Street, Wellington;

Dollar and $ means the lawful currency of New Zealand;

Event of Default means any of the events described as such in the General Security Agreement, notwithstanding that the General Security Agreement may be wholly or partially satisfied, released, discharged, avoided, replaced, lost or destroyed from time to time;

First Tranche means $35,000,000;

Floating Rate means, for each Floating Rate Period, the aggregate of the Margin and Westpac NZ's 90 day bank bill bid rate (rounded upwards to the nearest first decimal place) for bills of a comparable amount to the amount of the Loan at the relevant time on the first day of that Floating Rate Period.

Floating Rate Period means a period of 3 calendar months provided that:

a) the first Floating Rate Period will begin on the Commencement Date;

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b) each subsequent Floating Rate Period will begin at the end of the previous one;
c) any Floating Rate Period which would otherwise end on a day which is not a Banking Day will be extended to the next Banking Day;
d) if any Floating Rate Period would otherwise extend beyond the Termination Date it will end on the Termination Date;

General Security Agreement means the general security agreement entered into by the Borrower and Westpac NZ and dated on or about the date of this Agreement;

Governmental Agency means any government or any governmental, semi-governmental or judicial entity or authority including any local government, statutory or self-regulatory organisation established, approved or authorised under law, and any stock exchange, in any case having jurisdiction in relation to the affairs of any party to a Bank Document or to whose control or jurisdiction any party to a Bank Document has consented;

Group means Reading New Zealand Limited and its subsidiaries;

Guarantee means any guarantee, indemnity, letter of credit, legally binding letter of comfort or suretyship. It includes any obligation or irrevocable offer to be responsible for a debt (as defined below) or for the insolvency or financial condition of another person. It also includes any other obligation or irrevocable offer to pay a debt or to purchase a debt, to provide funds for the payment or discharge of a debt (whether by the advance of money, the purchase of or subscription for shares, stock or other interests issued by another person, the purchase of assets or services, or otherwise), or to indemnify against the consequences of default in the payment of a debt. For the purposes of this definition *debt* includes any obligation or indebtedness of another person, present or future, actual, prospective or contingent and any capital or premium on shares, stock or other interests issued by another person;

Guarantor means any person who creates or enters into a Guarantee in support of any Outstanding Moneys;

Interest Calculation Date means the date falling on the day in each calendar month which numerically corresponds to the Commencement Date provided that where there is no numerically corresponding day in any calendar month then it will be the first day in the next calendar month;

Interest Payment Date means, unless Westpac NZ shall determine otherwise, the date falling on the day after each Interest Calculation Date provided that:
(a) where the Interest Calculation Date would otherwise fall on a non-Banking Day then the Interest Payment Date shall be the Banking Day after the next Banking Day; and
(b) where the Interest Calculation Date would otherwise fall on a Banking Day which immediately precedes a non- Banking Day then the Interest Payment Date shall be the next Banking Day;

Land means any land mortgaged or charged from time to time by any member of the Charging Group to Westpac NZ, together with all buildings and improvements on such land;

Letter of Offer means the letter of offer dated 13 April 2015 from Westpac NZ to the Borrower in relation to the Loan;

Loan means the sum of $50,000,000 (being the aggregate of the First Tranche and the Second Tranche);

Margin means, subject to clause 6.2, 1.75% per annum;

Officer includes each employee of Westpac NZ whose title includes the word *Manager* or occupying an office whose title includes the word *Manager* and any person (who need not be an employee) authorised by Westpac NZ;

Outstanding Moneys means, at any time, the Loan outstanding and all other moneys payable, including contingently payable, by the Borrower under this Agreement including accrued interest (including default interest), fees, costs and other expenses whether or not those sums are then due and owing;

Potential Event of Default means any event which, with the giving of notice, lapse of time or satisfaction of any condition or happening of any event would constitute an Event of Default;

Power means a power, right, authority, discretion or remedy which is conferred on Westpac NZ, an Officer or an Attorney by a Bank Document or by law in relation to a Bank Document;

Quantity Surveyor means any quantity surveyor approved in writing by Westpac NZ;

Related Company has the meaning given to that term in the Companies Act 1993 but on the basis that *Subsidiary* has the meaning given to it in this Agreement and that *body corporate* includes any entity;

Second Tranche means $15,000,000;

Security means the General Security Agreement and any other security or undertaking provided by the Borrower or any of the Guarantors or procured by the Borrower to be provided to, or for the benefit of, Westpac NZ from time to time in respect of the Borrower's obligations under this Agreement;

Subsidiary has the meaning given to it in the Financial Reporting Act 1993;

Tax includes any tax, levy, impost, deduction, charge, rate, duty or withholding which is levied or imposed by a Governmental Agency and is required by law to be paid and any related interest, penalty, charge, fee or other amount;

Termination Date means 31 March 2018.

19.2 General

Headings are for convenience only. They do not affect interpretation. The following rules apply unless the context requires otherwise:

a) Singular includes the plural and the converse;
b) A gender includes all genders;
c) Where a word or phrase is defined, its other grammatical forms have a corresponding meaning;
d) Reference to a clause or schedule is a reference to a clause of, or a schedule to, this Agreement;
e) An example does not limit what else might be included;
f) Reference to a party to this Agreement or another agreement or document includes the party's successors and permitted substitutes or assigns;
g) Reference to an agreement or document is to the agreement or document as amended, novated, supplemented or replaced from time to time, except to the extent prohibited by this Agreement;
h) Reference to legislation or to a provision of legislation includes a modification or re-enactment of it, a legislative provision substituted for it and a regulation or statutory instrument issued under it;
i) Reference to an asset includes any real or personal, present or future, tangible or intangible property, right or asset and any right, interest, revenue or benefit in, under or derived from any property right or asset;
j) An Event of Default is continuing until it has been waived in writing by Westpac NZ;
k) Reference to cleared funds means funds which are freely transferable and immediately available for disbursement;
l) Reference to a law includes present or future common or customary law and any statute, statutory instrument, subordinate legislation, regulation, by-law, order or other legislative measure or any judgment or judicial or administrative order or determination or decision, in any jurisdiction;
m) Reference to a person includes a natural person, company, corporation, trust, partnership, firm, joint venture or Governmental Agency, in each case whether or not having separate legal personality, and any association of entities;
n) Reference to a security interest includes a mortgage, charge (fixed or floating or otherwise), encumbrance, lien, pledge, trust, financial lease, sale and lease back, sale and repurchase, title retention (other than in respect of goods purchased in the ordinary course of trading), charge or similar interest imposed by law, and a preferential arrangement of any kind, the practical effect of which is to secure a creditor;
o) Reference to Tax on overall net income of Westpac NZ means tax imposed by the jurisdiction in which Westpac NZ's lending branch is located on all or part of its net income, profits or gains(whether worldwide, or only insofar as such net income, profits or gains are considered to arise in or relate to a particular jurisdiction, or otherwise);
p) Reference to *writing* includes a facsimile transmission and any means of reproducing words in a tangible and permanently visible form;
q) References to the Guarantor are references to each of them severally as well as to any two or more of them jointly, and the obligations and agreements on their part in this Agreement will bind every two or more of them jointly and each of them severally.

EXHIBIT 10.11

Loan Agreement

THIS LOAN AGREEMENT (the "Agreement") is made as of the 26th day of June, 2014, between Santander Bank, N.A., with a place of business at 195 Montague Street, Brooklyn, New York 11201 (hereinafter referred to as "Lender") and Sutton Hill Properties, LLC, a Nevada limited liability company, with a principal place of business at 6100 Center Drive, Suite 900, Los Angeles, California 90045, Attention: Andrzej Matyczynski (hereinafter referred to as "Borrower").

WITNESSETH:

WHEREAS, Lender is the holder of that certain Amended and Restated Mortgage, Assignment of Leases and Rents, Security Agreement and Fixture Filing dated as of June 28, 2012, made by the Borrower, as borrower, in favor of lender, as Lender , in the principal amount of $15,000,000.00, and recorded on July 20, 2012 in the Register's Office of the City and State of New York as CRFN 2012000288512 (together with all extensions, renewals, modifications, substitutions and amendments thereof the "First Mortgage") which secures that certain Second Amended and Restated Promissory Note in the original principal amount of $15,000,000.00 made by Borrower to the order of Lender (together with all extensions, renewals, modifications, substitutions and amendments thereof, the "First Note"; the First Note, the First Mortgage and any of the loan documents which secure and evidence the indebtedness pursuant to the First Note shall hereinafter be referred to as the "First Mortgage Loan Documents");

WHEREAS, the Borrower desires to borrow and the Lender desires to lend to the Borrower, for Borrower's use, as more particularly set forth herein (the "Loan") in connection with its ownership of the real property located at 1001-1007 Third Avenue, New York, New York 10022 (the "Property"), the principal amount of Six Million and 00/100 Dollars (US $6,000,000.00), subject and pursuant to the terms of this Agreement and of that certain Promissory Note in like amount of even date herewith executed and delivered by the Borrower (the " Note") ;

WHEREAS, the Note will be secured by, among other things , a Mortgage, Assignment of Leases and Rents, Security Agreement and Fixture Filing by and between Borrower and Lender (together with all extensions, renewals, modifications, substitutions and amendments thereof, the "Security Instrument") which upon recording will encumber the Property.

Capitalized terms used but not otherwise defined herein shall have the meanings ascribed thereto in the Note.

NOW, THEREFORE, the parties hereto agree as follows: Article I. THE ADVANCE

Section 1.01 Advances.

The Lender agrees, upon the terms, and subject to the conditions hereof, to make a one time advance of the proceeds of the Loan (the "**Advance**") to the Borrower in an amount not to exceed the aggregate principal amount $6,000,000.00. The Loan (including principal and accrued and unpaid interest) shall be due and payable on July 1, 2016 (the "**Maturity Date**"). Interest on the Advance shall accrue and be payable in accordance with the terms of the Note.

Section 1.02 **Manner of Borrowing.**

When the Borrower desires to obtain the Advance, it shall give the Lender at least thirty (30) days' prior written notice (a "**Notice to Borrow Funds**") in the manner hereinafter specified in this Agreement, which Notice to Borrow Funds shall state that it is irrevocable and specify the proposed date of borrowing and the amount thereof and shall constitute the Borrower's affirmation that all representations and warranties contained herein are true and correct and that the Advance shall be subject to all of the Conditions (as hereinafter defined and set forth in this Agreement). The Advance shall be in a whole number and in the minimum amount of $200,000.00. The Notice to Borrow Funds to be given pursuant to this Section shall be accepted only from those persons authorized to execute same pursuant to a resolution or consent of the Borrower's Manager, a certified copy of which shall be delivered to Lender prior to any request for an Advance which shall include specimen signatures of all parties authorized to execute Notices to Borrow Funds.

The failure of the Lender to make the Advance on the date set forth in the Notice to Borrower Funds shall not subject the Lender to any damages whatsoever provided the Advance is made within a reasonable time after the later to occur of the date set forth in the Notice to Borrower Funds or the date all Conditions to the Advance are satisfied; it being expressly acknowledged by the Borrower that such condition is deemed a material inducement to the Lender for entering into the arrangement manifested by this Loan Agreement and the Note.

Article II. REPRESENTATIONS AND COVENANTS

Section 2.01 **Representations.**

The Borrower represents and warrants to the Lender that on the date hereof:

(a) The Borrower has the power and authority to execute, deliver and perform this Agreement, and each of the other documents executed in connection therewith, to own its properties and to carry on its business as now conducted;

(b) The execution, delivery and performance of the Note and this Agreement (i) have been duly authorized by all requisite action of the Borrower; (ii) to Borrower's knowledge do not violate any provision of law, (iii) do not violate the Borrower's Certificate of Formation or its Operating Agreement; any order of any court or other agency, or any agreement to which the Borrower is a party or by which the Borrower is bound; and (iv) will not be in conflict with, result in a breach of or constitute (with due notice or lapse of time or both) a default under any such agreement;

(c) There are no actions, suits , or proceedings before or by any federal , state, municipal or other governmental department, commission , board, bureau, agency or instrumentality pending against the Borrower which if determined adversely to the Borrower, would have a material adverse effect on the business, properties, operations or conditions , financial or otherwise, of the Borrower;

(d) No Event of Default has occurred under this Agreement and no default has occurred under any of the other Loan Documents beyond the expiration of any applicable notice, grace or cure period ;

(e) The Borrower makes no claim that the terms of the Note, including without limitation the interest rate thereon, is usurious nor that there exists any offset, deduction or defense with respect to the Borrower's obligations under the Loan Documents;

(f) The Property is free and clear of any liens, charges or encumbrances other than the First Mortgage;

(g) To Borrower's knowledge , there are no outstanding judgments against the Borrower which have not been paid;

(h) The most recent Financial Statements heretofore delivered to the Lender are complete and correct and since the date thereof there has not occurred any material adverse change in the financial condition or operations of the Borrower, Guarantor or the Property from that shown on said Financial Statements;

(i) Borrower has no knowledge of any impediments to the full and complete performance by the Borrower hereunder or under any of the Loan Documents ;

G) Neither the Borrower nor any person or entity acting or purporting to act on the Borrower's behalf has dealt with any broker in connection with the making of this loan, except as set forth in the, commitment letter of Santander Bank, N.A. addressed to Borrower and dated as of June 11 , 2014, as amended by letter agreement, if any. Borrower hereby indemnifies Lender, and agrees to hold Lender harmless, from and against all loss, liability, damage and expense, including reasonable attorneys' fees and expenses, suffered or incurred by Lender by reason of a breach of this representation. This provision will survive the closing and the repayment of the Note;

(k) The Borrower is a limited liability company duly organized and validly existing under the laws of the State of Nevada and duly authorized to do business in the State of New York pursuant to the laws of the State of New York; and

(l) That the funds received by the Borrower from the Advance requested hereunder and pursuant to the Note will be expended exclusively in connection with the acquisition of floor area rights and/or air rights related to future development of the Property as same will be more particularly described in the Security Instrument.

Section 2 . 02 **C e rtain Co v enants .**

The Borrower covenants and agrees that so long as this Agreement shall remain in effect, Borrower shall:

(a) Pay all sums due and owing under the Note pursuant to its terms;

(b) Do or cause to be done all things necessary to preserve and keep in full force and effect its existence under the laws of its state of formation;

(c) Give prompt notice to the Lender of (i) any proceedings of which the Borrower has notice instituted by or against the Borrower, and (ii) any other action, event or condition of any nature which in either case the management of the Borrower reasonably believes could have, lead to or result in a material adverse effect upon the business, assets or financial condition of the Borrower;

(d) Refrain from mortgaging , pledging, granting or permitting any security interest, lien or encumbrance of any nature in any amount to exist with respect to any of the Borrower's property including without limitation the Property, except where such security interest, lien or encumbrance is for the benefit of the Lender or has otherwise been approved by the Lender;

(e) Provide to Lender all of the deliverables as and when required pursuant to Section 2.04 herein (collectively, the "**Financial Statements**");

(f) Perform all of the Borrower's obligations under the First Mortgage encumbering the Property including without limitation, payment of all sums due thereunder, in a timely manner. Upon the maturity (by acceleration or otherwise, or upon prepayment thereof) of the First Mortgage held by Lender (or its assignee) covering the Property, or upon prepayment thereof, all amounts due hereunder shall simultaneously become due and payable;

(g) Not incur any additional indebtedness except, in the ordinary course of business, with customary time payment arrangements with vendors and suppliers; and

(h) Pay all sums that may be necessary to be paid in order to enforce the Note and to enforce and/or to record the Security Instrument and any agreement or any other documentation executed and delivered in connection with this Agreement, whether such sums be in the nature of recording fees, mortgage tax or any other expense in connection with such recording.

Section 2.03 **Negative Pledge Covenants.**

The Borrower pledges, covenants and agrees that so long as this Agreement shall remain in effect it shall not, without the prior written consent of the Lender, do any of the following:

(a) Except as otherwise permitted in the Security Instrument and the First Mortgage, sell, transfer or otherwise convey, either voluntarily or involuntarily, all or any portion of the Property or any interest or estate therein; or

(b) Grant or suffer to exist any mortgage, pledge, lien, secured interest, hypothecation or other encumbrances upon the Property including any personal property owned by the Borrower now or hereafter placed in or attached to and necessarily used in connection with the Property except as maybe approved by Lender; or

(c) Except for the Master Lease, enter into any leasing arrangement of any kind in respect of all or substantially all of the Property;

(d) Reduce the rent payable by the tenant pursuant to the Master Lease or enter into any amendments or modifications of the Master Lease;

(e) Suffer or permit any mechanics' or other statutory lien which is filed against the Property to remain undischarged or not bonded for a period exceeding sixty (60) days beyond the filing date thereof; or

(f) Grant or suffer to exist any indebtedness (secured or unsecured), other than indebtedness owing to Lender, or grant or suffer to exist any Lien on or with respect to any deposit accounts (other than any Lien in favor of the Lender), whether now owned or hereafter acquired by the Borrower, or pledge, assign or transfer any rights to any deposit accounts, except as may be approved in writing by Lender. "**Lien**" means any mortgage, pledge, hypothecation, assignment, deposit arrangement, encumbrance, lien (statutory or other), or preference, priority of other security agreement or preferential arrangement of any kind or nature whatsoever.

Section 2.04 **Books and Records.** 1

(a) Borrower shall keep accurate books and records of account in accordance with generally accepted accounting principles in which full, true and correct entries shall be promptly made with respect to Borrower, the Property and the operation thereof, and will permit all such books and records (including without limitation all contracts, statements, invoices, bills and claims for labor, materials and services supplied for the construction, repair or operation to Borrower of the Improvements) to be inspected or audited and copies made by Lender and its representatives during normal business hours and at any other reasonable times on at least forty eight (48) hours advance notice. Borrower represents that its chief executive office is as set forth in the introductory paragraph of this Agreement and that all books and records pertaining to the Property are maintained at the Property or at its chief executive office. Borrower will furnish, or cause to be furnished, to Lender on or before ninety (90) calendar days following the end of each calendar year the following items, each certified by Borrower as being true and correct, in such format and in such detail as Lender or its servicer may reasonably request:

(i) a written statement (rent roll) dated as of the last day of each such calendar year identifying each of the Leases by the term, space occupied, rental required to be paid (including percentage rents and tenant sales), security deposit paid, any rental concessions, all rent escalations, any rents paid more than one (1) month in advance, any special provisions or inducements granted to tenants, any

2.04 same as Section 3.8 of the Mortgage

taxes, maintenance and other common charges paid by tenants, all vacancies and identifying any defaults or payment delinquencies thereunder;

(ii) year-to-date operating statements prepared for each calendar quarter during each such reporting period detailing the total revenues received, total expenses incurred, total cost of all capital improvements, total debt service and total cash flow; and

(iii) a current personal financial statement of each Guarantor, if applicable, in a form satisfactory to Lender.

(b) Within ninety (90) calendar days following the end of each calendar year, Borrower shall furnish a statement of the financial affairs and condition of the Borrower and the Property including a statement of profit and loss for the Property in such format and in such detail as Lender or its servicer may reasonably request, and setting forth the financial condition and the income and expenses for the Property for the immediately preceding calendar year prepared and audited by an independent certified public accountant. Borrower shall deliver to Lender copies of all income tax returns, requests for extension and other similar items contemporaneously with its delivery of same to the Internal Revenue Service.

(c) Borrower will permit representatives appointed by Lender, including independent accountants, agents, attorneys, appraisers and any other persons, to visit and inspect on at least twenty-four hours advance notice during its normal business hours and at any other reasonable times any of the Property or Borrower's chief executive office and to make photographs thereof, and to write down and record any information such representatives obtain, and shall permit Lender or its representatives to investigate and verify the accuracy of the information furnished to Lender under or in connection with this Agreement or any of the Loan Documents and to discuss all such matters with its officers, employees and representatives. Borrower will furnish to Lender at Borrower's expense all evidence which Lender may from time to time reasonably request as to the accuracy and validity of or compliance with all representations and warranties made by Borrower in the Loan Documents and satisfaction of all conditions contained therein. Any inspection or audit of the Property or the books and records of Borrower, or the procuring of documents and financial and other information, by or on behalf of Lender, shall be at Borrower's expense and shall be for Lender's protection only, and shall not constitute any assumption of responsibility or liability by Lender to Borrower or anyone else with regard to the condition, construction, maintenance or operation of the Property, nor Lender's approval of any certification given to Lender nor relieve Borrower of any of Borrower's obligations. Lender may divulge to any Investor (as hereinafrer defined) all such information, and furnish to such Investor copies of any such reports, financial statements, certificates, and documents obtained under any provision of this Agreement, or related agreements and documents, provided that such information shall be provided on a confidential basis.

(d) Without limiting Lender's other rights and remedies under this Agreement and the other Loan Documents, in the event that any statement or document required to be delivered to Lender pursuant to this Section 2.04 is not delivered within thirty (30) days of the date when the same is due **"Delinquent Reports")** upon fifteen (15) days notice to Borrower, the

Interest Rate (as defined in the Note) shall be increased by adding one quarter percent (0.25%) per annum (i.e. 25 basis points) to the Interest Rate until such time as all Delinquent Reports, in form and substance reasonably satisfactory to Lender, have been delivered to Lender.

Article III. CONDITIONS TO ADVANCE

Section 3.01 Conditions

The obligation of the Lender to make the Advance is subject to the satisfaction of all of the following conditions precedent (the **"Conditions")** (each of which is deemed material and none of which may be waived except by an instrument executed by the Lender):

(i) The Lender shall have received:

(1) the irrevocable Notice to Borrow Funds;

(2) certified copy of the resolutions or consent adopted by the members of Borrower, in form and substance reasonably satisfactory to Lender authorizing the execution, delivery and performance of the Security Instrument and all of the other related Loan Documents required at the time of the Advance, including, but not limited to the Notice to Borrow Funds;

(3) copies of the most recent year end Financial Statements;

(4) a certificate from Borrower that all the representations and warranties set forth herein shall be true and correct on and as of such time with the same effect as though such representations and warranties have been made on and as of such time, except to the extent such representations and warranties expressly relate to an earlier date; and

(5) a certificate of Borrower, stating no proceedings exist affecting Borrower or the Property that could have a Material Adverse Effect on Borrower, the Loan, the First Mortgage or the Property, and (B) a Certificate from the Guarantors, to the effect that no proceedings exist affecting any Guarantor which could have a material adverse effect on such Guarantor, in each case, which have not been disclosed to Lender in writing.

(ii) Borrower shall be in compliance with all the terms and provisions set forth herein on its part to be observed or performed and no **"Event of Default"** (as hereinafter defined), nor any event which upon notice or lapse of time or both would constitute an Event of Default, shall have occurred and be continuing either at the time of the Advance or as a result of such borrowing, including but not limited to compliance with all financial reporting requirements set forth herein

(iii) Borrower shall be in compliance with all the terms and provisions set forth in the First Mortgage Loan Documents on its part to be observed or performed and no

"Event of Default" (as defined in the First Mortgage Loan Documents), nor any event which upon notice or lapse of time or both would constitute an Event of Default pursuant to the First Mortgage Loan Documents, shall have occurred and be continuing either at the time of the Advance or as a result of such borrowing, including but not limited to compliance with all financial reporting requirements set forth therein;

(iv) Lender's computation that the Borrower shall maintain a Debt Yield of no less than 11% during the term of the Loan. In the event that Lender shall at any time determine that the Debt Yield is less than **11%**, Borrower shall within thirty (30) days of notice and demand by Lender, either reduce the Loan amount (by the payment of principal) or pledge such additional collateral as may be acceptable to Lender in order to maintain the required Debt Yield. Borrower's failure to either reduce the Loan balance as necessary or satisfy Lender's demand for additional collateral acceptable to it within thirty (30) days of notice having been given by Lender, shall be considered an Event of Default hereunder. "Debt Yield" shall mean, as of any date, the quotient (expressed as a percentage) obtained by dividing (i) the net operating income for the twelve (12) month period ending with the most recently completed calendar month by (b) the outstanding principal balance of the Note and the First Note as of such date. Lender's calculation of the Debt Yield, and all component calculations, shall be conclusive and binding on Borrower absent manifest error;

(v) Immediately prior to the Advance, Lender shall cause title company to file and record the Security Instrument substantially in form attached hereto as **Exhibit A** and related certificates for the Property in the appropriate recording office in New York County. The Borrower shall (i) pay any and all expenses of the Lender incurred in connection with the foregoing matters, including, without limitation, the costs of any title insurance, recording fees, mortgage recording tax, survey, environmental reports and the reasonable fees and expenses of the Lender's counsel and (ii) deliver any documents reasonably requested by the Lender or the title company in connection with effectuating the foregoing matters;

(vi) Lender shall have received a NY ALTA (1992) loan policy of title insurance (the **"Loan Title Policy")** in the amount of the Advance, substantially in the form attached hereto as **Exhibit B** issued by the title company to Lender, insuring the Security Instrument as a valid and subsisting second mortgage lien on the Property subject only to standard and customary permitted exceptions, including the lien of the First Mortgage. The Loan Title Policy shall contain such affirmative insurance and endorsements as Lender shall reasonably require;

(vii) opinion(s) of counsel as to the authority, due execution, and enforceability of the Security Instrument and related Loan Documents in form substantially similar to the opinion given in connection with this Agreement or otherwise reasonably acceptable to the Bank;

(viii) a certificate from Borrower and other evidence satisfactory to Lender in its reasonable discretion, including but not limited to, an agreement of purchase and sale in connection with the acquisition of floor area rights and/or air rights and/or other

development or zoning rights that will benefit the Property as same will be more particularly described in the Security Instrument;

(ix) payment to Lender of a standby fee equal to one quarter of one percent (0.25%) of the Unused Portion on the first anniversary of the Loan and every anniversary thereafter until the Loan is paid in full, provided, however, Borrower shall pay Lender a pro rata portion of such standby fee if the Loan is paid in full prior to any given one year anniversary of the Loan. The Unused Portion shall mean the difference, if any, between the maximum aggregate principal amount that may be advanced under the Note and the Advance ; and

(x) payment of all of Lender's expenses in connection with the review and Borrower's compliance with the Conditions including but not limited to Lender's reasonable attorneys' fees and expenses.

Article IV. **DEFAULT**

Section 4.01 **Events of Default.**

Each of the following shall constitute an **"Event of Default"** under this Agreement:

(a) if any representation or warranty of Borrower or of its members, general partners, principals, affiliates, agents or employees, or of any Guarantor made herein or in the Environmental Indemnity or in any Loan Document, in any guaranty, or in any certificate, report, financial statement or other instrument or document furnished to Lender shall have been false or misleading in any material respect when made;

(b) The failure to make any payment of principal or interest under the Note on or before the tenth (10 ıh) calendar day after the day on which the same is due (without regard to any applicable cure and/or notice period) or if the entire Debt is not paid on or before the Maturity Date, along with applicable prepayment premiums, if any

(c) if Borrower, or its general partner, member or manager, if applicable, violates or does not comply with any of the provisions of Section 3.3, Section 4.3, or Article 8 hereof, or Article 19 of the Note, or fails to deliver any of the reports required by Section

(d) if Borrower or any Guarantor shall make an assignment for the benefit of creditors or if Borrower or any Guarantor shall admit in writing its inability to pay, or Borrower's or any Guarantor's failure to pay its debts as they become due;

(e) if (i) Borrower or any member or manager of Borrower, or any Guarantor shall commence any case, proceeding or other action (A) under any existing or future law of any jurisdiction, domestic or foreign, relating to bankruptcy, insolvency, reorganization, conservatorship or relief of debtors, seeking to have an order for relief entered with respect to it, or seeking to adjudicate it a bankrupt or insolvent, or seeking reorganization, arrangement, adjustment, winding-up, liquidation, dissolution, composition or other relief with respect to it or its debts, or (B) seeking appointment of a receiver, trustee, custodian, conservator or other

similar official for it or for all or any substantial part of its assets, or Borrower or any member or manager of Borrower, or any Guarantor shall make a general assignment for the benefit of its creditors; or (ii) there shall be commenced against Borrower or any member or manager of Borrower, or any Guarantor any case, proceeding or other action of a nature referred to in clause (i) above which (A) results in the entry of an order for relief or any such adjudication or appointment or (B) remains undismissed, undischarged or unbonded for a period of ninety (90) calendar days; or (iii) there shall be commenced against Borrower or any member or manager of Borrower or any Guarantor any case, proceeding or other action seeking issuance of a warrant of attachment, execution, distraint or similar process against all or any substantial part of its assets which results in the entry of any order for any such relief which shall not have been vacated, discharged, or stayed or bonded pending appeal within ninety (90) calendar days from the entry thereof; or (iv) Borrower or any member or manager of Borrower, or any Guarantor shall take any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the acts set forth in clause (i), (ii) or (iii) above; or (v) Borrower or any member or manager of Borrower, or any Guarantor shall generally not, or shall be unable to, or shall admit in writing its inability to, pay its debts as they become due;

(f) The occurrence of any materially adverse change in the financial condition of the Borrower or any Guarantor (for purposes of this Agreement, a **"materially adverse change"** shall mean one which in the determination of the Lender that, in its sole judgment, impairs the ability of the Borrower or any Guarantor with respect to (i) maintaining and/or operating the Property, (ii) paying all real estate and, related taxes and charges and (iii) meeting all of its financial obligations to the Lender and all other creditors);

(g) The occurrence of any default beyond the expiration of any applicable notice, grace or cure period under (i) any mortgage(s) now or hereafter covering the Property, giving rise to a right to accelerate payment thereof regardless of whether such mortgage(s) is/are held by Lender or a third party or (ii) any other agreement (loan or otherwise) between Lender and Borrower now existing or hereafter made;

(h) The failure to perform any of the other covenants, terms or agreements on the part of the Borrower to be performed hereunder or under any of the other Loan Documents beyond any applicable notice and cure period;

(i) if any federal tax lien is filed against Borrower, any general partner, member or manager of Borrower, any Guarantor or the Property and same is not discharged of record within forty-five (45) calendar days after Borrower becomes aware of such filing;; or

U) Any "Event of Default" (as defined in the First Mortgage Loan Documents) or any event which upon notice or lapse of time or both would constitute an Event of Default occurs pursuant to the First Mortgage Loan Documents.

Section 4.02 **Effect of Default.**

(a) Upon the occurrence of an Event of Default, the Lender, in its sole and absolute discretion, may (1) temporarily suspend the extension of credit and refuse to honor any request for an Advance, (2) demand the prepayment of the Advance, (3) pursue any other rights

or remedies available to the Lender under this Agreement or the other Loan Documents, (4) terminate this Agreement and any obligation hereunder to make the Advance by declaring the loan to be immediately due and payable and/or exercising such of the other remedies provided for in the Loan Documents as the Lender may elect. The costs and expenses of Lender incurred in carrying out any or all of the above and enforcing the terms of this Agreement or the Note, including reasonable attorneys' fees, shall be at Borrower's expense.

(b) Without limiting any remedy otherwise available to the Lender, the Borrower shall pay a late charge, to the extent permitted by law, of five ($.05) cents per each dollar ($1.00) of each payment received and accepted by the Lender more than ten (10) days after the date it is due, to cover the extra expense involved in handling such delinquent payment.

(c) Anything to the contrary herein notwithstanding, Lender shall give written notice to Borrower with respect to any non-monetary defaults hereunder and Borrower shall have a period of thirty (30) days from the date of such notice to cure the default, if Borrower or any Guarantor, as the case may be, shall continue to be in default under any other term, covenant or condition of this Agreement or any Loan Documents for thirty (30) calendar days after notice from Lender; provided that if such default cannot reasonably be cured within such thirty (30) calendar day period and Borrower (or such Guarantor as the case may be) shall have commenced to cure such default within such thirty (30) calendar day period and thereafter diligently and expeditiously proceeds to cure the same, such thirty (30) calendar day period shall be extended for so long as it shall require Borrower (or such Guarantor as the case may be) in the exercise of due diligence to cure such default, it being agreed that no such extension shall be for a period in excess of sixty (60) calendar days after the notice from Lender referred to above.

(d) If the Borrower fails to observe or perform any of the covenants or agreements on the part of the Borrower to be performed hereunder, then the Lender may, but shall not be obligated to, perform the same and all necessary and all reasonable costs incurred by the Lender in performing the Borrower's covenants and agreements, including reasonable counsel fees, shall be repaid by the Borrower upon demand, together with interest thereon at the default rate under the Note.

Section 4.03 **No Waiver.**

(a) Any failure of the Lender to exercise its option to declare the loan immediately due and payable, or any forbearance by the Lender before or after any exercise of such option, or any forbearance to exercise any other remedy of the Lender, or any withdrawal or abandonment of the Lender of any of its rights in any one circumstance, shall not be construed as a waiver of any option, power, remedy or right of the Lender hereunder except to the extent, if any, the action of the Lender constitutes an express waiver with respect to such one circumstance. The rights and remedies of the Lender expressed and contained in this Agreement and in the Loan Documents are cumulative and none of them shall be deemed to be exclusive of any other or of any right or remedy the Lender may not or hereafter have in law or in equity. The election of any one or more remedies shall not be deemed to be an election of remedies under any statute, rule, regulation or other law.

(b) The obligations of the Borrower (and the rights and remedies of the Lender against the Borrower) hereunder shall in no way be modified, abrogated, terminated or adversely affected by (i) any forbearance by the Lender in collecting any sums due, or (ii) the granting of any extension of time to perform any obligation hereunder or (iii) any impairment of the collateral, if any, which may now or hereafter be assigned or delivered to Lender to secure payment of the amounts due under the Note or hereunder, by reason of any act, failure to act or negligence of the Lender.

Article V. MISCELLANEOUS

Section 5.01 **Notices.**

All notices to be given hereunder shall be delivered by hand, or sent to the party to be notified via certified mail, return receipt requested or sent by a nationally recognized overnight courier which provides evidence of receipt and shall be deemed given when delivered by hand or one (1) day after delivery to such nationally recognized overnight courier or three (3) days after being posted with the United States Postal Service addressed to the parties as follows:

If to the Lender at: Santander Bank, N.A.
195 Montague Street
Brooklyn, New York 11201 Attn: Elizabeth Bae

With a copy to: Windels Marx Lane & Mittendorf, LLP
156 West 56th Street
New York, New York 10019 Attention: Michele Arbeeny, Esq.

If to the Borrower at: Sutton Hill Properties, LLC
6100 Center Drive
Suite 900
Los Angeles, California 90045 Attention: Andrzej Matyczynski

to: Marcus Rosenberg & Diamond LLP 488 Madison Avenue
New York, New York 10022 Attention: Jeffrey M. Diamond, Esq.

Section 5.02 **Successors and Assigns.**

The terms Borrower and Lender, shall include the named Borrower and the named under and their respective legal representatives, successors and any permitted assigns.

Section 5.03 **Severability.**

If any one or more of the provisions contained in this Agreement or in any of the Loan Documents shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or enforceability shall not affect any other provision of this Agreement or of the Note or any Loan Document.

Section 5.04 **Expenses of Lender.**

The Borrower shall pay all out-of-pocket expenses, including but not limited to, reasonable counsel fees incurred by the Lender in connection with the preparation execution and delivery of this Agreement and the enforcement or amendment of any of its rights or provisions hereunder.

Section 5.05 **Indemnity.**

The Borrower shall indemnify and hold harmless the Lender from and against any and all liabilities, obligations, losses, damages, penalties, claims, actions, suits, proceedings, judgments, costs, expenses and disbursements, including but not limited to, counsel fees in any way relating to or arising out of the failure of the Borrower to perform in full its obligations under this Agreement or under any of the Loan Documents.

Section 5.06 **Applicable Law.**

This Agreement shall be governed by and construed in accordance with the laws of the State of New York without regard to conflict of laws principles.

Section 5.07 **Jurisdiction.**

ANY ACTION ORPROCEEDING IN CONNECTION WITH THIS AGREEMENT MAY BE BROUGHT IN A COURT OF RECORD OF THE STATE OF NEW YORK, COUNTY OF NEW YORK, THE PARTIES HEREBY CONSENTING TO THE JURISDICTION THEREOF.

Section 5.08 **Waiver of Certain Defenses.**

IN ANY ACTION OR PROCEEDING IN CONNECTION WITH THIS AGREEMENT, OR ANY OTHER LOAN DOCUMENT, THE BORROWER WAIVES ANY CLAIM THAT NEW YORK IS AN INCONVENIENT FORUM AND FURTHER WAIVES THE RIGHT TO INTERPOSE ANY DEFENSE BASED UPON ANY STATUTE OF LIMITATIONS OR ANY CLAIM OF LACHES AND ANY SET-OFF OR COUNTERCLAIM OF ANY NATURE OR DESCRIPTION EXCEPT FOR ANY COUNTERCLAIMS DEEMED COMPULSORY UNDER APPLICABLE COURT RULES OR STATUTES.

Section 5.09 **Waiver of Jury Trial and Waiver of Certain Damages.**

IN ANY ACTION OR PROCEEDING IN CONNECTION WITH THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT, THE LENDER AND BORROWER MUTUALLY WAIVE, TO THE FULLEST EXTENT PERMITTED BY LAW, TRIAL BY JURY AND BORROWER HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY CLAIM FOR CONSEQUENTIAL, PUNITIVE OR SPECIAL DAMAGES.

Section 5.10 **Joint and Several Liability.**

If this Agreement is executed by more than one person or entity, all representations, warranties, obligations and covenants made by the Borrower hereunder shall be deemed to have been made by each of such persons and entities and the obligations and duties of such parties hereunder shall be deemed to be joint and several in all respects.

Section 5.11 **Origination Fee.**

This Agreement shall not become effective unless Lender has received, (a) payment of Borrower to Lender of the origination fee to Lender and (b) payment by Borrower of legal fees and expenses incurred by Lender to the Lender's counsel.

Section 5.12 **Counterparts.**

This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but all of which, when taken together, shall constitute one and the same instrument and shall become effective when copies hereof, when taken together, bear the signatures of each of the parties hereto and it shall not be necessary in making proof of this instrument to produce or account for more than one of such fully executed counterparts.

Section 5.13 **Satisfaction of Note.**

At such time as the First Mortgage or any other mortgage(s) covering the Property, whether held by Lender or another lending institution, becomes due and payable, whether upon the maturity thereof or by acceleration or otherwise, or upon prepayment thereof, the Borrower shall also be required to immediately repay to Lender all amounts outstanding under the Note and this Agreement and if the Advance is not outstanding at such time, no advance shall be available hereunder.

Section 5.14 **Authorization.**

The execution and delivery of this Agreement and the Note referred to herein have been duly authorized by the members of Borrower.

Section 5.15 **Cooperation**

In the event Borrower determines that it would be beneficial to have the proceeds of the Loan in the form of multiple advances, Lender agrees to reasonably cooperate with Borrower with respect to the modification of the Loan Documents to provide for multiple advances subject to Borrowers payment of all costs and expenses in connection with any such modification.

EXHIBIT 10.19

Separation and Release Agreement

This Separation and Release Agreement (this " **Agreement** ") dated as of May 30, 2014, will be effective as of the lapse of the Revocation Period set forth in Section 9 hereof (the " **Effective Date** "), and is made and entered into by and between Andrzej Matyczynski (" **Executive** " or " **you** ") and Reading International, Inc., a Nevada corporation (" **Reading** " or the " **Company** ").

RECITALS :

WHEREAS, Executive has been employed by Reading and certain affiliates as its Chief Financial Officer ("CFO"), Treasurer and Corporate Secretary pursuant to the terms of an employment agreement dated October 28, 1999 (the " **Employment Agreement** ");

WHEREAS, you and the Company desire an appropriate strategy for you to retire and amicably end your career with the Company;

NOW, THEREFORE, in consideration of the mutual covenants hereinafter set forth, the parties hereto agree as follows:

1. **Resignation as Chief Financial Officer** . Effective immediately upon request of the Company's Chief Executive Officer (" **CEO** ") (the " **Resignation Date** "), you will resign as the Company's Chief Financial Officer, Treasurer and Corporate Secretary and from any and all other positions that you hold as an officer, director and/or manager of the Company and its various direct and indirect subsidiaries. Your status as a corporate officer, director, manager or any fiduciary position (including as a fiduciary of any employee benefit plans sponsored by the Company or any affiliate) with the Company and all affiliates will end on the applicable Resignation Date and you hereby agree to submit your written resignation from any such offices and positions upon request on or after the Resignation Date, effective as of the Resignation Date. You acknowledge and agree that your Resignation Date may differ from office to office and from position to position.

2. **Transition Period Services.** Commencing on the date of this Agreement and continuing through the Retirement Date (defined below), Executive Agrees to continue to serve as the Company's CFO and Principal Financial Officer for Securities Exchange Act reporting purposes until a successor CFO and/or Principal Financial Officer is appointed and to provide such advice and transition assistance to the Company as the CEO of the Company may reasonably designate from time to time, including to continue to perform the duties of the CFO and Principal Financial Officer during the Transition Period on an "at will" basis (hereinafrer, the " **Services** "). Executive hereby agrees to execute as CFO and Principal Financial Officer all appropriate filings to be made by the Company under the Securities Exchange Act during the period prior to the effective date of the appointment of a successor CFO. The period between the date of this Agreement and the Retirement Date is hereinafrer referred to as the " **Transition Period** ." During the Transition Period, Executive's duties will be substantially the same as present, but may be limited from time to time by the CEO. During the Transition Period, you agree to spend sufficient time on Company matters to perform the duties of the CFO and

Principal Financial Officer until a new CFO is appointed and to facilitate an orderly transition of responsibilities to the new CFO and, after a new CFO is appointed, to continue to make yourself available as needed, up to a full time basis, to attend to Company matters as requested from time to time. Unless otherwise specified by the CEO, services will be performed at the Company's executive headquarters building, in space provided by the Company. The Company will provide for parking during the Transition Period. It is anticipated that, unless otherwise agreed, Executive will be available at the Company's executive headquarters building Monday through Thursday of each week. On each Friday during the Transition Period, Executive may provide Services remotely. In providing the Services during the Transition Period, you will continue to be an employee of the Company but will not have the authority to speak on behalf of or bind the Company except as authorized by the CEO of the Company or as required to discharge your duties in connection with providing the Services and performing the duties of the CFO and Principal Financial Officer. All compensation under this Agreement, including any compensation attributable to the Services, will be subject to tax withholding by the Company. The Company may terminate this Agreement immediately and without prior notice if Executive refuses to or is unable to perform the Services or is in breach of any material provision of this Agreement. Termination due to Executive's wrongful refusal to perform any services, material breach of this Agreement or for criminal misconduct involving any felony, or any misdemeanor involving moral turpitude or a criminal violation of federal or state securities laws is referred to herein as " **Termination for Cause** "). Executive's " **Retirement Date** " will be the last day Services are provided during the period starting on the date of this Agreement and ending on September 1, 2014, or such earlier termination date.

3. **Restrictive Covenants** . Due to Executive's position with and relationship to the Company and its affiliates, Executive has had, and/or shall have, access to confidential or proprietary data or information of the Company and/or any affiliates of Company. This confidential information includes, but is not limited to, the Company's human resources and Executive-related information, strategic business plans, budgets, financial performance and financial statements, operational information, business and employment contracts, compensation information, and other information that the Company treats as confidential or proprietary. Executive agrees he will not disclose or use the Company's confidential or proprietary information. Executive further agrees that the terms of any and all Company policies regarding trade secrets, confidential or proprietary information will continue to apply to him after the Retirement Date. Executive understands that the Company may seek ftom a court of competent jurisdiction an injunction to prohibit such disclosure. For so long as Executive is employed by the Company, and for a period of one year after the Retirement Date, Executive shall not directly or indirectly, either alone or in concert with others, solicit or entice any employee of the Company or any of its affiliates, or any independent contractor of the Company or any of its affiliates, which independent contractor is primarily engaged in business related to the Company or any of its affiliates, to leave or cease providing services to the Company or affiliate or to work for anyone in competition with the Company or its affiliates, except for any individual whose employment or business relations with the Company and/or any of its affiliates ceased at least six months prior to Executive's solicitation or enticement of the individual. The provisions of this Section 3 and the Company policies that relate to trade secrets, confidential and proprietary information and non-solicitation of employees will survive the termination of your employment and are incorporated in this Section 3 by reference (the " **Restrictive Covenants** "). Payments to you under Section 4.1 and Section 4.2 will be conditioned on your continued compliance with

the provisions of the Restrictive Covenants and the provisions of this Agreement. In the event of any violation by you of the Restrictive Covenants or the provisions of this Agreement, no further payments will be made under Section 4.1 and no additional vesting will occur under Section 4.2. Your right to any unpaid payments under Section 4.1 and any unvested equity awards under Section 4.2 will be forfeited.

4. **Compensation** . In exchange for your Services, the restrictive covenant obligations described above, the Release provided below and satisfaction of all contractual obligations under the terms of the Employment Agreement, you will receive the following compensation and benefit treatment:

4.1 **Payments** .

(a) *Base Salary; Accrued Obligations* . As consideration for your agreement to provide Services under Section 2 and your agreement to the Restrictive Covenants under Section 3, you will continue to receive your current base salary and employee benefits during the Transition Period. You will continue be paid through the end of the Transition Period or earlier termination of the Agreement. On the Retirement Date, you will receive payment in respect of your accrued and unused vacation, accrued but unpaid base salary through the Retirement Date and reimbursement of unreimbursed business expenses for which substantiation has been submitted in accordance with the Company's policies and procedures (collectively, the " **Accrued Obligations** "). You acknowledge and agree that as of the date of this Agreement, you have 200 hours of accrued and unused vacation. The amount of accrued and unused vacation will be adjusted for additional accruals and vacation time taken during the Transition Period. You acknowledge and agree that you will consult with the CEO regarding scheduling any vacation time during the Transition Period to accommodate the Company's requirements and to not unduly interfere with the performance of the Services.

(b) *COBRA.* You will be offered the opportunity to receive continuation coverage for yourself and your eligible dependents under the Company's medical and dental plans pursuant to the provisions of the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended (" **COBRA** ") following the Retirement Date, provided you timely elect and pay for such coverage.

(c) *Severance Pay.* No later than the eighth (8 th) day following the Retirement Date, provided that there has not been a Termination for Cause and that the executed Reaffirmation Agreement described in Section 7.6 has been delivered to the Company without revocation, you will be entitled to a lump sum payment of severance in an amount equal to $244,500.00, which is comprised of a "leaving bonus" equivalent to six months of your annual base salary in the amount of $154,500, an additional "leaving bonus" in the amount of $50,000 and an additional payment of $40,000 (collectively, the " **Severance Pay** "). The Severance Pay will be subject to applicable tax withholding and will be further reduced by $33,000, representing an offset for repayment of the outstanding loan (which loan was grandfathered under Section 13(k) of the Securities Exchange Act as amended by the Sarbanes-Oxley Act of 2002) to Executive from the Company (the " **Loan Offset** "). Executive acknowledges and agrees that payment of the Severance Pay, reduced by the Loan Offset, satisfies any and all "leaving

bonus" obligations under the Employment Agreement and is in excess of the amount Executive otherwise would be entitled to.

(d) *Deferred Compensation Plan* . Reference is made to that certain Non-Qualified Deferred Compensation Plan between the Company and the Executive dated as of October 19, 2012 (the " **Deferred Compensation Plan** "). Provided that there has not been a termination "For Cause" as defined in the Deferred Compensation Plan, Executive will continue to be eligible to receive the benefits of the Deferred Compensation Plan according to its terms. If, in the determination of the Board, Executive has satisfactorily performed the Services and all of Executive's other obligations under this Agreement, and provided that there has been no Termination for Cause under this Agreement and that the executed Reaffirmation Agreement described in Section 7.6 has been delivered to the Company without revocation, the Board of Directors will authorize an allocation under the Deferred Compensation Plan for the 2014 plan year and will make a corresponding contribution to the grantor trust in the amount of $50,000 (representing a pro-rata amount of the annual allocation and contribution for 2014 through the Retirement Date). The timing and the amount of the distribution under the Deferred Compensation Plan of Executive's vested benefit will be determined according to the terms of the Deferred Compensation Plan.

4.2 **Equity Awards** . All unvested stock options, restricted stock or other equity compensation granted to Executive prior to the Resignation Date will continue to vest through the Retirement Date.

4.3 **O ther Compensation Matters.** Notwithstanding anything to the contrary contained in this Agreement (including the Release set forth in Section 7 hereof), you hereby acknowledge that, in connection with your Resignation and Retirement when you cease to be an employee of the Company, you will not be entitled to receive from the Company or an affiliate (i) any additional severance pay or benefits except as provided in Section 4.1 and Section 4.2, or (ii) any retiree termination welfare benefits (other than health care continuation coverage that you may be entitled to elect pursuant to Section 4980B of the Code), in each case including, but not limited to any severance pay or benefits pursuant to the Employment Agreement. Your participation in all Company perquisites will cease as of the Retirement Date.

5. **Nondisparagement.** The Executive agrees to refrain from making any false or misleading statements or comments about the Company and any of its respective affiliates, their officers, directors, personnel, or any of their products and services. The Executive agrees to refrain from making any disparaging remarks to any person (other than comments to Executive's immediate family members or advisers that are made on a confidential basis and are not repeated or published by such persons) about the Company and any of its respective affiliates, their officers, directors, their respective personnel, and their respective products and services; except to the extent otherwise required by applicable law.

6. **Cooperation .** In order to ensure a smooth transition from Executive's employment with Company, Executive agrees to provide reasonable assistance to and cooperation with Company following the Retirement Date in connection with any Company matters for which Executive had knowledge or responsibility while employed by Company. If Company is involved in any legal action or investigation after Executive's Retirement Date relating to events which occurred during Executive's employment (including without limitation, the Malulani Investments Limited, Starn O'Toole, the Blumenfeld Enterprises Inc. and the Urquhart matters) Executive will cooperate with the Company to the fullest extent reasonably possible (taking into consideration Executive's schedule and other commitments) in the preparation, prosecution, or defense of the Company's case, including, but not limited to, required travel, appearances and testimony, the execution of affidavits or documents or providing information requested by the Company. Company will reimburse Executive for reasonable pre-approved out-of-pocket expenses and reasonable pre-approved compensation (if Executive is no longer receiving Base Salary or severance payments), based on an hourly rate of $200 per hour, for time related to such assistance.

7. **Release.** You hereby acknowledge that the Company's obligations under Section 4 hereof are in excess of any payments or benefits to which you are entitled under law, contract or otherwise and are contingent upon your timely execution of, and failure to revoke this Agreement, including the release of claims set forth in this Section 7 (the " **Release** "). In the event that you do not timely execute the Agreement or if you timely revoke the Agreement as described below, the Company will have no obligations to you under this Agreement. For purposes of this Section 7, " **Released Parties** " include the Company and its affiliated companies and their officers, directors, shareholders, employees, agents, representatives, plans, trusts, administrators, fiduciaries, insurance companies, successors, and assigns.

7.1 You, on behalf of yourself and your personal and legal representatives, heirs, executors, successors and assigns, hereby acknowledge full and complete satisfaction of, and fully and forever waive, release, and discharge the Released Parties from any and all claims, causes of action, demands, liabilities, damages, obligations, and debts (collectively referenced as " **Claims** "), of every kind and nature, whether known or unknown, suspected or unsuspected, that you hold as of the date you sign this Agreement, or at any time previously held against any Released Party, arising out of any matter whatsoever (with the exception of breach of this Agreement). This release specifically includes, but is not limited to, any and all Claims:

(a) Arising out of or in any way related to your employment with or separation of employment from the Company, or any contract or agreement between you and the Company or the termination thereof;

(b) Arising out of or in any way related to any treatment of Executive by any of the Released Parties, which shall include, without limitation, any treatment or decisions with respect to hiring, placement, promotion, discipline, work hours, demotion, transfer, termination, compensation, performance review, or training; (iv) any statements or alleged statements by the Company or any of the Released Parties regarding Executive, whether oral or in writing; (v) any damages or injury that Executive may have suffered, including without limitation, emotional or physical injury, compensatory damages, or lost wages; or (vi) employment discrimination, which shall include, without limitation, any individual or class

claims of discrimination on the basis of age, disability, sex, race, religion, national origin, citizenship status, marital status, sexual preference, or any other basis whatsoever.

(c) Arising under or based on the Equal Pay Act of 1963 (EPA); Title VII of the Civil Rights Act of 1964, as amended (Title VII); Section 1981 of the Civil Rights Act of 1866 (42 U.S.C. §1981); the Civil Rights Act of 1991 (42 U.S.C. §1981a); the Americans with Disabilities Act of 1990, as amended (ADA); the Family and Medical Leave Act of 1993, as amended (FMLA); the Genetic Information Nondiscrimination Act of 2008 (GINA); the National Labor Relations Act (NLRA); the Worker Adjustment and Retraining Notification Act of 1988 (WARN); the Uniform Services Employment and Reemployment Rights Act (USERRA); the Rehabilitation Act of 1973; the Occupational Safety and Health Act (OSHA); the Employee Retirement Income Security Act of 1974 (ERISA) (except claims for vested benefits, if any, to which you are legally entitled); the False Claims Act; Title VIII of the Corporate and Criminal Fraud and Accountability Act, as amended (18 U.S.C. §1514A) (Sarbanes-Oxley Act); the federal Whistleblower Protection Act and any state whistleblower protection statute(s); the California Fair Employment and Housing Act or any other federal, state or local law relating to employment or discrimination in employment or any other fair employment practices statute(s) of any state, in all cases arising out of or relating to your employment by Reading or investment in Reading or your services as an officer or employee of Reading or its subsidiaries, or otherwise relating to the termination of such employment or services.

(d) Arising under or based on any other federal, state, county or local law, statute, ordinance, decision, order, policy or regulation prohibiting employment discrimination; providing for the payment of wages or benefits (including overtime and workers' compensation); or otherwise creating rights or claims for employees, including, but not limited to, any and all claims alleging breach of public policy; the implied obligation of good faith and fair dealing; or any express, implied, oral or written contract, handbook, manual, policy statement or employment practice, including, but not limited to, the Employment Agreement; or alleging misrepresentation; defamation; libel; slander; interference with contractual relations; intentional or negligent infliction of emotional distress; invasion of privacy; assault; battery; fraud; negligence; harassment; retaliation; or wrongful discharge; and

(e) Arising under or based on the Age Discrimination in Employment Act of 1967 (" **ADEA** "), as amended by the Older Workers Benefit Protection Act (" **OWBPA** "), and alleging a violation thereof by any Released Party, at any time prior to the date you sign this Agreement.

7.2 You agree that, except as set forth in this Agreement, you are not entitled to any payment or benefits from any of the Released Parties, including, but not limited to, any payments or benefits under any plan, program or agreement with any Released Party, including, but not limited to, the Employment Agreement.

7.3 You agree that, this Agreement extinguishes all claims and charges that you could have raised against any of the Released Parties, whether known to you or not. You expressly waive all rights and benefits under Section 1542 of the California Civil Code and any

similar law of any state or territory of the United States. Section 1542 of the California Civil Code provides as follows:

"A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known hy him or her must have materially affected his or her settlement with the dehtor."

7.4 You hereby represent that you know of no claim that you have that has not been released by this Section 7 .

7.5 Nothing contained in this Release will (i) release any claim that cannot be waived under applicable law, (ii) release your rights to any benefits under any employee welfare benefit plan of the Company, the 401(k) Plan or with respect to the right to elect health care continuation under COBRA, (iii) release any entitlement to or with respect to indemnification which you may have pursuant to agreement, the Company's bylaws, any policy of insurance maintained by the Company or otherwise under law, or (iv) be construed to release your rights under this Agreement or be construed to prohibit or restrict you in any manner from bringing appropriate proceedings to enforce this Agreement. You acknowledge that your execution of this Agreement terminates any claims you previously held to any and all compensation and employee benefits, other than those specifically identified in this Agreement.

7.6 By signing this Agreement, you represent that you have not commenced or joined in any claim, charge, action or proceeding whatsoever against any of the Released Parties arising out of or relating to any of the matters set forth in this Section 7 . You further represent that you will not be entitled to any personal recovery in any action or proceeding that may be commenced on your behalf arising out of the matters released hereby. As a condition to continued receipt of payments under Section 4 after the Retirement Date, you hereby agree to reaffirm the release terms of this Section 7 applicable to the period between execution of this Agreement and the Retirement Date by executing a reaffirmation agreement (the " **Reaffirmation Agreement** ") substantially in the form attached hereto as Schedule A .

8. **General Provisions** .

8.1 **Severahility .** It is the desire and intent of the parties that the provisions of this Agreement will be enforced to the fullest extent permissible. In the event that any one or more of the provisions of this Agreement will be held to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remainder of this Agreement will remain valid and enforceable and continue in full force and effect to the fullest extent consistent with law. Moreover, if any one or more of the provisions contained in this Agreement is held to be excessively broad as to duration, scope, activity or subject, such provisions will be construed by limiting and reducing them so as to be enforceable to the maximum extent compatible with applicable law.

8.2 **No Admission** . By entering into this Agreement, the parties do not admit to, and expressly deny, any wrongdoing.

8.3 **Return of Property**. You agree to return to the Company, on or prior to the Retirement Date, all files, records, documents, reports, computers and other property of the Company in your possession or control, including, but not limited to, any documents or other materials containing Confidential Information, and you further agree that you will not keep, transfer or use any copies or excerpts of the foregoing items. Executive will be permitted to copy and remove any electronic files on the computer or cell phone that contain his personal information (but not any Confidential Information or proprietary Company information or data), including contact information.

8.4 **Notices**. Any and all notices, requests, demands and other communications provided for by this Agreement will be in writing and will be effective when delivered in person, consigned to a reputable national or international courier service (including Federal Express), and addressed to you at your last known address on the books of the Company or, in the case of the Company, at the Company's principal place of business, attention of the President of the Company, or to such other address as either party may specify by notice to the other actually received.

8.5 **Successors and Assigns**. This Agreement is personal to you and, without the prior written consent of the Company, will not be assignable by you otherwise than by will or the laws of descent and distribution. This Agreement will inure to the benefit of and be enforceable by your legal representatives. This Agreement will inure to the benefit of and be binding upon the Company and its successors and assigns.

8.6 **Governing Law; Captions; Amendment**. This Agreement will be governed by, and construed in accordance with, the laws of the State of California, without reference to principles of conflict of laws. The captions of this Agreement are not part of the provisions hereof and will have no force or effect. This Agreement may not be amended or modified except by a written agreement executed by the parties hereto or their respective successors and legal representatives.

8.7 **Code Section 409A Compliance**. The Company and you each hereby affirm that it is their mutual view that the provision of payments and benefits described or referenced herein are either exempt from or intended to be in compliance with the requirements of Section 409A of the Code and the Treasury regulations relating thereto (" **Section 409A** ") and that each party's tax reporting will be completed in a manner consistent with such view. The Company and you each agree that upon the Retirement Date, you will experience a "separation from service" for purposes of Section 409A. Any payments that qualify for the "short-term deferral" exception or another exception under Section 409A will be paid under the applicable exception. For purposes of the limitations on nonqualified deferred compensation under Section 409A of the Code, each payment of compensation under this Agreement will be treated as a separate payment of compensation. Notwithstanding anything contained herein to the contrary, to the extent required in order to avoid accelerated taxation and/or tax penalties under Section 409A, fee amounts in Section 4.1 that constitute nonqualified deferred compensation and would otherwise be payable pursuant to this Agreement on account of separation from service during the six-month period immediately following the Retirement Date will instead be paid on the first business day after the date that is six months following the Retirement Date (or death, if earlier). Notwithstanding anything to the contrary in this Agreement, all reimbursements and in-

kind benefits provided under this Agreement will be made or provided in accordance with the requirements of Section 409A of the Code, including, where applicable, the requirement that (x) the amount of expenses eligible for reimbursement, or in kind benefits provided, during a calendar year may not affect the expenses eligible for reimbursement, or in kind benefits to be provided, in any other calendar year; (y) the reimbursement of an eligible expense will be made no later than the last day of the calendar year following the year in which the expense is incurred; and (z) the right to reimbursement or in kind benefits is not subject to liquidation or exchange for another benefit. Neither the Company nor its affiliates will be liable in any manner for any federal, state or local income or excise taxes (including but not limited to any taxes under Sections 409A of the Code), or penalties or interest with respect thereto, as a result of the payment of any compensation or benefits hereunder or the inclusion of any such compensation or benefits or the value thereof in your income. You acknowledge and agree that the Company will not be responsible for any additional taxes or penalties resulting from the application of Section 409A.

8.8 **Withholding**. Notwithstanding any other provision of this Agreement, the Company may withhold from amounts payable under this Agreement all amounts that are required or authorized to be withheld, including, but not limited to, federal, state, local and foreign taxes to be withheld by applicable laws or regulations.

8.9 **Preparation of Agreement**. This Agreement will be interpreted in accordance with the plain meaning of its terms and not strictly for or against any of the parties hereto. Regardless of which party initially drafted this Agreement, it will not be construed against any one party, and will be construed and enforced as a mutually-prepared document.

8.10 **Entire Agreement**. This Agreement constitutes the entire agreement between you and the Company with respect to the subjects addressed herein, and together with the Restrictive Covenants that survive, and the Reaffirmation Agreement supersede all prior agreements, understandings and representations, written or oral, with respect to those subjects, including, but not limited to the, Employment Agreement. Without limiting the generality of the foregoing, you acknowledge that the Employment Agreement will be terminated upon the effectiveness of this Agreement.

8.11 **Legal Fees**. The Company will reimburse you for the legal fees, incurred by you in connection with the negotiation and execution of this Agreement, up to a maximum of $5,000. Such reimbursement will be made by the Company within twenty business days of your submission to the Company of an invoice or invoices from counsel, which submission will be made no later than June 15, 2014.

8.12 **Counterparts**. This Agreement may be executed in counterparts, each of which will be deemed an original, and which together will be deemed to be one and the same instrument.

9. **Consultation with Attorney; Voluntary Agreement.** You understand and agree that you have the right and have been given the opportunity to review this Agreement and, specifically, the Release set forth in Section 7 above, with an attorney of your choice. You also understand and agree that you are under no obligation to consent to the Release. You

acknowledge that you have read this Agreement and the Release and understand their terms and that you enter into this Agreement freely, voluntarily, and without coercion. You acknowledge that you have been given at least twenty-one (21) days during which to review and consider the provisions of this Agreement and, specifically, the Release set forth in Section 7 above, although you may sign and return it sooner if you so desire. You further acknowledge that you have been advised by the Company that you have the right to revoke this Agreement for a period of seven (7) days afrer signing it (the "**Revocation Period**"). You acknowledge and agree that, if you wish to revoke this Agreement, you must do so in a writing, signed by you and received by the Company to the attention of James J. Cotter, Jr., President, no later than 5:00 p.m. Pacific Time on the seventh (7th) day of the Revocation Period. If no such revocation occurs, the General Release and this Agreement will become effective on the eighth (8th) day following your execution of this Agreement. You further acknowledge and agree that, in the event that you revoke this Agreement, it will have no force or effect.

10. **Other Representations**. You agree to execute such documents and take such actions as may be necessary or desirable to further effectuate the foregoing. Executive, by his initials set forth below, acknowledges and agrees that he was given a copy of this Agreement on the 20th day of May, 2014, to review and consider execution of the terms and conditions contained herein.

__/S/ AJM_____
Executive 's Initials

[Signature page follows]

READ CAREFULLY BEFORE SIGNING

THIS SEPARATION AND RELEASE AGREEMENT INCLUDES A RELEASE OF ALL KNOWN AND UNKNOWN CLAIMS AND A WAIVER OF YOUR RIGHTS UNDER THE AGE DISCRIMINATION IN EMPLOYMENT ACT AS WELL AS OTHER FEDERAL, STATE AND LOCAL LAWS PROTECTING EMPLOYEE RIGHTS. IF YOU SIGN THIS AGREEMENT, YOU ARE WAIVING ALL OF YOUR RIGHTS TO ASSERT ANY CLAIMS UNDER THESE LAWS. PLEASE READ THIS AGREEMENT CAREFULLY AND SEEK THE ADVICE OF AN ATTORNEY REGARDING THE LEGAL EFFECT OF SIGNING THIS AGREEMENT.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year written opposite their signature.

"***Executive***"

Date: May 30, 2014 ___/s/ Andrzej Matyczynski_____
Andrzej Matyczynski, an individual

"***Compan*** y"
Reading International, Inc.

Date: May 30, 2014 By: /s/ James J. Cotter
James J. Cotter , President

Andrzej Matyczynski EXHIBIT 10.29

Re: Amendment of Separation and Release Agreement

Dear Mr. Matyczynski,

Reference is made to that certain Separation and Release Agreement dated as of May 30, 2014 (the "Separation Agreement"). This letter is to confirm the following:

1. The last sentence of Section 2 is hereby deleted in its entirety and replaced with the following: "Executive's **"Retirement Date"** will be the last day Services are provided during the period starting on the date of this Agreement and ending on December 1, 2014, or such earlier termination date."

2. The third sentence of Section 4.1(d) is modified to delete the reference to $50,000 and to replace it with the figure $68,750

3. Except as specifically provided above, the Separation Agreement remains in full force and effect and has not been modified or amended in any respect, and none of the respective rights or obligations of the parties thereunder have been waived or released

If this correctly states our agreement, please sign and return to me. Thank you for your ongoing time and assistance.

Very truly yours,

/s/ James J. Cotter

James J. Cotter, President

ACCEPTED AND AGREED as of this 6 th day of August, 2014

/s/ Andrzej Matyczynski

Andrzej Matyczynski

EXHIBIT 10.21

SECOND AMENDMENT

TO

SEPARATION AND RELEASE AGREEMENT

This second amendment (the "Second Amendment") is entered into as of this 26 th day of November, 2014, by and between Reading International, Inc. (the "Company") and Andrzej Matyczynski ("Executive") and amends that certain Separation and Release Agreement dated as of May 30, 2014 (the "Initial SRA"), as previously amended by that certain first amendment of Separation and Release Agreement dated effective August 6, 2014 (the " First Amendment " and collectively with the Initial SRA, the "First Amended SRA").

Any defined terms not specifically defined in this Second Amendment have the same meanings as set forth in the First Amended SRA. Except as specifically amended by this Second Amendment, the First Amended SRA remains in full force and effect and has not been modified or amended in any respect, and none of the respective rights or obligations of the parties thereunder have been waived or released.

1. Retirement Date: Section 1 of the First Amendment is hereby deleted in its entirety and replaced with the following: "Executive's "Retirement Date" will be the last day Services are provided during the period starting on the date of this Agreement and ending on June 1, 2015, or such earlier termination date."

2. Deferred Compensation: Section 2 of the First Amendment is hereby deleted in its entirety and replaced with the following: "The third sentence of Section 4.1(d) is amended (i) to replace the amount of $50,000 and the immediately following parenthetical with the amount of $75,000, and (ii) to add the following to the end thereof, "and will authorize an allocation under the Deferred Compensation Plan for the 2015 plan year and will make a corresponding contribution to the grantor trust in the amount of $31,250 (representing a pro-rata mount of the annual allocation and contribution for 2015 through the Retirement Date). "

3. Notwithstanding any other provision of the First Amended SRA, it is agreed that Exec utive may do a majority of his work from his home in Atlanta, Georgia. Executive will only be required to be at the Company's Los Angeles offices for a total of ten (10) weeks (Monday through Thursday). It is anticipated that the parties will work together to schedule such time in full week blocks, one week in one month, two weeks in the next month, one week in the next month, etc. The Company will promptly reimburse Executive for all reasonable travel expenses (against reasonable documentation), including airfare, hotel and car rental (such travel expenses not to exceed $1,200.00 per weekly trip).

In Witness Whereof this Second Amendment is executed and delivered effective of the date first set forth above.

Reading International, Inc.

By: /s/ James J. Cotter

James J. Cotter, Jr.

Chief Executive Officer

Executive:

/s/ Andrzej Matyczynski

Andrzej Matyczynski

EXHIBIT 10.22

THIRD AMENDMENT

TO

SEPARATION AND RELEASE AGREEMENT

This T hird A mendment to Separation Agreement (th is " Thi r d Amendment") is entered into effective as of May 1 , 201 5 , by and between Reading International, Inc. (the "Company") and Andrzej Matyczynski ("Executive") and amends that certain Separation and Release Agreement dated as of May 30, 2014 (the "Initial SRA"), as previously amended by that certain F irst A mendment of Separation and Release Agreement dated effective August 6, 2014 (the " First Amendment ") and that certain Second Amendment to Separation and Release Agreement dated effective November 26, 2014 (collectively with the Initial SRA and the First Amendment, the " Amended SRA").

Any defined terms not specifically defined in this Third Amendment have the same meanings as set forth in the Amended SRA. Except as specifically amended by this Third Amendment, the Amended SRA remains in full force and effect and has not been modified or amended in any respect , its terms and conditions are incorporated herein by reference , and none of the respective rights or obligations of the parties thereunder ha s been waived or released.

1. Retirement Date: Section 1 of the First Amendment is hereby deleted in its entirety and replaced with the following: "Executive's "Retirement Date" will be the last day Services are provided during the period starting on the date of this Agreement and ending on April 15, 2016 , or such earlier termination date (such period, the "Term"). After May 11, 2015, on which date Executive shall cease to serve as the Company 's Chief Financial Officer and Treasurer, Executive shall serve as a financial advisor to t he Company principally to assist in the transition of the C ompany to it s new chief financial officer and to provide such additional financial advisory services as the Company may from time to time request . It is understood that these services will be provided as a full time employee of the Company; such services being referred as the "Services" for purposes of this Third Amendment and superseding the prior definition of "Services" as used in the Amended SRA

2. Deferred Compe nsation: Section 2 of the Second Amendment is hereby deleted in its entirety and replaced with the following: " T he third sentence of Section 4.1(d) is amended to change the reference to the "2014 plan year" to the "2015 plan year," to change the reference to "$50,000" to 21,875 , " and thereafter to change the reference to "2014" to "2015." In addition, it is agreed that the Company will make a 2015 contribution to Executive's Deferred Compensation plan, in the amount of $150,000 ($75,000 more than currently provided for in the Executive's Deferred Compensation Plan).

3. Venue: Notwithstanding any other provision of the Amended SRA, it is agreed that during the Term, Exec utive may do a majority of his work from his home in Atlanta, Georgia. Executive will only be required to be at the Company's Los Angeles offices for a total of seventeen (1 7) weeks (Monday through Thursday) between the date hereof and the Retirement Date . It is anticipated that the parties will work together to schedule such time in full week blocks, one week in one month, two weeks in the next month, one week in the next month, etc. The Company will promptly reimburse Executive for all reasonable travel expenses (against reasonable documentation), including airfare, hotel and car rental (such travel expenses not to exceed $1, 5 00.00 per weekly trip).

4. Salary: Section 4.1 of the Original SRA is hereby amended to provide that, effective January 1, 2015 and for the balance of the Term, Executive shall be paid as co mpensation for the performance of his duties

hereunder and under the Amended SRA, at a rate of $312,000 per annum, in accordance with the Company 's standard payment practices , prorated for the period January 1, 2016 through and including April 15, 2016 .

5. Stock Option Vesting: Of the previously granted unvested Class A Stock options, 12,500 shall continue to vest on August 22, 2015. The balance of Executive 's Class A Stock o ptions previously granted, totaling 12,500, shall vest on April 15, 2016, rather than August 22, 2016. As to any Class A Stock options vested as of the Retirement Date, the Executive shall have eighteen (18) months from his Retirement Date to exe rcise same, rather than three (3) months.

6. Release: Executive hereby affirms in all respects his Release of the Released Parties set forth in the Initial SRA as though made on the date hereof, as well as all other terms and conditions of the Amended SRA, including, without limitation, Sections 3, 5 and 6.

In Witness Whereof this Third Amendment is executed and delivered effective of the date first set forth above.

Reading International, Inc.

By: /s/ James J. Cotter

James J. Cotter, Jr.

Chief Executive Officer

Executive:

/s/ Andrzej Matyczynski

Andrzej Matycazynski

EXHIBIT 10.23

Amended and Restated
Compensatory Arrangements for Executive and Management Employees

Executive Compensation

From late January to late February 2016, the Compensation and Stock Options Committee ("Compensation Committee") of Reading International, Inc., ("Reading," "Registrant" or the "Company") met five separate times with Willis Towers Watson, an international compensation consulting firm, the Chief Executive Officer, and legal counsel. As part of its engagement Willis Towers Watson reviewed the Company's compensation paid to executive and management officers by position, in light of each person's duties and responsibilities. Willis Towers Watson then compared the top executive and management positions at the Company to (i) executive compensation paid by a peer group and (ii) two surveys, the 2015 Towers Watson Data Services Top Management Survey Report and the 2015 Mercer MBD Executive Compensation Survey, in each case, identified by office position and duties performed by the officer. The peer group utilized by Willis Towers Watson included the following companies:

Arcadia Realty Trust
Associated Estates Realty Corp.
Carmike Cinemas Inc.
Cedar Realty Trust Inc.
Charter Hall Group
EPR Properties
Vicinity Centres
IMAX Corporation
Inland Real Estate Corp.
Kite Realty Group Trust
Marcus Corporation.
Pennsylvania Real Estate Investment Trust
Ramco-Gershenson Properties Trust
Urstadt Biddle Properties Inc.
Village Roadshow Ltd.

Willis Towers Watson selected the above peer group because (i) the companies included US and Australian based companies reflecting the Company's geographic operations and/or (ii) the companies were comparable to the Company based on revenue.

The executive pay assessment prepared by Willis Towers Watson measured the executive and management compensation paid by the Company against compensation paid by the peer group companies and the companies listed in the two surveys based on the 25 th, 50 th and 75 th percentile of such peer group and surveyed companies. The 50 th percentile was the median compensation paid by such peer group and surveyed companies to executives performing similar responsibilities and duties.

In its report to the Compensation Committee, Willis Towers Watson noted that for Company executive officers:

- Base salaries in the aggregate were generally in the competitive zone of the market (1% below the market 50 th percentile), with certain notable exceptions on a position by position review;
- Total cash compensation (base salary and cash bonus) in the aggregate was 26% below the 50 th percentile; and
- Total compensation (base salary, cash bonus and long term incentive awards) in the aggregate was 40% below the 50 th percentile.

The Compensation Committee, recommended, and the Board subsequently adopted, a compensation philosophy for the Company's management team members to:

- Attract and retain talented and dedicated management team members;
- Provide overall compensation that is competitive in its industry;
- Correlate annual cash incentives to the achievement of its business and financial objectives; and
- Provide management team members with appropriate long-term incentives aligned with stockholder value.

As part of the compensation philosophy the Company's compensation focus will be to (1) drive the Company's strategic plan on growth, (2) align officer and management performance with the interests of the Company's stockholders, and (3) encourage retention of officers and management team members.

In furtherance of the compensation policy and as a result of the extensive deliberations, including consideration of the Willis Towers Watson recommendations, the Compensation Committee adopted an executive and management officer compensation structure for 2016 consisting of:

- A base salary comparable with job description and industry standard;
- A short term incentive or cash bonus plan based on a combination of factors including individual performance against corporate goals as well as overall corporate and division performance, with a target bonus to be denominated as a percent of base salary with specific goals weightings and pay-out ranges); or
- A long term incentive or equity awards in line with job description, performance, and industry standards.

The Compensation Committee's intention is that the compensation structure approved for 2016 will remain in place indefinitely. However, it will review performance and results after the first year and thereafter and evaluate from time to time whether enhancements, changes or other compensation structures are in the Company's and it stockholders best interests.

Reflecting the new approach, the Compensation Committee established (i) annual base salaries at levels that it believed (based heavily on the data provided by Willis Towers Watson) are generally competitive with executives in our peer group and in other comparable publicly-held companies as described in the executive pay assessment prepared by Willis Towers Watson, and (ii) short term incentives in the form of discretionary annual cash bonuses based on the achievement of identified goals and benchmarks. Long-term incentives in the form of employee stock options and restricted stock units will be used as a retention tool and as a means to further align an executive's long-term interests with those of the Company's stockholders, with the ultimate objective of affording our executives an appropriate incentive to help drive increases in stockholder value.

The Compensation Committee will evaluate both executive performance and compensation to maintain the Company's ability to attract and retain highly-qualified executives in key positions and to assure that compensation provided to executives remains competitive when compared to the compensation paid to similarly situated executives of companies with whom we compete for executive talent or that we consider comparable to our company.

Role of Chief Executive Officer in Compensation Decisions

In counection with the implementation of the new compensation structure, the Compensation Committee conducted the thorough review of executive compensation discussed above. The Compensation Committee engaged in extensive discussions with and considered with great weight the recommendations of the Chief Executive Officer as to compensation for executive and management team members other than for the Chief Executive Officer.

In counection with consideration of 2015 performance bonuses for members of management, the Chief Executive Officer prepared and submitted recommendations for each of the executive and management team members, other than her own. In considering these recommendations, the Compensation Committee had the benefit of its extensive deliberations as well as the data provided by Willis Towers Watson. In executive session, the Compensation Committee approved a 2015 performance bonus for the Chief Executive Officer. At the Compensation Committee's February 17, 2016 meeting, it approved recommendations to the Board of Directors (the "Board") for its February 18, 2016 meeting, at which time the Board approved the same. The Board approval covered certain officers including the five officers set forth below. In addition, our Chief Executive Officer discussed recommendations for other management team members but the Compensation Committee and Board agreed that such positions were within the scope of the Chief Executive Officer's authority and did not require the Compensation Committee or Board approval.

The Compensation Committee expects to perform an annual review of executive compensation, generally in the first quarter of the year following the year in review, with a presentation by the Chief Executive Officer regarding each element of the executive compensation arrangements. At the Compensation Committee's direction, the Chief

Executive Officer prepared an executive compensation review for each executive officer (other than the Chief Executive Officer), as well as the full executive team, which included recommendations for:

- 2016 Base Salary
- A proposed year-end short-term incentive in the form of a target cash bonus based on the achievement of certain objectives; and
- A long-term incentive in the form of stock options and restricted stock units for the year under review.

As part of the compensation review, the Chief Executive Officer may also recommend other changes to an executive's compensation arrangements such as a change in the executive's responsibilities or a change in title. The Compensation Committee will evaluate the Chief Executive Officer's recommendations and, in its discretion, may accept or reject the recommendations, subject to the terms of any written employment agreements.

The Compensation Committee met in executive session without our Chief Executive Officer to consider the Chief Executive Officer's compensation, including base salary, cash bonus and equity award, if any. Prior to such executive sessions, the Compensation Committee interviewed the Chief Executive Officer to obtain a better understanding of factors contributing to the Chief Executive Officer's compensation. With the exception of these executive sessions of the Compensation Committee, as a rule, our Chief Executive Officer participated in all deliberations of the Compensation Committee relating to executive compensation. However, the Compensation Committee will ask the Chief Executive Officer to be excused for certain deliberations with respect to the compensation recommended for Margaret Cotter, the sister of the Chief Executive Officer.

In conjunction with the year-end annual compensation review, or as soon as practicable after the year-end, our Chief Executive Officer will recommend to the Compensation Committee the Company objectives and other criteria to be utilized for purposes of determining cash bonuses for certain senior executive officers. The Compensation Committee, in its discretion, may revise the Chief Executive Officer's recommendations. At the end of the year, the Compensation Committee, in consultation with the Chief Executive Officer, will review each performance goal and determine the extent to which the officer achieved such goals. In establishing performance goals, the Compensation Committee expects to consider whether the goals could possibly result in an incentive for any executives to take unwarranted risks in our Company's business and intend to seek to avoid creating any such incentives.

Base Salaries

The Compensation Committee reviewed the executive pay assessment prepared by Willis Towers Watson and other factors and engaged in extensive deliberation and then recommended the following 2016 base salaries (the 2015 base salaries are shown for comparison purposes) for the following officers; the Board approved the recommendations of the Compensation Committee on March 10, 2016: the President and Chief Executive Officer, Chief Financial Officer and the persons identified and Named Executive Officers in the Company's proxy statement dated November 10, 2015 other than our prior Chief Executive Officers James J. Cotter, Sr. and James J. Cotter, Jr:

Name	Title	2016 Base Salary (4)	2015 Base Salary (4)
Ellen Cotter (1)	President and Chief Executive Officer	$450,000	$402,000
Devasis Ghose (2)	Chief Financial Officer	400,000	400,000
Andrzej Matyczynski (3)	EVP Global Operations	336,000	312,000
Robert F. Smerling	President, US Cinemas	375,000	350,000
Wayne Smith	Managing Director, ANZ	A$370,000	A$365,360

(1) Ellen M. Cotter was appointed Interim President on June 12, 2015 and President and Chief Executive Officer on January 8, 2016.

(2) Devasis Ghose was appointed Chief Financial Officer on May 11, 2015. Mr. Ghose is the only executive officer that is a party to an employment agreement.
(3) Andrzej Matyczynski was the Company's Chief Financial Officer until May 11, 2015 and thereafter he acted as corporate advisor to the Company. He was appointed EVP-Global Operations on March 10, 2016.
(4) All dollars are in US dollars except the salary for Wayne Smith is reported in Australian dollars.

Short Term Incentives

The Short Term Incentives authorized by the Compensation Committee and the Board provides the Company's executive officers and other management team members, who are selected to participate, with an opportunity to earn an annual cash bonus based upon the achievement of certain Company financial goals, division goals and individual goals, established by the Company's Chief Executive Officer and approved by the Compensation Committee and the Board of Directors (in future years, under the Compensation Committee Charter approved by the Board on March 10, 2016, the Compensation Committee will have full authority to approve these matters). Specifically, a participant in the short term incentive plan will be advised of his or her annual potential target bonus expressed as a percentage of the participant's base salary and by dollar amount. The participant will be eligible for a short term incentive bonus once the participant achieves goals identified at the beginning of the year for a threshold target, the potential target or potential maximum target bonus opportunity. The bonus will vary depending upon the achievements made by the individual participant, the corporate division and the Company. Corporate goals will include levels of earnings before interest, depreciation, taxes and amortization ("non-GAAP Operating Income") and property development milestones. Division goals will include levels of division cash flow and division milestones and individual goals will include unique performance goals specific to the individual's position in the Company. Each of the corporate, division and individual goals carries a different percentage weight in determining the officer's or other team member's bonus for the year.

For 2016, executive officers will have an annual bonus opportunity expressed and determined as a percent of their base salary. This approach also was a recommendation of the Willis Towers Watson report to the Compensation Committee and provided points of reference for our Compensation Committee to compare short-term incentive opportunities for our executive and management team to those in peer and competitor companies.

Ms. Ellen Cotter, President and Chief Executive Officer, has a potential target bonus opportunity of 95% of Base Salary, or $427,500 at target based upon Ms. Cotter's achievement of her performance goals and the Company's achievement of corporate goals as discussed above. Of that potential target bonus opportunity, a threshold bonus of $213,750 may be achieved based upon Ms. Cotter's achievement of certain of her performance goals and the Company's achievement of certain of the corporate goals as discussed above, and a potential maximum target of $641,250 is based on achieving performance goals approved by the Chairman of the Compensation Committee. Ms. Cotter's aggregate annual bonus opportunity can range from $0 to $641,250. Mr. Devasis Ghose, Chief Financial Officer, has a potential target bonus opportunity of 50% of Base Salary, or $200,000 at target, which is based on achievement of his performance goals and the Company's achievement of corporate goals, as discussed above. Mr. Ghose's aggregate annual bonus opportunity can range from $0 to $300,000 (the maximum potential target if additional performance goals are met by Mr. Ghose). Mr. Andrzej Matyczynski, EVP - Global Operations, has a target bonus opportunity of 50% of Base Salary, or $168,000 at target, which is based on achievement of his performance goals, the Company's achievement of corporate goals and certain divisional goals. Mr. Matyczynski's aggregate annual bonus opportunity can range from $0 to $252,000 (the maximum potential target if additional performance goals are met by Mr. Matyczynski). Mr. Robert Smerling, President, US Cinemas , has a target bonus opportunity of 30% of base pay, or $112,500 at target, which is based on achievement of his performance goals, the Company's achievement of corporate goals and certain divisional goals. Mr. Smerling's aggregate annual bonus opportunity can range from $0 to $168,750 (the maximum potential target if additional performance goals are met by Mr. Smerling). Mr. Wayne Smith, Managing Director, ANZ , has a target bonus opportunity of 40% of Base Salary, or A$148,000 at target, which is based on achievement of his performance goals, the Company's achievement of corporate goals and certain divisional goals. Mr. Smith's aggregate annual bonus opportunity can range from A$0 to A$222,000 (the maximum potential target if additional performance goals are met by Mr. Smith).

The positions of other management team members have target bonus opportunities ranging from 20% to 30% of Base Salary based on achievement of certain goals. The highest level of achievement a participant may receive is the maximum potential target which is set at 150% of the participant's target bonus amount.

Long-Term Incentives

Long-Term incentives will utilize the equity-based plan under the Company's 2010 Incentive Stock Plan, as amended (the "2010 Plan"). For 2016, executive and management team participants will receive awards in the following forms: 50% time-based restricted stock units and 50% non-statutory stock options. The grants of restricted stock units and options will vest ratably over a four (4) year period with 1/4 th vesting on each anniversary date of the grant date.

On March 10, 2016 the following grants were made:

Name	Title	Dollar Amount of Restricted Stock Units (1)	Dollar Amount of Non-Statutory Stock Options (1)
Ellen Cotter	President and Chief Executive Officer	$150,000	$150,000
Devasis Ghose (2)	Chief Financial Officer	0	0
Andrzej Matyczynski	EVP Global Operations	37,500	37,500
Robert F. Smerling	President, US Cinemas	50,000	50,000
Wayne Smith	Managing Director, ANZ	27,000	27,000

(1) The number of shares of stock to be issued will be calculated using the Black Scholes pricing model as of the date of grant of the award.

(2) Mr. Devasis Ghose was awarded 100,000 non-statutory stock options vesting over a 4 year period on Mr. Ghose's commencement of employment on May 11, 2015.

All long-term incentive awards will be subject to other terms and conditions set forth in the 2010 Plan and award grant.

TERMINATION AGREEMENT AND RELEASE

This Termination Agreement and Release (this "Agreement") is made as of March 10, 2016, by and between Liberty Theaters, LLC ("LTLLC") and OBI, LLC ("OBI"). Capitalized terms not defined in this Agreement shall have the meaning ascribed to such terms in the Theater Management Agreement (as defined herein).

WHEREAS, reference is made to that certain Theater Management Agreement (the "Theater Management Agreement") dated effective as of January 1, 2002, by and between Liberty Theaters, Inc. ("LTI") and OBI.

WHEREAS, LTI was subsequently merged into LTLLC.

WHEREAS, pursuant to the Theater Management Agreement, OBI provides Management Services to theaters owned by LTLLC and its Operating Subsidiaries.

WHEREAS, LTLLC and OBI desire to terminate the Theater Management Agreement as of March 10, 2016 ("Termination Date").

WHEREAS, LTLLC acknowledges and agrees that OBI has fully and satisfactorily performed its obligations under and pursuant to the Theater Management Agreement.

WHEREAS, OBI acknowledges and agrees that other than the Final Payment (defined hereafter) LTLLC has fully and satisfactorily performed its obligations under and pursuant to the Theater Management Agreement.

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein, the parties hereto agree as follows:

1. Effective as of the Termination Date, the Theater Management Agreement is hereby terminated. On and after the Termination Date, LTLLC shall have no further obligations to OBI under the Theater Management Agreement other than its indemnity obligations set forth in Section 5.1 of the Theater Management Agreement, and OBI shall have no further obligations to LTLLC under the Theater Management Agreement. Any and all amounts owed by LTLLC to OBI for Management Services performed by OBI on or prior to the Termination Date, including, but not limited to, compensation payable to OBI for 2015 and incentive compensation for the period between January 1, 2016 and the Termination Date (collectively, the "Final Payment") under the Theater Management Agreement shall be paid by LTLLC within 15 days of the parties' mutual agreement (acting in good faith) as to the amount of such Final Payment and, in the case of reimbursement of expenses, within 30 days of presentation of appropriate substantiating documentation.

2. OBI waives its right to receive incentive fees pursuant to Section 4.1(d) of the Theater Management Agreement accruing after the Termination Date.

3. Other than payment of the Final Payment by LTLLC to OBI and except as provided in Section 1, above, with respect to the survival of certain indemnity obligations, OBI does hereby irrevocably, unconditionally, voluntarily, knowingly, fully, finally and completely forever releases and discharges LTLLC and its parents, subsidiaries, divisions, affiliates (that currently exist or may exist in the future), successors, assigns and predecessors and their present and former owners, stockholders, members, managers, directors, officers, employees, agents, attorneys, representatives, successors, beneficiaries, heirs and assigns, individually and collectively (the "LTLLC Released Parties") from, against and with respect to any and all actions, accounts, agreements, causes of action, complaints, charges, claims, covenants, contracts, costs, damages, demands, debts, defenses, duties, expenses, executions, fees, injuries, interest, judgments, liabilities, losses, obligations, penalties, promises, reimbursements, remedies, suits, sums of money, and torts of whatever kind or character, whether in law, equity or otherwise, direct or indirect, fixed or contingent, foreseeable or unforeseeable, liquidated or unliquidated, known or unknown, matured or unmatured, absolute or contingent, determined or determinable (excluding, however, for a claim found by a court of competent jurisdiction that any LTLLC Released Party has committed fraud or an intentional act causing material financial damage to OBI), that OBI or anyone claiming through or under OBI, ever had, now has, or may hereafter have or acquire, against each LTLLC Released Party that arises out of or in any way relate, directly or indirectly, to any matter, cause or

thing, act or failure to act whatsoever occurring at any time on or prior to the date of this Agreement that relates to the Theater Management Agreement. OBI irrevocably covenants that it will not, directly or indirectly, sue, or maintain any proceeding against, or make any demand upon any LTLLC Released Party in respect of any of the matters released and discharged pursuant to this Section 3. As a matter of clarification, this release does not release any claims that Margaret Cotter, the sole member of LTLLC, may have against LTLLC, or any of its affiliates, in her individual capacity as an executive or manager of LTLLC and/or in her capacity as an officer, director, and/or stockholder of Reading International, Inc.

4. LTLLC does hereby irrevocably, unconditionally, voluntarily, knowingly, fully, finally and completely forever releases and discharges OBI and its parents, subsidiaries, divisions, affiliates (that currently exist or may exist in the future), successors, assigns and predecessors and their present and former owners, stockholders, members, managers, directors, officers, employees, agents, attorneys, representatives, successors, beneficiaries, heirs and assigns, individually and collectively (the "OBI Released Parties") from, against and with respect to any and all actions, accounts, agreements, causes of action, complaints, charges, claims, covenants, contracts, costs, damages, demands, debts, defenses, duties, expenses, executions, fees, injuries, interest, judgments, liabilities, losses, obligations, penalties, promises, reimbursements, remedies, suits, sums of money, and torts of whatever kind or character, whether in law, equity or otherwise, direct or indirect, fixed or contingent, foreseeable or unforeseeable, liquidated or unliquidated, known or unknown, matured or unmatured, absolute or contingent, determined or determinable (excluding, however, for any claim found by a court of competent jurisdiction that any OBI Released Party has committed fraud or an intentional act causing material financial damage to LTLLC), that LTLLC or anyone claiming through or under LTLLC, ever had, now has, or may hereafter have or acquire, against such OBI Released Party that arises out of or in any way relates, directly or indirectly, to any matter, cause or thing, act or failure to act whatsoever occurring at any time on or prior to the date of this Agreement that relates to the Theater Management Agreement. LTLLC irrevocably covenants that it will not, directly or indirectly, sue, or maintain any proceeding against, or make any demand upon any OBI Released Party in respect of any of the matters released and discharged pursuant to this Section 4.

5. OBI and LTLLC acknowledge and agree that the Theater Management Agreement constitutes the entire understanding between OBI and LTLLC with respect to the subject matter thereof, that OBI and LTLLC have performed all of their respective obligations to each other required under the Theater Management Agreement, and LTLLC has made all payments required under the Theater Management Agreement other than the Final Payment.

6. This Agreement shall be governed by and construed in accordance with the laws of the State of Nevada without giving effect to the conflict of laws principles thereof.

7. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original document, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties execute this Termination Agreement as of the date first set forth above.

OBI MANAGEMENT, LLC

By: .....
Name: Margaret Cotter
Title: Member

LIBERTY THEATERS, LLC

By: .....
Name:
Title:

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Sydney Melbourne Brisbane
Perth

National Australia Bank Limited

Reading Entertainment Australia Pty Ltd

Each Guarantor

Restatement Deed

(Corporate Market Loan & Bank Guarantee Facility Agreement)

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Corrs Chambers Westgarth

Date:

15th **December 2015**

Parties

National Australia Bank Limited ABN 12 004 044 937 of Pier 3 Level 4, 800 Bourke Street, Docklands, Victoria 3008 (**Bank**)

Reading Entertainment Australia Pty Ltd ACN 070 893 908 of 98 York Street, South Melbourne, Victoria 3205 (**Borrower)**

Each person listed in schedule 1 (each a **Guarantor**)

Agreed terms

1 Definitions

In this document words and expressions which are defined or given a specific meaning in the Facility Agreement but which are not defined or given a specific meaning in this document have the same meaning as in the Facility Agreement. Otherwise, terms have the following meanings.

Facility Agreement
The Facility Agreement dated 24 June 2011 between the Bank, the Borrower and the Guarantors, as amended, varied or amended and restated from time to time, including on 14 June 2013 and 27 June 2014.

PPSA Personal Property Securities Act (2009) (Cth).

Restated Facility Agreement
The Facility Agreement as varied and restated by this document.

Variation Date The date on which Bank notifies the Borrower that the conditions precedent set out in **clause 3** are satisfied.

2 Consideration

Each party has entered into this document in consideration of each other party agreeing to make the acknowledgements contained in this document and to amend the Facility Agreement in accordance with this document and acknowledges receipt of that consideration.

3 Conditions precedent

The amendments to the Facility Agreement are subject to the conditions precedent that:

(a) the Bank has received in form and substance satisfactory to the Bank:

(i) an original copy of this document, duly executed by the Borrower and each Guarantor;

(ii) a non-refundable restructure fee of $30,000; and

(iii) anything which the Bank has reasonably requested that a party provide to it in relation to the Facility Agreement; and

(b) no Event of Default or Potential Event of Default subsists.

4 Variation of Facility Agreement

(a) On and from the Variation Date the Facility Agreement is varied and restated in the form of **annexure A** .

(b) The Borrower and each Guarantor agree to be bound by the Restated Facility Agreement on and from the Variation Date.

5 Acknowledgments

The Borrower and each Guarantor:

(a) acknowledge that nothing in this document or any related financing change statement under the PPS Act releases, terminates or otherwise affects any liabilities of the Borrower to the Bank, or affects its liability under any Transaction Document;

(b) acknowledge that the Bank has agreed to execute this document at the request of the Borrower and each Guarantor;

(c) agree to the variation to the Facility Agreement and agrees that each Collateral Security extends to and secures the Borrower's obligations to the Bank under the Transaction Documents, including the Restated Facility Agreement; and

(d) acknowledge that their obligations (as borrower, guarantor, indemnifier, or otherwise) and the Bank's rights are not affected by anything which might abrogate, prejudice or limit them or the effectiveness of this document, including the failure by any person named as an Original Guarantor to become bound by this document.

6 Warranties and representations

6.1 General

The Borrower and each Guarantor warrant and represent to the Bank that:

(a) at the time of execution, and at the Variation Date:

(i) it has capacity unconditionally to execute, deliver and comply with its obligations under this document and the Transaction Documents to which it is a party (including the Restated Facility Agreement);

(ii) it has taken all necessary action to authorise the unconditional execution and delivery of, and the compliance with, its obligations under this document and the Transaction Documents (including the Restated Facility Agreement);

(iii) this document and the Transaction Documents to which it is a party (including the Restated Facility Agreement) are its valid and legally binding obligations and are enforceable against it by each other party in accordance with the terms of this document and the Transaction Documents to which it is a party (including the Restated Facility Agreement), subject to principles of equity and rules affecting creditors' rights generally; and

(iv) its unconditional execution and delivery of this document and compliance with its obligations under this document and the Transaction Documents (including the Restated Facility Agreement) do not contravene:

(A) any law or directive from a government entity;

(B) its constituent documents;

(C) any agreement or instrument to which it is a party; or

(D) any obligation of it to any other person.

6.2 Survival of warranties

The warranties and representations in **clause 6** survive the execution of this document and the variation and restatement of the Facility Agreement.

7 General

7.1 Construction

Unless expressed to the contrary, in this document:

(a) words in the singular include the plural and vice versa;

(b) any gender includes the other genders;

(c) if a word or phrase is defined its other grammatical forms have corresponding meanings;

(d) 'includes' means includes without limitation;

(e) no rule of construction will apply to a clause to the disadvantage of a party merely because that party put forward the clause or would otherwise benefit from it;

(f) a reference to:

(i) a person includes a partnership, joint venture, unincorporated association, corporation and a government or statutory body or authority;

(ii) a person includes the person's legal personal representatives, successors, assigns and persons substituted by novation;

(iii) any legislation includes subordinate legislation under it and includes that legislation and subordinate legislation as modified or replaced;

(iv) an obligation includes a warranty or representation and a reference to a failure to comply with an obligation includes a breach of warranty or representation;

(v) a right includes a benefit, remedy, discretion or power;

(vi) time is to local time in Melbourne;

(vii) '$' or 'dollars' is a reference to Australian currency;

(viii) this or any other document includes the document as novated, varied or replaced and despite any change in the identity of the parties;

(ix) writing includes any mode of representing or reproducing words in tangible and permanently visible form, and includes fax transmissions;

(x) this document includes all schedules and annexures to it; and

(xi) a clause, schedule or annexure is a reference to a clause, schedule or annexure, as the case may be, of this document; and

(g) where time is to be calculated by reference to a day or event, that day or the day of that event is excluded.

7.2 Costs and Expenses

The Borrower must on demand pay and if paid by the Bank reimburse to the Bank:

(a) the Bank's reasonable costs and expenses (including legal costs and expenses on a full indemnity basis) relating to the negotiation, preparation, execution, stamping and registration of this document; and

(b) any duties and registration or other fees (including fines and penalties relating to such duties and fees) which are payable or are assessed by a relevant government body or other person to be payable in relation to this document or any transaction contemplated by it.

7.3 Counterparts

This document may consist of a number of counterparts and, if so, the counterparts taken together constitute one document.

7.4 Entire understanding

(a) This document contains the entire understanding between the parties as to the subject matter of this document.

(b) All previous negotiations, understandings, representations, warranties, memoranda or commitments concerning the subject matter of this document are merged in and superseded by this document and are of no effect. No party is liable to any other party in respect of those matters.

(c) No oral explanation or information provided by any party to another:

(i) affects the meaning or interpretation of this document; or

(ii) constitutes any collateral agreement, warranty or understanding between any of the parties.

7.5 Governing law and jurisdiction

(a) This document is governed by and is to be construed in accordance with the laws applicable in Victoria.

(b) Each party irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts exercising jurisdiction in Victoria and any courts which have jurisdiction to hear appeals from any of those courts and waives any right to object to any proceedings being brought in those courts.

Schedule 1

Guarantors

Name	ACN	Particulars for delivery of notices
Reading Entertainment Australia Pty Ltd	070 893 908	Address: 98 York Street, South Melbourne VIC 3205 Australia Fax: 03 9685 0999 Attention: Managing Director, Wayne Smith AND TO: Reading International Inc. Address: 6100 Center Drive, Suite 900 Los Angeles California 90045 United States of America Fax: +1 213 235 2229 Attention: Chief Financial Officer, Dev Ghose
Australia Country Cinemas Pty Ltd	076 276 349	Same as for Borrower
Australian Equipment Supply Pty Ltd	122 571 420	Same as for Borrower
Burwood Developments Pty Ltd	105 384 905	Same as for Borrower
Epping Cinemas Pty Ltd	073 997 172	Same as for Borrower
Hotel Newmarket Pty Ltd	094 367 969	Same as for Borrower
Newmarket Properties Pty Ltd	105 386 409	Same as for Borrower
Newmarket Properties No. 2 Pty Ltd	109 038 806	Same as for Borrower
Newmarket Properties #3 Pty Ltd	126 697 505	Same as for Borrower
Reading Auburn Pty Ltd	126 697 470	Same as for Borrower
Reading Australia Leasing (E&R) Pty Ltd	107 939 211	Same as for Borrower
Reading Belmont Pty Ltd	126 697 498	Same as for Borrower
Reading Bundaberg 2012 Pty Ltd	122 406 320	Same as for Borrower

Name	ACN	Particulars for delivery of notices
(formerly Reading Moonee Ponds Pty Ltd)		
Reading Charlestown Pty Ltd	123 938 483	Same as for Borrower
Reading Cinemas Pty Ltd	073 808 643	Same as for Borrower
Reading Cinemas Management Pty Ltd	122 406 311	Same as for Borrower
Reading Colac Pty Ltd	108 861 061	Same as for Borrower
Reading Dandenong Pty Ltd	129 018 739	Same as for Borrower
Reading Elizabeth Pty Ltd	114 582 099	Same as for Borrower
Reading Exhibition Pty Ltd	103 529 782	Same as for Borrower
Reading Licences Pty Ltd	089 544 605	Same as for Borrower
Reading Maitland Pty Ltd	126 697 461	Same as for Borrower
Reading Melton Pty Ltd	109 074 517	Same as for Borrower
Reading Properties Pty Ltd	071 195 429	Same as for Borrower
Reading Properties Indooroopilly Pty Ltd as trustee for The Landplan Property Partners Discretionary Trust	121 284 884	Same as for Borrower
Reading Properties Taringa Pty Ltd as trustee for the Reading Property Partners No. 1 Discretionary Trust	128 819 483	Same as for Borrower
Reading Property Holdings Pty Ltd	126 289 772	Same as for Borrower
Reading Rouse Hill Pty Ltd	123 245 885	Same as for Borrower
Reading Sunbury Pty Limited	109 074 571	Same as for Borrower
Rhodes Peninsula Cinema Pty Ltd	120 827 812	Same as for Borrower
Westlakes Cinema Pty Ltd	108 531 308	Same as for Borrower
A.C.N. 143 633 096 Pty Ltd	143 633 096	Same as for Borrower

Annexure A

Restated Facility Agreement

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Annexure A - Restated Facility Agreement

National Australia Bank Limited

Reading Entertainment Australia Group

Corporate Markets
Loan & Bank Guarantee Facility Agreement

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Date

15th December 2015

Parties

National Australia Bank Limited ABN 12 004 044 937 of Pier 3 Level 4, 800 Bourke Street, Docklands, Victoria 3008 (**Bank**)
Reading Entertainment Australia Pty Ltd ACN 070 893 908 of 98 York Street, South Melbourne, Victoria 3205 (**Borrower)**
Each person listed in schedule 1 (each an **Original Guarantor**)

Agreed terms

1 Interpretation

1.1 Definitions

In this document:

Accounting Standards means accounting principles and practices consistently applied which are generally accepted in Australia and are consistent with any applicable legislation in each case as in effect on the date of this document, including instruments in force under section 334 of the Corporations Act and provisions of such instruments.

Adjusted EBITDA means, for any period, EBITDA adjusted to exclude:

(a) any non-cash impairment for non-current assets included in the consolidated financial statements of the Reading Entertainment Australia Group during the relevant period; and

(b) any net foreign exchange amounts (whether realised or unrealised) included in the consolidated financial statements of the Reading Entertainment Australia Group during the relevant period.

and subject to adjustment in respect of any further extraordinary items with the Bank's written consent.

Advance means the principal amount of an advance made under the Corporate Markets Loan Facility or, where appropriate, requested under the Corporate Markets Loan Facility.

Aggregate Amount means, in relation to a Drawing, the aggregate of the Face Values of all Bank Guarantees comprising that Drawing.

Annual Compliance Certificate means, in relation to a Financial Year, a

certificate substantially in the form of **schedule 9** .

Approved Valuer means a company or firm of duly qualified and licensed real estate valuers acceptable to the Bank in all respects and instructed by (or with the approval of) the Bank.

Attorney means any attorney appointed under this document and any sub- attorney appointed by an Attorney.

Authorisation includes any authorisation, consent, licence, permission, approval or exemption from any Government Body. If a Government Body could prohibit anything being done in connection with any matter or otherwise intervene within a specified time after notice has been given to it or any document lodged or filed with it in connection with the matter, the relevant matter will not be taken to have been Authorised until the specified time limit has expired without the Government Body taking any relevant action.

Authorised Representative means, in relation to any party to this document, a person with the right to act as the agent of that party for the purposes of this document. It includes a director or company secretary of that party (if it is a corporation) and, in the case of the Bank, an employee of the Bank whose title contains the word "manager", "director", "associate" or a similar term and a lawyer for the Bank. It also includes a person appointed by a party as an Authorised Representative of that party whose appointment is notified by the appointor to the other party in a notice which contains the specimen signature of the appointee.

Availability Period means in respect of each Facility, the period beginning on the date on which the conditions precedent are satisfied or waived by the Bank in accordance with the Transaction Documents and ending on the Termination Date.

Available Commitment means in respect of a Facility, the Facility Limit less the Outstanding Accommodation relating to that Facility.

Bank Guarantee means each bank guarantee issued (or deemed to have been issued) in accordance with this document.

Bank Guarantee Facility means the Facility described as such in **schedule 2**
and granted pursuant to **clause 4.1(a)(ii)** .

Bank Guarantee Margin means, in respect of each Bank Guarantee:

(a) prior to the 'Variation Date' under the Restatement Deed, 2.35% per annum; and

(b) on and from the first services fee charge date (to be determined in accordance with **clause 9.1(e)**) following the 'Variation Date' under the Restatement Deed, 1.90% per annum.

Base Rate means, in relation to a Pricing Period:

(a) the rate (expressed as a percentage yield per annum to maturity) being the arithmetic average (rounded up to the nearest four decimal places) of the buying rates published at or about 10.15 am on the first Business

Day of the Pricing Period on the Reuters Screen under the heading "BBSY" for Bills with a tenor as nearly as possible equal to that Pricing Period; or

(b) if:

(i) the rate is not displayed for a term equivalent to that period; or

(ii) the basis of the calculation of the rate is changed after the date of this document so that in the opinion of the Bank it ceases to reflect the cost of providing the Facility,

the Base Rate will be the rate per centum per annum determined by the Bank to be the average of the buying rates quoted to the Bank by at least three Reference Banks at or about that time on that date. The buying rates must be for bills of exchange accepted by a leading Australian bank and which have a term equivalent to the period. If there are no buying rates, the rate will be determined by the Bank having regard to indexes or other bases which the Bank determines to be as near as practicable to the indexes and bases used to determine the rate referred to in paragraph (a).

Beneficiary means in relation to a Bank Guarantee, the person who from time to time is entitled to make a claim for payment under that Bank Guarantee against the Bank.

Bill means a bill of exchange as defined in the *Bills of Exchange Act 1909* (but does not include a cheque). It includes a document which, when signed by the persons named as drawer and acceptor in the relevant document, will become such a bill of exchange.

Break Costs means, in relation to any financial accommodation provided or to be provided by the Bank under a Facility, any liability or costs incurred by the Bank by reason of:

(a) liquidating or re-deploying deposits or other funds acquired or contracted for by or on account of the Borrower or the Bank;

(b) terminating or reversing any agreement or arrangement (including by entering into new agreements or arrangements to close out or net off existing agreements or arrangements) entered into by or on account of the Borrower or the Bank with a counterparty or an internal department of the Bank responsible for such agreements or arrangements to hedge, fix, swap or limit its effective cost of funding; or

(c) any loss of any margins in relation to future lending or loss of any fees.

Burwood Property means:

(a) the land and improvements known as 78 Middleborough Road, Old Burwood Road, Burwood, Victoria; and

(b) all present or future agreements, documents or rights relating to the ownership, occupation, use, sale, transfer or disposal of all or any part of the land and improvements described in paragraph (a).

Business Day means a day which is not a Saturday, Sunday or bank or public holiday in Melbourne.

Cash Cover Rate means the rate (expressed as a rate per centum per annum) determined by the Bank (in good faith) to be the interest rate which it would pay on deposits at call for an amount similar to the amount at which the relevant deposit is made.

Calculation Date means 31 March, 30 June, 30 September and 31 December in each year.

Calculation Period means each period of twelve months ending on a Calculation Date.

Change of Control means there is a change (from that prevailing at the date of this document) in the persons who control any of the following in respect of a Transaction Party:

(a) more than 50% of the votes eligible to be cast in the election of directors or any similar matter; or

(b) the right to appoint or remove directors (or members of a governing body having functions similar to a board of directors) representing more than 50% of the votes exercisable by the directors (or persons have similar functions); or

(c) an interest of more than 50% in any category of the profits, distributions or net liquidation proceeds.

Collateral Security means:

(a) any Guarantee by which any person Guarantees the Borrower's compliance with its obligations under any of the Transaction Documents;

(b) any Security which secures the payment of money owing (actually or contingently) from time to time by:

(i) any Transaction Party in relation to any of the Transaction Documents; or

(ii) any person in relation to a Guarantee of any Transaction Party's compliance with its obligations under any of the Transaction Documents; and

(c) without limiting the generality of paragraphs (a) and (b) each thing listed in **schedule 3** .

Contaminant means a noxious, harmful or hazardous condition (including an odour, temperature, sound, vibration or radiation) or substance the presence or use of which (having regard, without limitation, to the nature and quantity of the substance and other substances with which it is stored or used) does or may result in the breach of an Environmental Law or the issuing of an order or direction under an Environmental Law.

Corporate Markets Loan Facility means the Facility described as such in **schedule 2** and granted pursuant to **clause 4.1(a)(i)** .

Corporations Act means the *Corporations Act 2001* (Cth).

Current Bank Guarantee means a Bank Guarantee which has not Matured or Expired.

Daily Interest Rate means, for any day, the Interest Rate on that day divided by 365.

Disposal means a sale, lease, transfer or other disposal by any Transaction Party of any interest in:

(a) any share or stock (whether or not ordinary or preference and whether or not redeemable) or any other instrument convertible or exchangeable into or entitling a person to acquire or subscribe for any share or stock;

(b) the whole or any part of a business, business unit or line of business; or

(c) any other asset under a particular transaction or related transactions not in the ordinary course of business of the Reading Entertainment Australia Group taken as a whole.

Distribution means:

(a) in relation to any share capital of a Transaction Party, any dividend, charge, interest, fee, payment or other distribution (whether in cash or in kind) or redemption, repurchase, defeasance, retirement or redemption;

(b) any interest, any redemption or early redemption of any amount of principal or any other payment in respect of any shareholder loan or other subordinated loans made to any Transaction Party; or

(c) any loan or other financial accommodation made available by a Transaction Party to a person other than another Transaction Party.

Drawing means each Bank Guarantee issued or to be issued in accordance with this document under the same Funding Notice.

EBIT means, in relation to any period and without double counting, operating profit (loss) of the Reading Entertainment Australia Group (on a consolidated basis) from ordinary operations before interest, income tax and minority interests, but after deduction of depreciation and amortisation for that period, as determined in accordance with Accounting Standards.

EBITDA means, in relation to any period, EBIT for the Reading Entertainment Australia Group for that period, plus depreciation and amortisation as determined in accordance with Accounting Standards.

Encumbrance means any interest in or right over property and anything which would at any time prevent, restrict or delay the registration of any interest in or dealing with property. It includes a Security Interest.

Environmental Assessment Report means a report in relation to compliance with Environmental Law of the Land and any activities carried out on the Land.

Environmental Law means any legislation, regulations or related codes, standards or policies which relate to environmental and planning matters, including matters concerning land use, development, building works, pollution,

contamination, waste, toxic and hazardous substances, disposal of waste or other substances, human health, conservation of natural or cultural resources, heritage and resource allocation.

Environmental Liability means any liability, obligation, expense, penalty or fine arising out of a breach of Environmental Law which could be imposed on any Transaction Party or the Bank in respect of the Land as a result of activities carried on during the ownership, occupation or control of the Land by that Transaction Party, the Bank, any predecessor in title or any previous occupier or controller of the Land.

Event of Default means any event or circumstance described in **clause 10.1** . **Excluded Financial Indebtedness** means Financial Indebtedness of the kind

referred to in paragraph (a), (c) or (d) of the definition of Permitted Financial Indebtedness.

Excluded Property means:

(a) the Burwood Property;

(b) the present or future interest of Reading Cinemas Pty Ltd in the joint venture with Champion Pictures Pty Ltd relating to the Elsternwick cinema business or the assets the subject of the joint venture or the relevant joint venture agreement;

(c) the present or future interest of Reading Exhibition Pty Ltd in the Garden City Cinema joint venture with Village Roadshow Exhibition and Birch Carroll & Coyle or the assets the subject of the joint venture or the relevant joint venture agreement; and

(d) the present or future interest of Epping Cinemas Pty Ltd in the lease granted by Bevendale Pty Ltd or the property the subject of the lease to the extent that the existence of a charge over that interest or property would cause a breach of the that lease.

Expired means, in relation to a Bank Guarantee, that its Expiry Date has passed whether or not a claim has been made under it by the Beneficiary.

Expiry Date means, in relation to a Bank Guarantee, the date specified in that Bank Guarantee as the latest date by which the Beneficiary may make a claim under it.

Face Value means, in relation to a Bank Guarantee:

(a) subject to paragraph (b), the amount specified in that Bank Guarantee as the aggregate maximum amount which the Beneficiary may claim under it; or

(b) if the Beneficiary makes a claim, then between when the Beneficiary makes the first of those claims and the first to occur of the Bank Guarantee Maturing or Expiring, the Face Value of the Bank Guarantee will be the difference between its original face value and the aggregate of all valid claims made under it.

Facility means each of the facilities listed in **schedule 2** (and each Facility

may be referred to by the Facility Name listed in **schedule 2**).

Facility Limit means, in respect of each Facility, the relevant Facility Limit set out in **schedule 2** , as reduced under this document.

Financial Close means the initial Funding Date.

Financial Indebtedness means any indebtedness or other liability (present or future, actual or contingent) relating to any financial accommodation including indebtedness or other liability:

(a) for money borrowed or raised;

(b) relating to the sale or negotiation of any negotiable instrument;

(c) as lessee under any finance lease, as hirer under any hire purchase agreement or as purchaser under any title retention agreement;

(d) relating to any preference share or unit categorised as debt under Accounting Standards;

(e) under any commodity, currency or interest rate swap agreement, forward exchange rate agreement or futures contract (as defined in any statute);

(f) under any Guarantee relating to any financial accommodation; or

(g) for any deferred purchase price (other than in the nature of warranty retention amounts) for any asset or service.

Financial Statements means a balance sheet, an income statement, a statement of changes in equity, a cash flow statement, notes comprising a summary of significant accounting policies and other explanatory note; and any directors' declarations, directors' reports and auditor's reports attached to, intended to be read with or required by the Corporations Act to accompany, all or any of those documents.

Financial Year means a period of 12 months ending on 31 December.

Fixed Charges Cover Ratio means, at any date, the ratio of:

(a) the aggregate amount of:

(i) Adjusted EBITDA in respect of the 12 month period ending on that date; and

(ii) Total Lease Payments in respect of the 12 month period ending on that date,

to

(b) the aggregate amount of:

(i) Gross Interest Expense paid or payable by the Reading Entertainment Australia Group (whether payable in respect of the Facilities or otherwise) in respect of the 12 month period ending on that date; and

(ii) Total Lease Payments in respect of the 12 month period ending on that date.

Freehold Property means each freehold property owned by a Transaction Party that is the subject of a real property mortgage referred to in of **schedule 3** .

Funding Date means a date on which:

(a) an Advance is, or is proposed to be, made; or

(b) a Bank Guarantee is, or is proposed to be, issued, under this document.

Funding Notice means a notice in accordance with **clause 4.4** .

Government Body means any person or body exercising an executive, legislative, judicial or other governmental function. It includes any public authority constituted under a law of any country or political sub-division of any country. It also includes any person deriving a power directly or indirectly from any other person or body referred to in this definition.

Gross Interest Expense means, in relation to any period, the aggregate of all interest and amounts in the nature of interest (including commissions, discount fees, acceptance fees, facility fees, the interest element of a finance lease and fees or charges) payable in connection with any Financial Indebtedness of the Reading Entertainment Australia Group (other than Excluded Financial Indebtedness) for that period on a consolidated basis, whether accrued, paid, payable or expensed (including interest expense under each of the Facilities).

Guarantee means:

(a) a guarantee, indemnity, undertaking, letter of credit, Security, acceptance or endorsement of a negotiable instrument or other obligation (actual or contingent) given by any person to secure compliance with an obligation by another person;

(b) an obligation (actual or contingent) of a person to ensure the solvency of another person or the ability of another person to comply with an obligation, including by the advance of money or the acquisition for valuable consideration of property or services; and

(c) an option under which a person is obliged on the exercise of the option to buy:

(i) any debt or liability owed by another person; or

(ii) any property which is subject to a Security Interest.

Guaranteed Money means all money:

(a) which now or in the future is owing (actually or contingently) by a Transaction Party to the Bank under or in relation to any of the Transaction Documents;

(b) which having now or in the future become owing (actually or contingently) by a Transaction Party to the Bank under or in relation to any of the Transaction Documents, ceases to be owing by reason of any law relating to insolvency and remains unpaid by the Transaction Party

and unreleased by the Bank; or

(c) that now or in the future may become owing (actually or contingently) by a Transaction Party to the Bank under or in relation to any of the Transaction Documents,

for any reason, whether such money is payable:

(d) by a Transaction Party alone or jointly or severally with any other person;

(e) by a Transaction Party in its own right or in any capacity;

(f) to the Bank in its own right or in any capacity; and

(g) by a Transaction Party as liquidated or unliquidated damages caused or contributed to by any breach by the Transaction Party of any obligation owed by the Transaction Party (or any other Transaction Party) to the Bank under or in relation to any of the Transaction Documents,

and if any Transaction Document or any obligation of a Transaction Party to the Bank under or in relation to any of the Transaction Documents is void, voidable or otherwise unenforceable by the Bank in accordance with its terms, it includes all money which would have been within this definition if that Transaction Document or obligation was not void, voidable or otherwise unenforceable.

Guarantor means the Original Guarantors and each person that becomes a guarantor under **clause 16** . If there are more than one, Guarantor means each of them individually and every two or more of them jointly.

Guarantor Accession Deed means a deed substantially in the form of **schedule 8** .

Half means each six month period ending on 30 June and 31 December in each year.

Hedging Transaction means a contract, agreement or arrangement (other than in respect of the price of electricity, gas, oil, foreign exchange or any other non-interest rate derivative contract) which is a futures contract or an interest rate hedge, swap, option, swaption, forward rate agreement or any other contract, agreement or arrangement similar to or having in respect of its subject matter a similar effect to any of the preceding.

Indemnity Amount means, in relation to a Bank Guarantee, the amount or, as the case may be, the aggregate of the amounts payable by the Borrower in relation to a Bank Guarantee in accordance with **clause 5.3** .

Insolvency means:

(a) in relation to a corporation, its winding up or dissolution or its administration, provisional liquidation or any administration having a similar effect;

(b) in relation to an individual, his or her bankruptcy; and

(c) in relation to a person, any arrangement (including a scheme of arrangement or deed of company arrangement), composition or

compromise with, or assignment for the benefit of, all or any class of that person's creditors or members or a moratorium involving any of them

Insolvency Event means any of the following:

(a) a person is or states that the person is unable to pay from the person's own money all the person's debts as and when they become due and payable;

(b) a person is taken or must be presumed to be insolvent or unable to pay the person's debts under any applicable legislation;

(c) an order is made for the winding up or dissolution or an effective resolution is passed for the winding up or dissolution of a corporation;

(d) an administrator, provisional liquidator, liquidator or person having a similar or analogous function under the laws of any relevant jurisdiction is appointed in relation to a corporation or an effective resolution is passed to appoint any such person and the action is not stayed, withdrawn or dismissed within 10 Business Days;

(e) a controller is appointed in relation to any property of a corporation;

(f) a corporation is deregistered under the Corporations Act or notice of its proposed deregistration is given to the corporation;

(g) a distress, attachment or execution is levied or becomes enforceable against any property of a person;

(h) a person enters into or takes any action to enter into an arrangement (including a scheme of arrangement or deed of Borrower arrangement), composition or compromise with, or assignment for the benefit of, all or any class of the person's creditors or members or a moratorium involving any of them;

(i) a petition for the making of a sequestration order against the estate of a person is presented and the petition is not stayed, withdrawn or dismissed within seven days or a person presents a petition against himself or herself;

(j) a person presents a declaration of intention under section 54A of the *Bankruptcy Act 1966* ; or

(k) anything analogous to or of a similar effect to anything described above under the law of any relevant jurisdiction occurs in relation to a person.

Insurance means insurance which a Transaction Party is obliged to take out or maintain under a Transaction Document.

Interest Rate means, in relation to a Pricing Period for an Advance until it becomes due and owing, an interest rate equal to the aggregate of the Base Rate for that Pricing Period and the Margin.

Interim Compliance Certificate means a certificate in substantially the form set out in **schedule 10.**

Land means any land owned or occupied by a Transaction Party that forms

part of the Secured Property.

Leasehold Properties means each leasehold property leased by a Transaction Party that is the subject of a mortgage of lease referred to in **schedule 3** (including the mortgage of lease described at item 11 of **schedule 3**).

Leverage Ratio means, as at any date, the ratio of:

(a) Total Gross Debt outstanding on that date; to

(b) Adjusted EBITDA in respect of the 12 month period ending on that date. For the purposes of calculating Leverage Ratio on any date occurring before the first anniversary of Financial Close, Leverage Ratio will be based on a pro forma EBITDA for the 12 month period to that date.

Loan to Value Ratio at any date means the ratio (expressed as a percentage) of:

(a) the aggregate of the Total Gross Debt outstanding on that date and any Outstanding Accommodation in relation a Current Bank Guarantee as at that date; to

(b) the market value of the Freehold Properties and Leasehold Properties included in the Secured Property as noted in the most recent Valuation provided to the Bank pursuant to this document and accepted by the Bank.

Management Fees means management and consulting fees payable to Reading International Inc each Financial Year.

Margin means 0.95% per annum.

Material Adverse Effec t means a material adverse effect on:

(a) the business, operation, property, condition (financial or otherwise) of a Transaction Party or the Reading Entertainment Australia Group taken as a whole;

(b) the ability of a Transaction Party to perform its obligations under the Transaction Documents; or

(c) the validity or enforceability of the whole or any material part of any Transaction Document or any rights or remedies of the Bank under the Transaction Documents.

Matured means, in relation to a Bank Guarantee, that the Beneficiary has made a claim and is not entitled to claim any more under the relevant Bank Guarantee.

Month means a calendar month.

Outstanding Accommodation means at any time, the aggregate of:

(a) the aggregate of the unpaid Advances outstanding under the Corporate Markets Loan Facility;

(b) the Face Values of all Current Bank Guarantees and all Indemnity

Amounts in relation to each Bank Guarantee which are due and payable; and

(c) for the purposes of **clauses 5.5, 10 and 18.14** only and for no other purposes, any other amounts which the Borrower owes to the Bank or which the Borrower may owe to the Bank under or in connection with the Facilities and includes:

(i) any other amounts which the Borrower owes to the Bank or which the Borrower may owe to the Bank under or in connection with any Hedging Transaction; and

(ii) all interest, costs and fees payable under the Transaction Documents,

whether such amounts are owing actually or contingently and whether such amounts are then due for payment or will or may become due for payment and includes all interest, costs and fees payable under the Transaction Documents.

When used in relation to any Facility, it means the Outstanding Accommodation in relation to Advances or Drawings under that Facility (as applicable).

Overdue Money means money due and payable from time to time under each Transaction Document.

Overdue Rate means at any time, the aggregate of the Interest Rate and a default margin of 4.50% per annum.

Parent Subordination Agreement means the document entitled 'subordination deed' dated on or about the date of this document between the Borrower, Reading International Cinemas LLC and the Bank.

Permitted Disposal means a disposal:

(a) of assets between the Transaction Parties;

(b) of the land and improvements known as 70 Station Road, Indooroopilly Queensland and described in certificate of title 11485156, subject to Reading Properties Indooroopilly Pty Ltd seeking a release of the Bank's Security over that property and compliance with **clause 5.4(b)** ;

(c) of the Burwood Property;

(d) of Reading Cinemas Pty Ltd's interest as lessee in the Elsternwick cinema business, to Champion Pictures Pty Ltd;

(e) of trading stock or cash made in the ordinary course of business;

(f) of plant and equipment in exchange for other assets comparable or superior as to type, value and quality;

(g) of obsolete or redundant assets;

(h) arising as a result of a Permitted Encumbrance or a Distribution or payment permitted by **clause 9.5(f), clause 9.5(j)** or **clause 5.4(b)(ii)** ;

(i) of assets that are the subject of a floating charge (or its equivalent) under a Collateral Security, provided the disposal is made in the ordinary course of business; or

(j) where the aggregate value of the assets disposed of in the 12 month period ending on the date of the relevant disposal (and including the value of the relevant disposal) does not exceed $500,000.

Permitted Distributions means a distribution of any proceeds of the sale of:

(a) 40 Hall Street, Moonee Ponds, Victoria; or

(b) 78 Middleborough Road, Old Burwood Road, Burwood, Victoria, applied towards:

(c) first, the repayment of parent loans to the Borrower from Reading International Inc (including accrued Management Fees, interest, capitalised interest or principal); and

(d) after the repayment of all parent loans under paragraph (c), dividends paid to shareholders of the Borrower, provided the Leverage Ratio is less than 3.0 times at the time of the payment.

Permitted Encumbrance means:

(a) an Encumbrance which has been approved by the Bank (including the Security Interests created by any Transaction Document);

(b) any right of set off or combination arising by operation of law or practice over money deposited with a bank or financial institution in the ordinary course of the business of a Transaction Party;

(c) an Encumbrance which arises by operation of law in the ordinary course of the business of a Transaction Party provided the debt secured by that Encumbrance is paid when due or contested in good faith by appropriate proceedings;

(d) every easement, restrictive covenant, caveat or similar restriction over property, right of way, exception, encroachment, reservation, restriction, condition or limitation which arises in the ordinary course of the ordinary business of the relevant Transaction Party and does not either by itself or in the aggregate materially interfere with or impair the operation or use of a property affected thereby, have a Material Adverse Effect or otherwise restrict or prevent the Bank exercising its rights against any Secured Property under the relevant Collateral Security;

(e) every right reserved to, or vested in, any municipality or governmental or other public authority by the terms of any right, power, franchise, grant, licence or permit to control or regulate any part of the property of a Transaction Party, or to use that property in any manner which does not either by itself or in the aggregate materially interfere with or impair the operation or the use thereof, have a Material Adverse Effect or otherwise restrict or prevent the Bank exercising its rights against any Secured Property under the relevant Collateral Security;

(f) every Encumbrance incurred or deposits made in the ordinary course of ordinary business to secure the performance of tenders, statutory obligations, surety bonds, bids, leases, government contracts, performance and return of money bonds (provided that such Encumbrances do not restrict or prevent the Bank exercising its rights against any Secured Property under the relevant Collateral Security) or in connection with workers' compensation, unemployment insurance and other types of social security;

(g) every Encumbrance incurred or deposit made in the ordinary course of the business of a Transaction Party in respect of a leasehold property, the purchase of assets or the use of utilities, provided that:

(iii) in relation to an Encumbrance incurred or deposit made in respect of the purchase of assets which secures an aggregate amount greater than $250,000 the Bank has given prior written consent to the Borrower; and

(iv) the recourse of the holder of that Encumbrance is limited to the leasehold interest, the assets purchased or use of utilities and the proceeds of enforcement of the Encumbrance.

(h) every retention of title arrangement in respect of trading stock acquired or to be acquired by a Transaction Party in the ordinary course of business;

(i) any easement, caveat or other restriction in relation to a Freehold Property that would be apparent from a title search conducted before the date of this document; and

(j) an Encumbrance over the Burwood Property granted by a Transaction Party in connection with the sale of the Burwood Property and the development of the Burwood Property by the purchaser (or an affiliate of the purchaser), provided that the recourse of the holder of that Encumbrance is limited to the Burwood Property and the proceeds of enforcement of the Encumbrance.

Permitted Financial Accommodation means:

(a) financial accommodation granted by a Transaction Party to another Transaction Party;

(b) any trade credit extended by a Transaction Party to its customers on normal commercial terms and in the ordinary course of business; or

(c) any other financial accommodation granted with the prior consent of the Bank.

Permitted Financial Indebtedness means:

(a) trade debt incurred in the ordinary course of business of the Transaction Parties;

(b) Financial Indebtedness incurred under the Transaction Documents;

(c) Financial Indebtedness owing from one Transaction Party to another

Transaction Party;

(d) any Subordinated Debt;

(e) a $225,000 loan from the landlord of the Westlakes Cinema property;

(f) a $400,000 loan from the landlord of the Rhodes Cinema property;

(g) Financial Indebtedness arising under any performance or similar bond guaranteeing performance by a Transaction Party under any contract entered into in the ordinary course of business;

(h) Financial Indebtedness arising under a guarantee given to a landlord in respect of a lease entered into by a Transaction Party;

(i) Financial Indebtedness under finance or capital leases of vehicles, plant, equipment or computers existing at the date of this document; and

(j) Financial Indebtedness not permitted by the preceding paragraphs and the outstanding principal amount of which does not exceed $500,000 in aggregate for the Transaction Parties at any time.

PPS Act means the *Personal Property Securities Act 2009 (Cth)* .

PPS property means all property (other than Excluded Property) over which the Borrower or a Security Provider is legally capable under the PPS Act of granting a security interest.

Potential Event of Default means any thing which, with the giving of notice, lapse of time or determination of materiality, will constitute an Event of Default.

Pricing Period means, in relation to an Advance under the Corporate Markets Loan Facility, the period having the duration selected in accordance with **clause 6.1** and beginning on the Funding Date in relation to the Advance.

Quarter means each three month period ending on 31 March, 30 June, 30 September and 31 December in each year.

Reading Entertainment Australia Group means, at any time, the Borrower and any subsidiary of the Borrower and **Reading Entertainment Australia Group Member** means any one of them.

Release Date means the Business Day following the later of:

(a) the latest of the Expiry Dates of all Current Bank Guarantees; and

(b) the date on which the Bank is satisfied in its reasonable opinion that it has been paid all amounts which are then or may in the future become due and payable to the Bank under any of the Transaction Documents and that there is no prospect that any amounts which the Bank has received in relation to any of the Transaction Documents will subsequently be made void or be required to be repaid in whole or in part.

Relevant Jurisdiction means Victoria.

Receiver means a receiver or receiver and manager appointed by the Bank under any Transaction Document and any person who derives a right directly

or indirectly from a Receiver.

Reference Banks means each of Australia and New Zealand Banking Group Limited, Commonwealth Bank of Australia and Westpac Banking Corporation, or any other banks or financial institutions determined by the Bank from time to time following consultation with the Borrower.

Regulatory Event means any:

(a) change in, or introduction of a new, law or other form of regulation;

(b) change in, or introduction of a new, practice or policy of an Government Body;

(c) investigation into a Transaction Party or any related entity of a Transaction Party by a Government Body;

(d) application for or grant of an injunction or order in respect of any Encumbrance, Facility or account held with the Bank made by a Government Body, or

(e) change in, or introduction of a new, code of practice or custom relating to the provision of the Services which a reasonable and prudent banker would comply with,

whether in Australia or elsewhere, that, in the Bank's good faith opinion, applies in any way to a Transaction Party, or the Service.

Representative of a person means an officer, employee, contractor or agent of that person.

Restatement Deed means the document entitled 'Restatement Deed' executed in December 2015 between the Bank and the Transaction Parties.

Review Event means any event or circumstance described in **clause 10.4. Secured Property** means all property which, from time to time, is subject to a Security which forms part of the Collateral Security.

Security means any document or transaction which reserves or creates a Security Interest.

Security Interest means any interest or right which secures the payment of a debt or other monetary obligation or the compliance with any other obligation. It includes any retention of title to any property and any right to set off or withhold payment of any deposit or other money.

Security Provider means each person who gives a Collateral Security (other than a related body corporate of the Bank).

Service means any service the Bank provides to the Borrower under or in relation to a Facility including making or processing any payment or issuing any document.

Subordinated Debt means:

(a) Financial Indebtedness that is or may become owing by the Borrower to Reading International Cinemas, LLC, that is fully subordinated on the

terms set out in the Parent Subordination Agreement; and

(b) Financial Indebtedness that is or may become owing by a Transaction Party to Reading International Inc (or any subsidiary or affiliate of Reading International Inc) that is fully subordinated on substantially the same terms (except for the name and other details of the subordinated lender) as those set out in the Parent Subordination Agreement.

Tax means a tax (including any tax in the nature of a goods and services tax), rate, levy, impost or duty (other than a tax on the net overall income of the Bank) and any interest, penalty, fine or expense relating to any of them.

Termination Date means, in respect of each Facility, the Termination Date set out in **schedule 2,** or such other date agreed in writing by the parties.

Total Gross Debt means, on any date, all Financial Indebtedness of the Reading Entertainment Australia Group, but excluding any Excluded Financial Indebtedness.

Total Lease Payments means the aggregate amount of all rental expenditure of the Reading Entertainment Australia Group, other than rental expenditure payable to any Transaction Party, calculated in accordance with Accounting Standards, for that period.

Transaction Documents means:

(a) this document;

(b) not used;

(c) each Guarantor Accession Deed;

(d) the Collateral Security;

(e) the Parent Subordination Agreement;

(f) the ISDA Master Agreement dated 17 June 2011 between the Bank and the Borrower, as amended from time to time;

(g) each deed of consent listed in paragraph 6 of **schedule 5** upon it being executed by the relevant parties;

(h) any agreement relating to the priority of any Security which is a Collateral Security;

(i) any document which the Borrower and the Bank agree is a Transaction Document for the purposes of this document; and

(j) each document entered into for the purpose of amending, novating, restating or replacing any of them.

Transaction Parties means the Borrower and each Guarantor.

Trust means, in relation to any Transaction Party that enters into a Transaction Document in the capacity as trustee of a trust, the relevant trust.

Trust Deed means, in relation to a Trust, the trust deed or other document which establishes or evidences that Trust.

Trustee means a Transaction Party that enters into a Transaction Document acting as the trustee of a Trust.

Valuation means a valuation of the Freehold Properties or leasehold properties included in the Secured Property addressed to the Bank, by an Approved Valuer in form and substance satisfactory to the Bank in all respects.

Verification Certificate means a certificate in substantially the form set out in **schedule 6.**

1.2 Construction

Unless expressed to the contrary, in this document:

(a) words in the singular include the plural and vice versa;

(b) any gender includes the other genders;

(c) if a word or phrase is defined its other grammatical forms have corresponding meanings;

(d) "includes" means includes without limitation;

(e) no rule of construction will apply to a clause to the disadvantage of a party merely because that party put forward the clause or would otherwise benefit from it; and

(f) a reference to:

(i) a person includes a partnership, joint venture, unincorporated association, corporation and a government or statutory body or authority;

(ii) a person includes the person's legal personal representatives, successors, assigns and persons substituted by novation;

(iii) any legislation includes subordinate legislation under it and includes that legislation and subordinate legislation as modified or replaced;

(iv) an obligation includes a representation or warranty and a reference to a failure to comply with an obligation includes a breach of representation or warranty;

(v) a right includes a benefit, remedy, discretion or power;

(vi) time is to local time in Melbourne;

(vii) "$" or "dollars" is a reference to Australian currency;

(viii) this or any other document includes the document as novated, varied or replaced and despite any change in the identity of the parties;

(ix) writing includes any mode of representing or reproducing words in tangible and permanently visible form, and includes fax transmissions;

(x) any thing (including any amount) is a reference to the whole or any

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part of it and a reference to a group of things or persons is a reference to any one or more of them;

(xi) this document includes all schedules and annexures to it; and

(xii) a clause, schedule or annexure is a reference to a clause, schedule or annexure, as the case may be, of this document.

1.3 Headings

Headings do not affect the interpretation of this document.

1.4 Corporations Act, GST and Accounting Standards

Unless expressed to the contrary:

(a) "control", "controller", "corporation", "disclosing entity", "holding company", "marketable security", "prospective liability", "public company", "related body corporate" and "subsidiary" each has the meaning which it is defined to have in the Corporations Act;

(b) "adjustment event", "consideration", "GST", "input tax credit", "supply", "taxable supply" and "tax invoice" each has the meaning which it is defined to have in the *A New Tax System (Goods and Services Tax) Act 1999* ; and

(c) "economic entity", "entity" and "finance lease" each has the meaning which it has in the Accounting Standards.

(d) terms have the meanings given to them in the PPS Act.

1.5 Subsisting Events of Default and Potential Events of Default

(a) An Event of Default subsists if it has occurred and has not been waived by the Bank in accordance with this document or remedied.

(b) A Potential Event of Default subsists if it exists and has not been waived by the Bank in accordance with this document or remedied.

1.6 Not used

1.7 Inconsistency

If there is any inconsistency between this document and any other Transaction Document, then this document prevails to the extent of that inconsistency.

2 Consideration

The Borrower enters into this document in consideration of the Bank agreeing to make the Facility available in accordance with this document.

3 Conditions precedent

3.1 Not used

3.2 Conditions precedent to Advances and Drawings

The obligation of the Bank to make any Advances or Drawings is subject to the further conditions precedent that the Bank is satisfied in its absolute discretion that:

(a) the representations and warranties set out in **clause 8.1** are correct and in all material respects not misleading in any material respect when the Funding Notice is given and on the Funding Date;

(b) all fees and charges then due and payable in connection with the Facility have been paid (including the Restructure Fee set out in **clause 9.1(a)**); and

(c) no Event of Default or Potential Event of Default subsists when the Funding Notice is given and on the Funding Date.

3.3 Not used

4 Facility

4.1 Nature

(a) Subject to **clauses 3** and **10.2** , the Bank will make available:

(i) the revolving Corporate Markets Loan Facility under which it will make Advances; and

(ii) the Bank Guarantee Facility under which it will issue Bank Guarantees at the request of the Borrower,

in accordance with this document.

(b) The Borrower may request one or more Advances and Drawings in accordance with this **clause 4** , but so that the Outstanding Accommodation under each Facility does not at any time exceed the relevant Facility Limit.

4.2 Purpose

The Borrower must only use Advances and Drawings under each Facility for the relevant purposes set out in **schedule 2** , and the Borrower must promptly repay to the Bank all Advances and Drawings not used for these purposes.

4.3 Advances and Drawings

(a) The Borrower may request an Advance or a Drawing by giving a Funding Notice to the Bank by 11.00 am at least one clear Business Day before the date the proposed Advance or Drawing is required.

(b) An Advance under the Corporate Markets Loan Facility must not be for an amount which, when added to the Outstanding Accommodation (if

any) under that Facility, causes the Facility Limit for that Facility to be exceeded. In determining with an Advance will cause the Facility Limit to be exceeded:

(i) the amount of all Advances repaid on the Funding Date are excluded from the calculation of the Outstanding Accommodation; and

(ii) the aggregate amount of all other Advances which the Borrower has requested to be made on the same Funding Date are included in that calculation.

(c) The Aggregate Amount of a Drawing under the Bank Guarantee Facility must not, when added to the Outstanding Accommodation (if any) under that Facility, cause the Facility Limit for that Facility to be exceeded at any time during the Funding Period. In determining whether the Aggregate Amount of a Drawing will cause the Facility Limit to be exceeded:

(i) the Face Value of all Bank Guarantees under a Facility which will mature on the Funding Date for the relevant Drawing are excluded from the calculation of the Outstanding Accommodation; and

(ii) the Aggregate Amount of all other Drawings which the Borrower has requested to be made under the same Facility and on the same Funding Date are included in that calculation.

(d) The Bank is only obliged to make Advances or accept any Drawings during the Availability Period.

4.4 Funding Notices

(a) A Funding Notice must:

(i) be substantially in the form of **schedule 7** ;

(ii) be signed by an Authorised Representative of the Borrower;

(iii) specify the proposed Funding Date which must be a Business Day during the Availability Period;

(iv) specify the amount of the proposed Advance or the Aggregate Amount of the proposed Drawing;

(v) specify the duration of the Pricing Period for each Advance; and

(vi) in the case of any Drawing, specify whether the Drawing is:

(A) to comprise the issue of a new Bank Guarantee, and if so, also specify the date to be shown as the Expiry Date, the person to be named as the Beneficiary and the Face Value of each requested Bank Guarantees; or

(B) deemed to comprise an existing bank guarantee that prior to the date of this document has been issued by the Bank at the request of the Borrower and, if so, specify the date shown as the Expiry Date, the person named as the

Beneficiary and the Face Value of that bank guarantee.

(b) The requirement of a Funding Notice is for the benefit of the Bank. The Bank may waive the requirement at any time and in any manner.

(c) A Funding Notice is irrevocable from the time of its actual receipt in legible form by the Bank.

4.5 Not used

4.6 Not used

4.7 Not used

4.8 Bank Guarantee Facilities

In the case of the Bank Guarantee Facility on the Funding Date specified in the Funding Notice:

(a) the Bank must for the purposes of a Drawing contemplated under **clause 4.4(a)(vi)(A)** , issue each Bank Guarantee requested in the Funding Notice in accordance with that Funding Notice; or

(b) the parties agree that for the purposes of a Drawing contemplated under **clause 4.4(a)(vi)(B)** , the existing bank guarantee referred to in the Funding Notice is deemed to be a Bank Guarantee issued in accordance with the Bank Guarantee Facility and that Funding Notice.

4.9 Cancellation

The Borrower may cancel the Available Commitment or any part of it (being
$100,000 or an integral multiple of that amount) by giving 30 Business Days' notice to the Bank specifying the amount to be cancelled and the date on which the cancellation takes effect. The cancellation takes effect on the date specified in the notice (which must be a date not earlier than five Business Days after the date the Bank receives the notice).

4.10 Market disruption

(a) If the Bank determines that a Market Disruption Event occurs or has occurred in relation to an Advance, then the Bank will promptly notify the Borrower, and the Interest Rate on that Advance for that Pricing Period will be the rate per annum which is the sum of:

(i) the Margin for the Advance; and

(ii) the rate notified to the Borrower as soon as practicable and in any event no later than the Business Day before interest is due to be paid in respect of that Pricing Period, to be that which expresses as a percentage rate per annum the cost to the Bank of funding that Advance from whatever source or sources the Bank may reasonably select.

(b) For the purposes of clause 4.10(a):

(i) Market Disruption Event means:

(A) at or about the time on the day (Quotation Day) for the Bank

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to determine the Screen Rate for the relevant currency and Pricing Period, the Screen Rate is not available and the Bank is unable to specify another page or service displaying an appropriate rate; or

(B) in relation to an Advance, before 5pm (local time) on the Business Day after the Quotation Day for the relevant period, the Bank notifies the Borrower, that as a result of market circumstances not limited to the Bank the cost to the Bank of funding the Advance exceeds the Screen Rate.

(ii) **Screen Rate** means the rate specified in paragraph (a) of the definition of "Base Rate".

4.11 Alternative basis of interest or funding

If a Market Disruption Event occurs and the Bank or the Borrower so requires, the Bank and the Borrower will enter into negotiations (for a period of not more than 30 days) with a view to agreeing a substitute basis for determining the rate of interest or discount.

4.12 Pricing Review Events

(a) The Bank has the right to review the pricing applicable to a Facility (**Review**):

(i) on or about the third anniversary of the date of this document;

(ii) at any time if the Bank reasonably believes that an Event of Default subsists;

(iii) at any time:

(A) a change occurs in the financial markets which affects financial institutions generally; and/or

(B) a general change occurs in the cost of funds in the financial markets in which the Bank raises funds (not being a change resulting from a change in the Bank's credit rating or any other matter relating specifically to the Bank).

(b) The Bank may request the Borrower to provide information in connection with a Review and the Borrower must provide such information as soon as possible following receipt of the request.

4.13 Consequences of a Pricing Review

(a) Following a Review, the Bank may, by giving written notice to the Borrower and/or by way of advertisement in the local or national press:

(i) introduce a new fee, charge or premium or change an existing fee, charge or premium (including its amount, the way in which it is calculated and when it is charged); and

(ii) change the acceptance margin, line fee, interest rate or yield rate applicable to a Facility including by changing or introducing a margin (including by making the margin positive or negative), or

substituting a different indicator rate for the relevant indicator rate (except where the rate is a fixed rate).

(b) Where the Bank gives the Borrower notice under **clause 4.10(a)** by way of advertisement in the local or national press, the Bank will also endeavour to directly notify the Borrower of the change although the Bank will not be precluded from charging the new or adjusted pricing if it does not directly notify the Borrower.

(c) An introduction or change of a matter specified in **clause 4.10(a)** takes effect on the date specified in the relevant notice to the Borrower (which must be at least 30 days after the date on which the notice is given to the Borrower).

5 Payments

5.1 Not used

5.2 Voluntary prepayments

(a) In relation to any Advance, the Borrower:

(i) may prepay any Advance or a part of it (being a minimum of $100,000 or an integral multiple of that amount) by giving 5 Business Days' notice to the Bank specifying the amount to be prepaid and the date on which the prepayment will be made;

(ii) may, subject to **clause 4.3** , redraw any amount prepaid in accordance with this **clause 5.2** ; and

(iii) must make any prepayment under this document together with accrued interest on the amount prepaid, any fees payable under **clause 9.1** and any Break Costs, but otherwise without premium or penalty.

(b) The Borrower may reimburse or repay the Face Value in respect of any Current Bank Guarantee by:

(i) providing to the Bank, cash collateral (on terms satisfactory to the Bank and subject to **clause 10.3**) in an amount not less than the Face Value of the Bank Guarantee; or

(ii) cancelling that Bank Guarantee by returning the original to the Bank together with written confirmation from the Beneficiary that the Bank has no further liability under that Bank Guarantee.

5.3 Indemnity in respect of Bank Guarantees

(a) Without limiting **clause 12.1** , the Borrower indemnifies the Bank against any liability, loss, cost or expense sustained or incurred in relation to any Bank Guarantee or as a direct or indirect consequence of any claim made or purported to be made under any Bank Guarantee, or anything done by any person who is or claims to be entitled to the benefit of a Bank Guarantee.

(b) Without limiting **clause 5.3(a)** , the Borrower must pay to the Bank all amounts claimed by or paid to any Beneficiary in relation to any Bank Guarantee (whether or not the Beneficiary was entitled to make that claim or the Bank was required to make that payment), including any payment made by the Bank under **clause 10.2(a)(iv)(B)** .

(c) The Borrower's obligations under **clause 5.4(a)** and **(b)** are absolute and unconditional. They are not affected by any reduction, termination or other impairment by set-off, deduction, abatement, counterclaim, agreement, defence, suspension, deferment or otherwise.

(d) The Borrower is not released, relieved or discharged from any obligation under this document, nor will such obligation be prejudiced or affected for any reason, including:

(i) any falsity, inaccuracy, insufficiency or forgery of or in any demand, certificate or declaration or other document which on its face purports to be signed or authorised under a Bank Guarantee;

(ii) any failure by the Bank to enquire whether a cable, telex or other notification was inaccurately transmitted, received or given by an unauthorised person (other than where such failure occurs due to the wilful default or fraud of the Bank);

(iii) the impossibility or illegality of performance of, or any invalidity of or affecting, any Transaction Document or Bank Guarantee or any other document;

(iv) any act of any Government Body or arbitrator including any law, judgment, decree or order at any time in effect in any jurisdiction affecting any Transaction Document or Bank Guarantee or any document delivered under a Transaction Document;

(v) any failure to obtain any consent, license or other authorisation necessary or desirable in connection with any Transaction Document or any Bank Guarantee; or

(vi) any other cause or circumstance, foreseen or unforeseen, whether or not similar to any of the above, affecting any Transaction Document or Bank Guarantee or any transaction under a Transaction Document or Bank Guarantee,

(vii) and the Bank need not inquire into any of these matters.

(e) The Bank is irrevocably authorised and directed by the Borrower to pay immediately against a demand appearing or purporting to be made by or on behalf of a Beneficiary, any sums up to the Face Value of a Bank Guarantee which may be demanded from the Bank from time to time without any reference to or any necessity for confirmation or verification on the part of the Borrower, and notwithstanding any instructions from the Borrower to the contrary.

(f) The obligations of the Borrower will not be affected or in any way limited by any falsity, inaccuracy, insufficiency or forgery of or in any notice or

demand pursuant to any liability or the failure of the Bank to enquire (other than where such failure arises due to the wilful default or fraud of the Bank) whether any notice or demand has been inaccurately transmitted or received from any cause whatsoever or has been given or sent by an unauthorised person.

5.4 Mandatory prepayments

(a) Unless the Bank otherwise agrees, if any of the assets, business or undertaking of any Transaction Party is the subject of any Disposal (other than a Permitted Disposal) the Borrower must apply or ensure is applied an amount equal to the cash or equivalent proceeds received by the Transaction Party from the Disposal net of reasonable transaction costs and Taxes in prepayment of Outstanding Accommodation or (other than in respect of a disposal contemplated by **clause 5.4(b)**), at the Borrower's election, in permanent reduction of the unused portion of one or more of the Facility Limits.

(b) If the land and improvements known as 70 Station Road, Indooroopilly Queensland and described in certificate of title 11485156 are sold:

(i) unless the Bank otherwise agrees in writing, the Borrower must apply or ensure is applied an amount equal to 50% of the proceeds arising from that sale net of reasonable transaction costs and Taxes in prepayment of the Outstanding Accommodation and/or in permanent reduction of the unused portion of the Facility Limit for the Corporate Markets Loan Facility; and

(ii) subject to the prior written consent of the Bank (such consent not to be unreasonably withheld), a Transaction Party may make a Distribution or other payment to Reading International Inc (or any subsidiary or affiliate of Reading International Inc that is outside of the Reading Entertainment Australia Group) of an amount equal to 50% of the proceeds arising from that sale net of reasonable transaction costs and Taxes.

(c) For the avoidance of doubt the requirements to prepay under **clause 5.4(b)** will to the extent of the prepayment permanently reduce the Facility Limit of the relevant Facility or Facilities.

5.5 Repayment

Subject to **clause 10.2 and clause 10.3** , each Borrower must:

(a) repay the Outstanding Accommodation in respect of each Facility on the Termination Date in respect of that Facility; and

(b) subject to **clause 6** , and any other provision in a Transaction Document that provides otherwise, pay any other amounts payable in connection with the Transaction Documents, to the Bank on demand.

5.6 Not used

6 Interest and fees

6.1 Pricing Periods

(a) Subject to **clause 6.1(c)** , the Pricing Period for each Advance must be a period of 30, 60 or 90 days or six Months or another period agreed by the Bank.

(b) Subject to **clause 6.1(c)** , the first Pricing Period for an Advance commences on its Funding Date and will have the duration specified in the relevant Funding Notice. Each subsequent Pricing Period for the Advance:

(i) commences on the day after the preceding Pricing Period for the Advance expires; and

(ii) is a period notified by the Borrower to the Bank at least two Business Days before the last day of the current Pricing Period, but if the Borrower does not give notice, is of the same duration as the Pricing Period which immediately precedes it.

(c) A Pricing Period:

(i) which would otherwise end on a day which is not a Business Day ends on the next Business Day and a Pricing Period which would otherwise end after the Termination Date ends on the Termination Date. For the avoidance of doubt, if a Pricing Period ends on a day that is not followed by a Business Day, the Bank may extend that Pricing Period accordingly (except where this would be contrary to **clause 6.1(c)(ii)** , in which case the Bank may shorten the Pricing Period); and

(ii) May be adjusted by the Bank where necessary so that:

(A) a Pricing Period starts on a Business Day;

(B) all Advances will have the same Pricing Period;

(C) a Pricing Period does not end after the Termination Date; and

(D) if a new Advance is made during a Pricing Period for an existing Advance, the first Pricing Period for that new Advance ends on the same day as the Pricing Period for the existing Advance.

6.2 Payment and rate

(a) In respect of the Corporate Markets Loan Facility:

(i) interest for each day is calculated by applying the Daily Interest Rate to the Advance at the end of that day (excluding any amount to which the Overdue Rate applies); and

(ii) the Borrower must pay accrued interest in respect of:

(A) each Pricing Period, on the First Business Day after the expiry of that Pricing Period; and

(B) the last Pricing Period, for the period up to and including the Termination Date, on the Termination Date.

(b) The Borrower must pay interest on Overdue Money, and such interest must be paid on demand by the Bank.

(c) The interest rate on Overdue Money will be the Overdue Rate.

6.3 Computation of interest

Interest will:

(a) accrue from day to day;

(b) be computed from and including the day when the money on which interest is payable becomes owing to the Bank by the Borrower until but excluding the day of payment of that money; and

(c) be calculated on the actual number of days elapsed on the basis of a 365 day year.

6.4 Capitalisation of interest

The Bank may:

(a) capitalise, on a monthly or other periodical basis as the Bank determines, any part of any interest which becomes due and payable and interest is payable in accordance with this document on capitalised interest; and

(b) continue to capitalise interest despite:

(i) that as between the Bank and the Borrower the relationship of Bank and customer has ceased;

(ii) any composition agreed to by the Bank;

(iii) any judgment or order against the Borrower; or

(iv) any other thing.

6.5 Merger

If the liability of the Borrower to pay to the Bank any money payable under a Transaction Document becomes merged in any deed, judgment, order or other thing, the Borrower must pay interest on the amount owing from time to time under that deed, judgment, order or other thing at the higher of the rate payable under the Transaction Documents and that fixed by or payable under that deed, judgment, order or other thing.

7 Payments

7.1 Place, manner and time of payment

Each Transaction Party must make payments to the Bank under the Transaction Documents:

(a) at the address specified in **clause 19.3** or at such other place reasonably required by the Bank;

(b) in a manner reasonably required by the Bank;

(c) by 11.00 am local time in the place where payment is required to be made; and

(d) in immediately available funds and without set-off, counter claim, condition or, unless required by law, deduction or withholding.

7.2 Gross-up

If a Transaction Party is required by law to deduct or withhold Taxes from any payment it must:

(a) make the required deduction and withholding;

(b) pay the full amount deducted or withheld in accordance with the relevant law;

(c) deliver to the Bank an original receipt for each payment; and

(d) pay an additional amount with such payment so that, after all applicable deductions or withholdings, the Bank actually receives for its own benefit the full amount which would have been payable to the Bank if no deduction or withholding had been required.

7.3 Appropriation

Subject to any express provision to the contrary in any Transaction Document, the Bank may appropriate any payment towards the satisfaction of any money due for payment by the Borrower in relation to a Transaction Document in any way that the Bank thinks fit and despite any purported appropriation by the Borrower.

8 Representations and warranties

8.1 Nature

Each Transaction Party represents and warrants that:

(a) **duly incorporated:** if it purports to be a corporation, it is duly incorporated in accordance with the laws of its place of incorporation, validly exists under those laws and has the capacity to sue or be sued in its own name and to own its property and conduct its business as it is being conducted;

(b) **capacity:** it has capacity unconditionally to execute and deliver and comply with its obligations under the Transaction Documents;

(c) **action taken:** it has taken all necessary action to authorise the unconditional execution and delivery of, and the compliance with its obligations under, the Transaction Documents to which it is a party;

(d) **binding obligations:** each Transaction Document constitutes the valid and legally binding obligations of, and is enforceable against it by the Bank in accordance with its terms (subject to any necessary stamping or registration and to equitable principles and insolvency laws);

(e) **priority:** each Security Interest which each Transaction Document purports to create exists and has the priority which the Bank has agreed to (subject to any necessary stamping and registration);

(f) **authorisations:** each authorisation from, and filing and registration with, a Government Body necessary to enable it to unconditionally execute and deliver and comply with its obligations under the Transaction Documents to which it is a party has been obtained, effected and complied with;

(g) **no contravention:** the unconditional execution and delivery of, and compliance with its obligations by it under, the Transaction Documents to which it is a party do not:

(i) contravene any law to which it or any of its property is subject or any order or directive from a Government Body binding on it or any of its property;

(ii) contravene its constituent documents;

(iii) contravene any agreement or instrument to which it is a party;

(iv) contravene any obligation it has to any other person; or

(v) require it to make any payment or delivery in relation to any Financial Indebtedness (other than Excluded Financial Indebtedness) before the scheduled date for that payment or delivery;

(h) **correct information:** all information given and each statement made to any Bank by it or at its direction in relation to the Transaction Documents, is correct, complete and not misleading;

(i) **full disclosure:** it has disclosed to the Bank all information which the Borrower has or has access to and which is relevant to the assessment by the Bank of the nature and amount of the risks undertaken by the Bank becoming a creditor of or taking a Security from it;

(j) **Financial Statements:** the Financial Statements of each of Transaction Party given to the Bank under **clause 9.3** :

(i) are a true, fair and accurate statement of their respective financial performance and position and their respective consolidated financial performance and position at the date to which they are prepared; and

(ii) have been prepared in accordance with **clause 9.2 and 9.3** ,

except for such departures expressly disclosed in those Financial Statements;

(k) **no change in financial position:** there has been no change in the financial performance or position of a Transaction Party since the date to which the last Financial Statements given to the Bank under **clause 9.3** were prepared, which has a Material Adverse Effect;

(l) **no related party transaction:** no person has contravened or will contravene sections 208 or 209 of the Corporations Act due to a Transaction Party entering into or performing its obligations under a Transaction Document;

(m) **no proceeding:** except as notified to the Bank in writing before the date of this document, no litigation, arbitration or administrative proceeding is current, pending or, to the knowledge of the Borrower, threatened, which has, or the adverse determination of which would be likely to have, a Material Adverse Effect;

(n) **no trust:** except as notified to the Bank in writing before the date of this document, no Transaction Party enters into a Transaction Document as trustee of any trust;

(o) **sole owner and no Encumbrances:** except as notified to the Bank in writing before the date of this document:

(i) each Transaction Party is the sole legal and beneficial owner of the property it purports to own; and

(ii) there are no Encumbrances over the property of any Transaction Party other than Permitted Encumbrances;

(p) **no existing default:** no Event of Default, Review Event or Potential Event of Default subsists;

(q) **ranking of obligations:** each obligation of the Borrower under this document ranks at least pari passu with all unsecured and unsubordinated obligations of the Borrower except obligations mandatorily preferred by law;

(r) **warranties correct:** the representations and warranties given by any Transaction Party in any Transaction Document are correct in all material respects and not misleading in any material respect and will be when given or repeated;

(s) **no immunity:** each Transaction Party and its property are free of any right of immunity from set-off, proceedings or execution in relation to its obligations under any Transaction Document;

(t) **insurance:** the Insurances are enforceable against the relevant insurer in accordance with their terms and are not void or voidable;

(u) **trust provisions:** in relation to each Transaction Party which enters into any Transaction Document as trustee of a Trust:

(i) the Trustee has power as trustee of the Trust to execute and

perform its obligations under the Transaction Documents;

(ii) the Trustee, in executing the Transaction Documents and entering into those transactions, have properly performed their obligations to the beneficiaries of the Trust;

(iii) all necessary action required by the Trust Deed to authorise the unconditional execution and delivery of, and compliance with its obligations under, the Transaction Documents has been taken;

(iv) the Trustee is the only trustee of the Trust;

(v) no effective action has been taken to remove the Trustee as trustee of the Trust or to appoint an additional trustee of the Trust;

(vi) (A) the Trustee has a right to be fully indemnified out of the property of the Trust in relation to all of its obligations under the Transaction Documents;

(B) the Trustee has not released or disposed of its equitable lien over the property of the Trust which secures that indemnity; and

(C) the property of the Trust is sufficient to satisfy that indemnity;

(vii) the Trustee has complied with all of its obligations as trustee of the Trust in relation to execution of the Transaction Documents;

(viii) no effective action has been taken or, so far as the Trustee is aware, is contemplated by the beneficiaries of the Trust to terminate the Trust;

(ix) the Trustee has disclosed to the Bank full details of:

(A) the Trust and any other trust or fiduciary relationship affecting the property of the Trust and, without limitation, has given to the Bank copies of any instruments creating or evidencing the Trust; and

(B) the Trustee's other trusteeships (if any);

(x) the Trust is properly constituted and the Trust Deed is not void, voidable or otherwise unenforceable;

(xi) the rights of the beneficiaries of the Trust in relation to, and their interest in, the property of the Trust are subject to:

(A) the rights of the Bank in relation to, and their respective interests in, the property of the Trust; and

(B) any rights or interests in the property of the Trust to which the Bank may from time to time be subrogated; and

(xii) the Trustee:

(A) if it is a corporation, is duly incorporated in accordance with the laws of its place of incorporation, validly exists under those laws and has the capacity to sue and be sued in its

own name, to own property and to act as trustee of the Trust;

(B) if it is natural person, has the capacity to be trustee of the Trust;

(v) **solvency:** each Transaction party is not insolvent;

(w) **corporate benefit:** each of the Transaction Parties will receive corporate benefit by entering into the Transaction Documents to which they are a party.

8.2 General

(a) The interpretation of any statement contained in any representation or warranty will not be restricted by reference to or inference from any other statement contained in any other representation or warranty.

(b) The Borrower acknowledges that the Bank enters into the Transaction Documents in reliance on each representation and warranty.

(c) Each representation and warranty survives the execution of the Transaction Documents and is deemed to be repeated with reference to the facts and circumstances then existing on the date each Funding Notice is issued, on each Funding Date, on the last day of each Funding Period and on each day that an Annual Compliance Certificate or Interim Compliance Certificate is given.

9 General obligations

9.1 Fees

The Borrower must pay to the Bank:

(a) **restructure fee** : on or before execution of the Restatement Deed, a non- refundable Restructure Fee of $30,000;

(b) **Corporate Markets Loan Facility Fee:** a non-refundable facility fee on the Facility Limit in respect of the Corporate Markets Loan Facility calculated at 0.95% per annum from the date of the 'Variation Date' under the Restatement Deed, which will:

(i) accrue from day to day from the date of this document up to and including the Termination Date;

(ii) be payable monthly in arrears, on the first Business Day of each Month;

(iii) be calculated on the actual number of days elapsed and on the basis of a 365 day year;

(c) **Reset Fee** : on the first Business Day of each Pricing Period (other than the first Pricing Period) a non-refundable fee of $150.00;

(d) Not used

(e) **Bank Guarantee service fee** : on and from the first services fee charge

date following 30 June 2014, a non-refundable fee in respect of each Bank Guarantee of 50% of the applicable Bank Guarantee Margin calculated on the Face Value of the Bank Guarantee, payable on a pro- rata basis half yearly in arrears, with the first payment due six months after the relevant Funding Date of the Bank Guarantee, and subsequent payments due every six months thereafter until the Bank Guarantee Matures or Expires or is cancelled. This fee will be calculated on the actual number of days elapsed and on the basis of a 365 day year; and

(f) **Bank Guarantee issuance fee:** a non-refundable fee in respect of each Bank Guarantee of 50% of the applicable Bank Guarantee Margin calculated on the Face Value of the Bank Guarantee (or $125 whichever is greater), payable on the relevant Funding Date of the Bank Guarantee.

9.2 Records

The Borrower must ensure that each Transaction Party:

(a) prepares and keeps books, accounts and other records in accordance with the law and Accounting Standards; and

(b) on demand, makes the same available for inspection and copying by the Bank.

9.3 Financial Statements and other financial information

The Borrower must give to the Bank:

(a) **annual Financial Statements:** as soon as practicable, and in any event within 120 days after the end of each Financial Year the consolidated audited Financial Statements of the Reading Entertainment Australia Group for that Financial Year;

(b) **Quarterly Financial Statements:** as soon as practicable, and in any event within 45 days after the end of each Quarter (other than the Quarter ending 31 December) the consolidated unaudited Financial Statements of the Reading Entertainment Australia Group for that Quarter (showing both actual and budget figures);

(c) **group structure diagram** : within 120 days after the end of each Financial Year, a group structure diagram in relation to Reading International Inc. and the Reading Entertainment Australia Group which lists all the then Group Members and which contains such other information in relation to the legal relationship between Reading International Inc. and the Reading Entertainment Australia Group Members as the Bank reasonably requires;

(d) **budget** : as soon as practicable, and in any event before 31 March for each Financial Year, a consolidated budget for the Reading Entertainment Australia Group for the current Financial Year showing the budgeted profit and loss, balance sheet and cash flow for the Reading Entertainment Australia Group and such other matters customarily dealt with in such budgets;

(e) **deregistration** : not used : and

(f) **other financial information:** promptly on reasonable notice from the Bank, such additional information in relation to the financial condition and the operations of the Borrower and each other Transaction Party as the Bank reasonably requests from time to time.

The Borrower must ensure that all Financial Statements given to the Bank under the Transaction Documents are prepared in accordance with the Corporations Act and the Accounting Standards.

If after the date of this document there is a change in the accounting principles or practices referred to in the definition of 'Accounting Standards' and the Bank or the Borrower reasonably considers that, if the change were to apply for the purposes of this document, the change would have a material effect on the Financial Statements or the calculation of the financial ratios in **clause 9.7** , the Bank and the Borrower shall endeavour to agree mutually acceptable changes to this document so that the accounting change can be adopted for the purposes of this document.

9.4 Other information

The Borrower must give to the Bank:

(a) **other information:** on reasonable notice from the Bank, any other information in the possession or under the control of a Transaction Party which in the Bank's reasonable opinion is necessary to verify the Borrower's compliance with any Transaction Document;

(b) **Annual Compliance Certificate** : as soon as practicable, and in any event within 120 days after the end of each Financial Year, an Annual Compliance Certificate for that Financial Year signed by at least one director of the Borrower;

(c) **Interim Compliance Certificate:** as soon as practicable, and in any event within 45 days after the end of each Quarter (other than the Quarter ending 31 December) an Interim Compliance Certificate for the previous 12 months signed by at least one director of the Borrower;

(d) **tenancy schedule** : as soon as practicable, and in any event within 120 days of the end of each Financial Year an updated tenancy schedule for each Freehold Property, including (without limitation) the following details:

(i) the name of each tenant;

(ii) area let by each tenant;

(iii) current passing rent paid by each tenant;

(iv) the lease start date;

(v) the lease term;

(vi) the lease maturity date;

(vii) the option term (if any);

(viii) rent review details; and

(ix) any other material or special clauses or conditions;

(e) **Valuations:** on demand (provided that no more than one demand is made in a Financial Year and the Bank reasonably considers that there has been a material devaluation of the freehold and leasehold interests subject to the Collateral Security), and in any event within 30 days of the end of every 36 month period from the date of this document, a Valuation in respect of each Freehold Property and leasehold interest that is subject to the Collateral Security. Each Valuation is to be at the Borrower's expense, addressed to the Bank, conducted by an Approved Valuer and in a form and substance (other than as to value) reasonably satisfactory to the Bank;

(f) not used;

(g) **details of any proceeding:** full details of any litigation, arbitration, administrative proceeding or native title claim which affects a Transaction Party and which has or the adverse determination of which would be likely to have a Material Adverse Effect, as soon as it is commenced or to the knowledge of the Borrower is threatened; and

(h) **claims:** on being notified of it, full details of any event which entitles the Borrower or the Bank to claim more than $1,000,000 under the Insurances.

9.5 Other financial undertakings

Each Transaction Party must ensure that:

(a) **negative pledge:** no Encumbrances exist on its property (including the Secured Property and the land and improvements known as 78 Middleborough Road, Old Burwood Road, Burwood Victoria), except Permitted Encumbrances;

(b) **permitted financial transactions:** it does not, without the prior written consent of the Bank:

(i) incur any Financial Indebtedness except Permitted Financial Indebtedness;

(ii) provide any financial accommodation (excluding trade credit in the ordinary course of business) except Permitted Financial Accommodation;

(c) **disposals:** must not dispose of any of its assets, either in a single transaction or in a series of transactions whether related or not and whether voluntary or involuntary, except Permitted Disposals;

(d) **mergers:** a Transaction Party does not:

(i) enter into any merger, reconstruction or amalgamation; or

(ii) acquire any property or business or make any investment if the property, business or investment is substantial in relation to the relevant Transaction Party,

if it would have or be likely to have a Material Adverse Effect;

(e) **maintain status:** it does everything necessary to maintain its corporate existence in good standing and:

(i) ensures that it has the right and is properly qualified to conduct its business in all relevant jurisdictions; and

(ii) obtains and maintains all Authorisations necessary for the conduct of its business;

(iii) comply with all laws affecting it or its business in all relevant jurisdictions

(f) **Distributions:** it must not make any Distribution except:

(i) Permitted Distributions;

(ii) to another Transaction Party; or

(iii) with the Bank's prior written consent (such consent not to be unreasonably withheld),

and provided that:

(iv) no Event of Default subsists; and

(v) such Distribution will not cause an Event of Default;

(g) **Taxes:** must

(i) promptly pay when they become due for payment (or reimburse the Bank on demand for) all Taxes payable by it from time to time other than Taxes being contested in good faith where it has made adequate provisioning;

(ii) not transfer any Tax losses to any person other than to the Borrower in connection with the preparation of consolidated annual Financial Statements or in connection with the Reading Entertainment Australia Group's tax consolidation arrangements; and

(iii) not become a member of a consolidated group for the purposes of Part 3-90 of the Income *Tax Assessment Act 1936* and the *Income Tax Act 1997* including any amendments thereto (including any amendments made by the *New Business Tax (Consolidation Act (No. 1)) 2002* and the *New Business Tax System (Consolidation, Value Shifting, Damages and other Measures) Act 2002)* other than in accordance with a Tax Sharing Agreement or otherwise on terms approved by the Bank;

(h) **Guarantor accession:** if at any time:

(i) there is a new wholly-owned member of the Reading Entertainment Australia Group that earns any revenue, holds an asset or is otherwise not dormant; or

(ii) a wholly-owned member of the Reading Entertainment Australia

Group (as at the date of this document that is not a Guarantor) generates any revenue, acquires an asset or ceases to be dormant,

promptly, and in any event within 45 days, it procures the execution of:

(iii) a Guarantor Accession Deed; and

(iv) an all assets fixed and floating charge in favour of the Bank, in such form as the Bank requires,

by such of those wholly-owned subsidiaries as are required to rectify that situation and provides to the Bank any documents or evidence in relation to any such acceding entity as the Bank may reasonably consider necessary in respect to the entering into, validity and enforceability of the accession documents;

(i) **Major developments** : in respect of any major development projects to be undertaken by the Transaction Parties (that are outside of the budgeted capital expenditure that has been disclosed to the Bank):

(i) the Bank is provided with development budgets and other information reasonably requested by the Bank; and

(ii) the Bank is given the first right of refusal in relation to the funding of the project;

(j) **Major acquisitions** : in respect to any acquisitions or investments in assets to be undertaken by the Transaction Parties, the Bank's written consent is obtained for (and prior to) the purchase of:

(i) any freehold title or ground lease with a remaining tenor of 25 years or more and a consideration greater than $50,000,000; and

(ii) the purchase of any other operating business assets with a consideration greater than $25,000,000.

(k) **Management Fees:** the aggregate Management Fees paid by the Transaction Parties in a Financial Year does not exceed the amount set out in the 'Amount' column corresponding to that Financial Year set out in the following table (without the Bank's prior written consent):

Financial Year Ending	Amount
31 December 2015	$5,250,000
31 December 2016	$5,512,500
31 December 2017	$5,788,125
31 December 2018	$6,077,531
31 December 2019	$6,381,408

No Management Fees may be paid while an Event of Default subsists;

(l) Burwood property:

(i) no Encumbrances exist on the land and improvements known as 78 Middleborough Road, Old Burwood Road, Burwood Victoria (except Permitted Encumbrances); and

(ii) it does not, without the prior written consent of the Bank, incur any Financial Indebtedness in respect of (or secured by) the land and improvements known as 78 Middleborough Road, Old Burwood Road, Burwood Victoria (except Permitted Financial Indebtedness);

(m) **Preservation and protection of Security:** it does everything necessary or reasonably required by the Bank to:

(i) keep the Secured Property in good repair and in good working order;

(ii) promptly pay when they become due for payment (or reimburse the Bank on demand for) all Taxes payable in respect of the Secured Property;

(iii) preserve and protect the value of the Secured Property as a whole; and

(iv) protect and enforce its title and the Bank's title as mortgagee to the Secured Property.

9.6 Insurance

(a) Subject to the provisions of the Transaction Documents, the Borrower must effect and maintain insurance over and in relation to the Secured Property, the business operations of the Group (including business interruption) and for public liability with insurers, for amounts, against risks and on terms and conditions:

(i) that the Bank reasonably requires; or

(ii) if the Bank does not notify the Borrower of its requirements, that a prudent and reasonable owner of the Secured Property would effect and maintain, including insurance for full replacement value on a reinstatement basis.

(b) Subject to the provisions of the Transaction Documents, the Borrower must give to the Bank on demand a certificate in form and substance satisfactory to the Bank from the insurer to the effect that the required Insurances are current and no premium is overdue.

9.7 Financial ratios

(a) The Borrower must ensure that:

(i) **Fixed Charges Cover Ratio** : at each Calculation Date, the Fixed Charges Cover Ratio for the Calculation Period ending on that date is not less than 1.70 times.

(ii) **Leverage Ratio:** at each Calculation Date, the Leverage Ratio for the Calculation Period ending on that date is less than or equal to

3.25 times.

(iii) **Loan to Value Ratio** : at each Calculation Date, the Loan to Value Ratio for the Calculation Period ending on that date is less than or equal to 70%.

(b) A financial ratio or amount to be determined under **clause 9.7(a)** must be tested or determined by reference to the most recently prepared Financial Statements. The calculation of any amounts on a consolidated basis must be made in accordance with the requirements of the Accounting Standards relating to the consolidation of entities.

9.8 Environment

(a) Each Transaction Party must ensure that at all times all practical and reasonable steps that can be taken and measures and precautions that can be adopted are taken or adopted by each Transaction Party to ensure that:

(i) all persons, things and activities of any kind on or using the Land comply with all Environmental Laws and any consent, permit, approval, licence, authorisation, certification, order or direction granted or issued under any Environmental Law;

(ii) if there is any non-compliance with any Environmental Law or any consent, permit, approval, licence, authorisation, certification, order or direction granted or issued under any Environmental Law:

(A) the impact on the Land and the environment is minimised; and

(B) steps are taken as quickly as possible to rectify the non- compliance, eliminate or reduce any liability arising from the non-compliance and to ensure the non-compliance does not recur;

(iii) it or any person on the Land does not:

(A) allow onto or permit to exist on the Land any Contaminant; or

(B) allow a Contaminant to escape or be released into the environment,

if to do so would be in breach of any Environmental Law or any consent, permit, approval, licence, authorisation, certification, order or direction granted or issued under any Environmental Law or could give rise to an order or direction being issued under any Environmental Law; and

(iv) if any Contaminant is discovered on or affecting the Land (other than a Contaminant which is safely stored in accordance with lawful authority) or, without lawful authority, escapes or is released from the Land into the environment:

(A) the impact on the Land and the environment is minimised;

and

(B) steps are taken as quickly as possible to safely contain the Contaminant and to remove the Contaminant from the environment or the Land or reduce the levels of the Contaminant to a level required or recommended by the relevant Government Body as safe and in either case to eliminate or reduce any liability arising from the Contaminant and do all things necessary to restore the Land and the environment.

(b) If there is any non-compliance under **clauses 9.8(a)(i)** , **(ii)** or **(iii)** or any Contaminant is discovered or the Borrower has reason to believe that there is some Contaminant on the Land requiring action to be taken under **clause 9.8(a)(iv)** , the Borrower must immediately notify the Bank.

(c) If there is or the Bank has reason to believe that there may be any non-compliance under **clauses 9.8(a)(i)** , **(ii)** or **(iii)** or any Contaminant is discovered or the Bank has reason to believe that there is some Contaminant on the Land requiring action to be taken under **clause 9.8(a)(iv)** , the Borrower, at the request of the Bank, must procure and furnish to the Bank, in a form acceptable to the Bank, an Environmental Assessment Report in relation to the Land and any operations conducted on it.

(d) The Borrower indemnifies the Bank from and against all:

(i) Environmental Liability; and

(ii) damages, losses, outgoings, costs, charges or expenses suffered or incurred by the Bank in respect of any action, claim or demand made or brought in respect of or otherwise arising from or in connection with any breach of any Environmental Law in relation to the Land.

(e) The Borrower must immediately notify the Bank of:

(i) the existence of any Contaminant on or adjacent to or affecting the Land; and

(ii) the receipt by any Transaction Party of any notice, order or direction:

(A) to clean up any Contaminant on the Land; or

(B) alleging any breach of Environmental Law.

(f) If requested by the Bank, the Borrower must provide the Bank with a copy of each environmental consent, permit, approval, licence, authorisation, certification, order and direction relating to the Land together with confirmation that:

(i) it is complying with the terms and conditions of each consent, permit, approval, licence, authorisation, certification, order and direction; and

(ii) it has renewed each consent, permit, approval, licence, authorisation, certification, order and direction as appropriate.

(g) The Borrower must:

(i) when reasonably required by the Bank, obtain or permit the Bank to obtain an Environmental Assessment Report from a person approved by the Bank in relation to the Land; and

(ii) promptly comply with any reasonable recommendation contained in any Environmental Assessment Report relating to compliance with Environmental Law in relation to the Land and obtain any consent, permit, approval, licence, authorisation, certification, order and direction required in order to comply with that recommendation.

9.9 No default

The Borrower must ensure that an Event of Default does not occur.

9.10 Obligations of Trustees

If a Transaction Party is a Trustee the Borrower must ensure that it:

(a) ensures that the property of the Trust is not mixed with any other property;

(b) complies with its obligations as trustee of the Trust;

(c) does not release, dispose of or otherwise prejudice its right of indemnity against, and equitable lien over, the property of the Trust and its right of indemnity (if any) against the beneficiaries of the Trust in relation to any money owing to the Bank;

(d) at the Bank's request:

(i) exercises its right of indemnity against, and equitable lien over, the property of the Trust and its right of indemnity (if any) against the beneficiaries of the Trust in relation to any money owing to the Bank; and

(ii) assigns to the Bank those indemnities and that equitable lien and otherwise facilitates the subrogation of the Bank to those indemnities and that equitable lien;

(e) does not, if the Trust is a unit trust, consent to or register the transfer of units in the Trust or cancel, repurchase, redeem or issue any units in the Trust;

(f) ensures that:

(i) another person is not appointed as trustee of the Trust;

(ii) the Trust is not terminated or its terms varied;

(iii) the Trustee does not resign and is not removed or replaced as trustee of the Trust;

(iv) the property of the Trust is not resettled;

(v) the capital of the property of the Trust is not distributed at any time; and

(vi) income of the Trust is not distributed to anyone other than a Transaction Party while an Event of Default or Potential Event of Default subsists;

(g) prepares and keeps full and true records and books of accounts of the Trust and makes them available for inspection and copying by the Bank on demand; and

(h) does not default in performing or observing its obligations under the Transaction Documents.

9.11 Release for Permitted Disposals

The Bank must on request from (and at the cost of) a Transaction Party release from the Collateral Security that part of the Secured Property that is the subject of a Permitted Disposal (other than a Permitted Disposal of the kind referred to in paragraph (a) of that term's definition).

10 Events of Default

10.1 Nature

Each of the following is an Event of Default (whether or not caused by anything outside the control of any Transaction Party):

(a) **non-payment:** a Transaction Party does not pay on the due date any principal, interest and fees due for payment by it under a Transaction Document in accordance with the relevant Transaction Document;

(b) **other non-compliance:** a Transaction Party does not comply with any other obligation under a Transaction Document and if that default is capable of rectification:

(i) it is not rectified within five Business Days (or any other longer period agreed by the Bank) after its occurrence; or

(ii) the Transaction Party does not during that period take all action which in the Bank's reasonable opinion is necessary to rectify that default;

(c) **untrue warranty:** a representation, warranty or statement made or deemed to be made by a Transaction Party in a Transaction Document is untrue or misleading in any material respect or a reply by a Transaction Party to a requisition made by, or on behalf of, the Bank is untrue or misleading in any material respect;

(d) **void document:** a Transaction Document is void, voidable or otherwise unenforceable by the Bank or is claimed to be so by a Transaction Party;

(e) **compliance unlawful:** it is unlawful for a Transaction Party to comply with any of its obligations under a Transaction Document or it is claimed to be so by a Transaction Party;

(f) **loss of priority:** a Security Interest created by or purportedly created by a Collateral Security does not have or ceases to have the priority which it purports to have under the relevant Transaction Document or becomes ineffective to secure the payment of the money or compliance with the obligations which it purports to secure, otherwise than by any act of the Bank;

(g) **Insolvency Event:** an Insolvency Event occurs in relation to a Transaction Party;

(h) **authorisation ceasing:** an Authorisation from a Government Body necessary to enable:

(i) a Transaction Party to comply with its obligations under a Transaction Document or carry on its principal business or activity;

(ii) a Transaction Party to carry on its principal business or activity; or

(iii) the Bank to exercise its rights under a Transaction Document, is withheld or ceases to be in full force and effect and, in the case of **clause 10.1(h)(i)** , would have a Material Adverse Effect;

(i) **Material Adverse Effect:** an event or series of events whether related or not, including any material adverse change in the property or financial condition of a Transaction Party, occurs which has a Material Adverse Effect;

(j) cross default:

(i) Financial Indebtedness (other than Excluded Financial Indebtedness) of a Transaction Party in excess of $500,000 becomes due for payment before its stated maturity other than by the exercise of an option of the Transaction Party to pay it before its maturity;

(ii) a Transaction Party fails to pay when due for payment (or within any applicable grace period) any Financial Indebtedness (other than Excluded Financial Indebtedness) in excess of $500,000;

(iii) an obligation by a person to a Transaction Party to provide financial accommodation or to acquire or underwrite Financial Indebtedness (other than Excluded Financial Indebtedness) in excess of $500,000 ceases before its stated maturity other than by the exercise of an option of the Transaction Party to cancel that obligation; or

(iv) a marketable security issued by a Transaction Party and having a face value over $500,000 is required to be redeemed or repurchased before its stated maturity other than by the exercise of an option of the issuer to redeem or repurchase;

(k) **cessation of business:** a Transaction Party ceases or threatens to cease to carry on its business or a substantial part of its business;

(l) **enforcement of other Security:** a person who holds a Security over

property of a Transaction Party exercises a right under that Security against the property to recover any money the payment of which is secured by that Security or enforce any other obligation the compliance with which is secured by it;

(m) **undertaking:** an undertaking given to the Bank (or its lawyers) by or on behalf of a Transaction Party (or its lawyers) is not honoured in accordance with its terms and if capable of rectification, is not rectified within three Business Days (or any other longer period agreed by the Bank) after its occurrence;

(n) **reduction of capital:** if a Transaction Party is a corporation:

(i) it reduces or takes any action to reduce its capital other than by the redemption of redeemable preference shares;

(ii) it passes or takes any action to pass a resolution of the type referred to in section 254N of the Corporations Act;

(iii) it:

(A) buys or takes any action to buy, or

(B) financially assists (within the meaning of section 260A of the Corporations Act) or takes any action to financially assist any person to acquire,

shares in itself or in a holding company of it,

(o) **investigation:** if a Transaction Party is a corporation, an investigation is instituted under the Corporations Act or other legislation into, or an inspector is appointed to investigate, its affairs, which would have a Material Adverse Effect;

(p) **environmental claim** : a Government Body takes any action, there is a legally valid claim or there is a legally enforceable requirement for expenditure or for cessation or alteration of activity under an Environmental Law, which, in the reasonable opinion of the Bank, would have a Material Adverse Effect;

(q) **Management Fees** : the aggregate Management Fees paid by the Transaction Parties in a Financial Year exceed the amount specified for that Financial Year under **clause 9.5(k)** (without the Bank's prior written consent); or

(r) **Trust:** if a Transaction Party is a Trustee:

(i) the Trustee ceases to be the trustee or the only trustee of the Trust or any action is taken for the removal of the Trustee as trustee of the Trust, or for the appointment of another person as trustee in addition to the Trustee;

(ii) an application or order is sought or made in any court, which is not withdrawn or dismissed within ten Business Days, for:

(A) the property of the Trust to be administered by the court; or

(B) an account to be taken in relation to the Trust; or

(iii) non-compliance by the Trustee with its obligations as trustee under the Trust Deed which has a Material Adverse Effect.

10.2 Effect of Event of Default

(a) If an Event of Default subsists the Bank may at any time by notice to the Borrower do any or all of the following:

(i) **cancel Facility:** cancel any or all of the Facilities or any part of a Facility, specified in the notice;

(ii) **accelerate:** make so much of the Outstanding Accommodation which is not then immediately due and payable, any unpaid accrued interest or fees and any other money owing by the Borrower to the Bank in relation to the Transaction Documents either:

(A) payable on demand; or

(B) immediately due for payment;

(iii) Not used

(iv) Bank Guarantees:

(A) by notice to the Borrower require the Borrower to pay immediately to the Bank the aggregate of the Face Values for all Current Bank Guarantees as at the date of the notice, together with any unpaid accrued interest or fees and any other money (including all Indemnity Amounts) owing by the Borrower to the Bank in relation to the Transaction Documents;

(B) pay the Beneficiaries of any one or more of the Current Bank Guarantees the amount agreed between the Bank and the relevant Beneficiary sufficient to obtain from the Beneficiary an unconditional release of the Bank's obligations under the relevant Bank Guarantee on terms satisfactory to the Bank (acting reasonably).

(v) **engage consultants:** at the cost of the Borrower, appoint (or require the Borrower to appoint) such accountancy, financial management and other consultants as the Bank may nominate to investigate the business affairs and financial condition of any Transaction Party and whether each Transaction Party has complied with each Transaction Document to which it is a party and to make recommendations relating to the manner in which the Transaction Party carries on its business. Each Transaction Party agrees to provide all assistance and information required by the consultants (including making all financial records available and giving access to all premises and records) to enable the consultants to conduct their examination promptly, completely and accurately. No Transaction Party is obliged to accept the

recommendations of any consultant, and the Bank will assume no liability with respect to any actions a Transaction Party takes, or does not take, as a result of those recommendations; or

(vi) **treasury related transactions** : if there are any Hedging Transactions or treasury related transactions in existence between the Bank and the Borrower (**Open Positions**) then:

(A) the Bank may close out the Open Positions, by entering into opposite positions for the balance of the unexpired term, or by such other means as may be usual in the relevant market. Any such close out must be at market rates prevailing at the time;

(B) any costs incurred by the Bank in closing out Open Positions must be paid by the Borrower to the Bank immediately upon demand by the Bank;

(C) any gain derived from the closing out of the Open Positions will be credited to the Borrower and set off against the Amount Owing; and

(D) the Bank will give the Borrower reasonable particulars of the manner of close out of the Open Positions and the basis of calculation of any amounts payable by or to the relevant Borrower arising from that close out.

(b) On receipt of a notice under **clause 10.2(a)(ii)(A) or 10.2(a)(ii)(B)** , the Borrower must immediately pay in full the amounts referred to in that notice.

10.3 Cash Cover Account regarding Bank Guarantees

(a) The Bank must credit so much of the money paid by the Borrower under **clause 10.2(a)(iv)(A)** which the Bank appropriates towards the Face Values of Current Bank Guarantees to an account maintained by the Bank for this purpose (**Cash Cover Account**).

(b) The following provisions apply to the Cash Cover Account:

(i) the account will be in the name of the Borrower;

(ii) despite the Cash Cover Account being in the name of the Borrower, until the Release Date the money held in the account is not owed by the Bank to the Borrower and the Borrower is not entitled to withdraw or be paid any of that money (including interest credited to the account);

(iii) the Bank must credit to the account interest at the Cash Cover Rate from time to time and that interest will be credited to the account monthly and on the Release Date; and

(iv) without limiting this **clause 10.3** , the Bank may apply any amounts from time to time held in the account towards payment of any amounts due and payable from time to time to the Bank under any

Transaction Document.

(c) On the Release Date, the Bank must pay to the Borrower the credit balance of the Cash Cover Account.

10.4 Review Events

Each of the following is a Review Event (whether or not caused by anything outside the control of any Transaction Party):

(a) there is an Insolvency Event in respect of Reading International Inc; and

(b) a Change of Control occurs in relation to any Transaction Party.

10.5 Reviews

(a) In addition to any other review rights the Bank has under this document, the Bank may conduct a review of any Facility following a Review Event.

(b) If a Review Event has occurred, then, at any time or from time to time:

(i) the Bank may change any of the conditions applying to the Facility including, but not limited to, increasing or otherwise varying the fees payable in connection with the Facility; and/or

(ii) the Bank may terminate the Facility. If the Bank terminates the Facility, the Termination Date occurs on the date 30 days after the date the Bank notifies the Borrower that it wishes to terminate the Facility.

(c) The Bank may not change any of the conditions applying to the Facility unless it has first given 30 days prior notice to the Borrower of the intended change.

(d) If the Bank gives notice of any change to the conditions of any Facility and the Borrower refuses to accept the changes before the end of the period of notice, then at the end of that period, the Facility will become repayable within 30 days of any demand by the Bank.

(e) Nothing in this clause affects the Bank's rights if any Event of Default occurs.

11 Costs and expenses

11.1 Interpretation

A reference to "costs and expenses" in a Transaction Document includes legal costs and expenses on a full indemnity basis.

11.2 Nature

The Borrower must on demand pay and if paid by the Bank reimburse to the Bank:

(a) the Bank's reasonable costs and expenses relating to:

(i) any Valuation obtained for the purposes of any Transaction

Document;

(ii) the negotiation, preparation, execution, stamping and registration of the Transaction Documents or any document contemplated by them;

(iii) any consent, request for consent (whether or not given), communication or waiver of any right, or the variation, replacement or discharge of any Transaction Document or any document contemplated by it;

(iv) the enforcement or attempted enforcement or the preservation of any rights of the Bank under the Transaction Documents;

(v) the occurrence of any Event of Default or Potential Event of Default; and

(vi) the lodgment or removal of any Encumbrance on the Secured Property by any person; and

(b) subject to **clause 18.14(d)** , any Taxes and registration or other fees (including fines and penalties relating to the Taxes and fees) which are payable or are assessed by a relevant Government Body or other person to be payable in relation to the Transaction Documents or any document or transaction contemplated by them.

11.3 Remuneration

The Bank, any Receiver and any Attorney must be remunerated by the Borrower for any services rendered by them in relation to the enforcement of any right under the Transaction Documents. The rate of the remuneration and the manner of payment will be that determined by the Bank, acting reasonably.

12 Indemnities

12.1 Nature

The Borrower indemnifies the Bank on demand against any liability, loss, cost or expense (including Break Costs) caused or contributed to by:

(a) any failure by any Transaction Party to comply with any obligation under any Transaction Document;

(b) any Event of Default or Potential Event of Default;

(c) the enforcement or attempted enforcement of any right by the Bank, any Receiver or any Attorney under the Transaction Documents;

(d) any Drawing requested by the Borrower not being granted by the Bank for any reason other than a default by the Bank;

(e) any payment not being made by the Borrower in accordance with any Transaction Document; or

(f) any act by the Bank in reliance on any communication purporting to be from the Borrower or to be given on behalf of the Borrower.

12.2 Representatives

The Borrower indemnifies each Receiver and Attorney and their respective Representatives and the Representatives of the Bank against any liability, loss, cost and expense caused by anything the Bank is indemnified against under **clause 12.1** and the Bank holds the benefit of this **clause 12.2** on trust for those persons.

12.3 Currency deficiency

If there is any deficiency between:

(a) an amount payable by a Transaction Party under a Transaction Document which is received by the Bank in a currency other than the currency payable under the Transaction Document because of a judgment, order or otherwise; and

(b) the amount produced by converting the payment received from the currency in which it was paid into the currency in which it was agreed to be paid either directly or through a currency other than that in which it was agreed to be paid,

the Borrower must pay to the Bank the deficiency and any loss, costs or expenses resulting from it.

12.4 Independence and survival

Each indemnity in a Transaction Document is a continuing obligation, separate and independent from the other obligations of the Borrower and survives the termination of that Transaction Document.

12.5 Accounting for transactions

(a) The Borrower irrevocably authorises the Bank to open such accounts as the Bank requires in connection with a Facility.

(b) The Borrower irrevocably authorises the Bank to debit from any account in the name of the Borrower (including an account the Bank opens in the Borrower's name) any amounts payable by the Borrower in relation to that Facility or account, including interest, costs, Taxes, enforcement expenses and any amount payable under an indemnity.

(c) If the Borrower authorises the Bank to debit any amount from an account, the Bank can debit that amount from that account even if it causes the account to become overdrawn. Alternatively, if there are insufficient cleared funds in that account, the Borrower authorises the Bank to debit that amount from any account of the Borrower the Bank decides, including an account the Bank opens in the Borrower's name.

(d) Where the Bank debits an account in the name of the Borrower, opened by:

(i) the Borrower, the Borrower must pay the Bank interest (including default interest if applicable) on any debit balance in accordance with the terms of that account;

(ii) the Bank, the Borrower must pay the Bank interest on the overdrawn balance of that account at the Overdue Rate applying to the relevant Facility or, if there is none, in accordance with the terms normally applied by the Bank to accounts of that type; or

(iii) either the Borrower or the Bank, the overdrawn balance of the account in excess of the applicable Facility Limit is immediately payable without further notice.

(e) Unless otherwise provided, the Bank may apply any payment under or in connection with this document towards satisfying obligations under this document as the Bank sees fit.

(f) Where the Bank is authorised to debit an amount from an account under this document, it can do so without prior notice.

12.6 Liability for Regulatory Events

(a) The Borrower acknowledges that the Services may be interrupted, prevented, delayed or otherwise adversely affected by a Regulatory Event.

(b) To the extent permitted by Law:

(i) the Bank is not liable for any loss incurred by a Borrower or any other person if an event described in **clause 12.6(a)** occurs, irrespective of the nature or cause of that loss, and the Bank has no obligation to contest any Regulatory Event or to mitigate its impact on the Borrower or the Bank; and

(ii) the Borrower releases the Bank from all liability in connection with any loss incurred by a Borrower or any other person if an event described in **clause 12.6(a)** occurs.

(c) To the extent that the Bank's liability cannot be excluded, the Bank's liability is limited to the cost of having the Service supplied again.

(d) The Bank may use and disclose to any other financial institution or agency, any information about any Borrower, the Services or any person connected with it or the Services, for any purpose which the Bank, or any other financial institution, considers appropriate or necessary in connection with any Regulatory Event or the Services and this may result in information being transmitted overseas.

(e) The Borrower agrees to provide information to the Bank about it, the Services or any person connected with it or the Services on request, and to promptly procure any consents the Bank requires to give effect to **clause 12.6(d)** .

13 Goods and Services Tax

13.1 Taxable supply

(a) If GST is payable by the Bank on any supply made under a Transaction

Document, the Borrower must pay to the Bank an amount equal to the GST payable on the supply.

(b) That amount must be paid at the same time that the consideration for the supply is to be provided under the Transaction Document and must be paid in addition to the consideration expressed elsewhere in the Transaction Document.

(c) On receiving that amount from the Borrower, the Bank must provide the Borrower with a tax invoice for the supply.

13.2 Adjustment events

If an adjustment event arises in relation to a supply made by the Bank to the Borrower under a Transaction Document, a corresponding adjustment must be made between the Bank and the Borrower in relation to any amount paid to the Bank by the Borrower under **clause 13.1** and payments to give effect to the adjustment must be made.

13.3 Payments

If the Borrower is required under a Transaction Document to pay for or reimburse an expense or outgoing of the Bank or is required to make a payment under an indemnity in relation to an expense or outgoing of the Bank, the amount to be paid by the Borrower is the sum of:

(a) the amount of the expense or outgoing less any input tax credit in relation to that expense or outgoing that the Bank is entitled to; and

(b) if the Bank's recovery from the Borrower is in relation to a taxable supply, an amount equal to the GST payable by the Bank in relation to that recovery.

14 Increased costs

If the Bank determines that:

(a) the cost to it of providing, funding or maintaining the Facility is increased;

(b) an amount payable to the Bank or the effective return to the Bank under a Transaction Document is reduced;

(c) the effective return to the Bank under any Transaction Document as a proportion of the capital of the Bank is reduced; or

(d) the Bank must make a payment or forego any interest or other return calculated by reference to any amount received or receivable by it from any Transaction Party under a Transaction Document,

because of:

(e) any law, regulation or Government Body directive or request (whether or not having the force of law) introduced or made after the date of this document, including those relating to taxation, capital adequacy or reserve requirements or banking or monetary controls; or

(f) any change in the interpretation or application of any of them,

the Borrower must, within two Business Days after a demand by the Bank, pay to the Bank the amount which, in the Bank's reasonable opinion, will compensate the Bank for the increased cost, reduction, payment or foregone interest or other return.

15 Illegality

15.1 Prepayment

If because of any change after the date of this document in:

(a) a law, regulation or a Government Body directive or request which is legally enforceable or compliance with which is in accordance with the practice of responsible Banks in the relevant jurisdiction; or

(b) the interpretation or application of any of them,

the Bank determines that it is or it will become impossible or illegal or contrary to that Government Body directive or request for:

(c) the Bank to fund, provide or maintain the Facility or otherwise comply with its obligations under the Transaction Documents; or

(d) a person from whom the Bank has raised or proposes to raise money in relation to the Facility to fund, provide or maintain that money,

the Borrower must, within five Business Days after receipt of a notice from the Bank to do so, pay the amount referred to in **clause 10.2(a)(ii)(A) or 10.2(a)(ii)(B)** as if that notice were a notice under **clause 10.2(a)(ii)(A) or 10.2(a)(ii)(B)** .

15.2 Facility terminated

The Bank's obligation to make Advances or Drawings under this document terminates on the giving of a notice under **clause 15.1** .

16 Guarantee and indemnity

16.1 Guarantee

(a) Each Guarantor unconditionally and irrevocably guarantees the payment to the Bank of the Guaranteed Money.

(b) If the Borrower does not pay the Guaranteed Money on time and in accordance with the Transaction Documents, then the Guarantors agree to pay the Guaranteed Money on demand from the Bank.

(c) A demand may be made at any time and from time to time and whether or not the Bank or the Bank has made demand on the Borrower or any other Transaction Party.

16.2 Nature of guarantee

(a) The guarantee in **clause 16.1** is a continuing obligation despite any intervening payment, settlement or other thing and extends to all of the Guaranteed Money.

(b) As between each Guarantor and the Bank (but without affecting the obligations of any other Transaction Party) each Guarantor is liable under this document in relation to the Guaranteed Money as a sole and principal debtor and not as surety.

16.3 Indemnity

(a) Each Guarantor indemnifies the Bank against any liability or loss arising and any costs it suffers or incurs:

(i) if a Transaction Party does not, is not obliged to or is unable to pay the Guaranteed Money in accordance with the Transaction Documents;

(ii) if a Guarantor is not obliged to pay the Bank an amount under **clause 16** ;

(iii) if the Bank is obliged, or agrees, to pay an amount to a trustee in bankruptcy or liquidator (of an insolvent person) in connection with a payment by a Transaction Party under or in connection with a Transaction Document;

(iv) if a Guarantor defaults under the Guarantee in **clause 16.1** ; or

(v) in connection with any person exercising, or not exercising, rights under the Guarantee in **clause 16.1** .

(b) Each Guarantor agrees to pay amounts due under this indemnity immediately on demand from the Bank.

16.4 Reinstatement of rights

(a) Following an Insolvency Event in respect of a Transaction Party, a person may claim that a transaction (including a payment) in connection with this Guarantee or the Guaranteed Money is void or voidable.

(b) If a claim is made and upheld, conceded or comprised:

(i) the Bank is immediately entitled as against the Guarantors to the rights in respect of the Guaranteed Money to which it was entitled immediately before the transaction; and

(ii) on request from the Bank, each Guarantor agrees to do anything (including signing any document) to restore to the Bank any Security Interest (including this Guarantee) held by it from the Guarantors immediately before the transaction.

16.5 Rights of the Bank are protected

Rights given to the Bank under this Guarantee (and each Guarantor's liabilities under it) are not affected by any act or omission by the Bank or by anything else that might otherwise affect them under law or otherwise, including:

(a) the fact that it varies or novates any agreement under which the Guaranteed Money is expressed to be owing, such as by increasing the Facility Limit or extending the term;

(b) the fact that it releases any Transaction Party or gives it a concession, such as more time to pay;

(c) the fact that a Transaction Party opens an account with it;

(d) the fact that it releases, loses the benefit of or does not obtain any Security Interest;

(e) the fact that it does not register any Security Interest which could be registered;

(f) the fact that it releases any person who gives a guarantee or indemnity in connection with any Transaction Party's obligations (including under **clause 16.13**);

(g) the fact that a person becomes a Guarantor after the date of this document (including under **clause 16.14**);

(h) the fact the obligations of any person who guarantees any Transaction Party's obligations (including under this Guarantee) may not be enforceable;

(i) the fact that any person who was intended to guarantee any Transaction Party's obligations does not do so or does not do so effectively;

(j) changes in the membership, name or business of any person; or

(k) the fact that a person who is a co-surety or co-indemnifier for payment of the Guaranteed Money is discharged under an agreement or by operation of law.

16.6 No merger

(a) This Guarantee does not merge with or adversely affect, and is not adversely affected by, any of the following:

(i) any other guarantee, indemnity, or Security Interest, or other right or remedy to which the Bank is entitled; or

(ii) a judgment which the Bank obtains against the Guarantors in connection with the Guaranteed Money or any other amount payable under this Guarantee.

(b) The Bank may still exercise rights under this Guarantee as well as under the judgment, other guarantee, indemnity, Security Interest, or other right or remedy.

16.7 Extent of Guarantor's obligations

If more than one person is named as "Guarantor", each of them is liable for all the obligations under this Guarantee both individually and jointly with any one or more other persons named as "Guarantor".

16.8 Guarantor's rights are suspended

As long as any of the Guaranteed Money remains unpaid, the Guarantor may not, without the Bank's consent:

(a) reduce its liability under this Guarantee by claiming that it or any other Transaction Party or any other person has a right of set-off or counterclaim against the Bank;

(b) exercise any legal right to claim to be entitled to the benefit of another guarantee, indemnity, or Security Interest given in connection with the Guaranteed Money or any other amount payable under this Guarantee;

(c) claim an amount from another Transaction Party, or another guarantor of the Guaranteed Money (including a person who has signed this document as a "Guarantor"), under a right of indemnity in respect of this guarantee; or

(d) claim an amount in the insolvency of a Transaction Party or of another guarantor of the Guaranteed Money (including a person who has signed this document as a "Guarantor").

16.9 Guarantor's right of proof limited

Each Guarantor agrees not to exercise a right of proof after an event occurs relating to the insolvency of a Transaction Party or another guarantor of the Guaranteed Money (including a person who has signed this document as a "Guarantor") independently of an attorney appointed under **clause 16.12** .

16.10 No set-off against assignees

If the Bank assigns or otherwise deals with its rights under this Guarantee, the Guarantors may not claim against any assignee (or any other person who has an interest in this Guarantee) any right of set-off or other right the Guarantors have against the Bank.

16.11 Suspense account

The Bank may place in a suspense account any payment it receives from the Guarantors if there is currently an Insolvency Event, or an Insolvency Event is likely to occur, in relation to any Transaction Party, but must apply it towards satisfying the Guaranteed Money within six months unless the winding up of the relevant Guarantor has commenced.

16.12 Right to prove

(a) The Guarantor irrevocably appoints the Bank and each of its Authorised Representatives individually as its attorney and agrees to formally approve all action taken by an attorney under this **clause 16** .

(b) Each attorney may, at any time while any Guaranteed Money is outstanding:

(i) do anything which a Guarantor may lawfully do to exercise their right of proof in respect of a Transaction Party after an Insolvency Event occurs in respect of such Transaction Party. These things

may be done in the Guarantor's name or the attorney's name and they include signing and delivering documents, taking part in legal proceedings and receiving any dividends arising out of the right of proof;

(ii) delegates its powers (including this power) and may revoke a delegation; and

(iii) exercise its powers even if this involves a conflict of duty and even if it has a personal interest in doing so.

(c) The attorney need not account to a Guarantor for any dividend received on exercising the right of proof under **clause 16.12(i)** except to the extent that any dividend remains after the Bank has received all of the Guaranteed Money and all other amounts payable under the Guarantee.

16.13 Release of Guarantors

(a) The Bank must, at the Borrower's cost, execute any release documentation in respect of the Bank's rights under **clause 16** .

(b) As between the Transaction Parties and the Bank, the Bank is not obliged to consent to a release unless required to do by the terms of another Transaction Document.

(c) The rights and obligations of the remaining Guarantors under the Guarantee in **clause 16.1** will continue in full force and effect despite the release of a Guarantor under this **clause 16.13** .

16.14 New Guarantors

If a Subsidiary of any Transaction Party is required by the terms of a Transaction Document to become a Guarantor, the Borrower must ensure that such subsidiary executes a Guarantor Accession Deed as a new Transaction Party.

16.15 Consideration

Each Guarantor acknowledges having executed this document in return for the Bank entering into the Transaction Documents at the request of the Guarantor and other valuable consideration.

16.16 New Guarantors

(a) A person automatically becomes a party to this document as a Guarantor and Transaction Party (after the date of this document) by signing and delivering to the Bank a Guarantor Accession Deed and doing anything else which the Bank reasonably requests to ensure the enforceability of that person's obligations as a Guarantor.

(b) Each of the other parties to his document irrevocably appoints the Bank as its agent to sign on its behalf any Guarantor Accession Deed.

(c) The execution of a Guarantor Accession Deed will not operate to release any party from its obligations under any Transaction Document.

17 Attorney

17.1 Appointment

If and for so long as an Event of Default occurred and is continuing, the Borrower irrevocably appoints the Bank its attorney with the power:

(a) at any time to:

(i) do everything which in the Attorney's reasonable opinion is necessary or expedient to enable the exercise of any right of the Bank in relation to the Transaction Documents;

(ii) not used;

(iii) complete the Transaction Documents to which it is a party; and

(iv) appoint its directors, officers, employees and solicitors as substitutes and otherwise delegate its powers to any of them (except this power of delegation); and

(b) at any time after a notice is given under **clause 10.2(a)(ii)(A) or 10.2(a)(ii)(B)** , to do all acts and things which the Borrower is obliged to do under the Transaction Documents or which in the Attorney's opinion are necessary or expedient to enable the exercise of any right of the Bank in relation to the Transaction Documents.

17.2 Not used

17.3 General

(a) Any Attorney may exercise any right solely for the benefit of the Bank, even if the exercise of the right constitutes a conflict of interest or duty.

(b) The Borrower by this document ratifies anything done or not done by the Attorney pursuant to the power of attorney.

(c) The power of attorney is granted:

(i) to secure the compliance by the Borrower with its obligations to the Bank under the Transaction Documents and any proprietary interests of the Bank under the Transaction Documents; and

(ii) for valuable consideration (receipt of which is acknowledged) which includes entry into of this document by the Bank at the Borrower's request.

18 General

18.1 Set-off

The Bank may set off any money due for payment by the Bank to the Borrower, whatsoever, including any money in any currency held by the Bank for the account of the Borrower in any place, against any money due for payment by the Borrower to the Bank under a Transaction Document.

18.2 Bank's certificate

(a) A certificate by the Bank relating to any amount owing under a Transaction Document or as to its opinion in relation to any matter under any Transaction Document is prima facie evidence against the Borrower of the matters certified unless proven incorrect or there is a manifest error.

(b) The Bank is not obliged to give the reasons for its determination or opinion in relation to any matter under any Transaction Document. Any certification, determination or opinion relating to an amount must contain reasonable detail as to how the amount was calculated.

(c) A determination or an opinion of an Authorised Representative of the Bank which is given to the Borrower or otherwise expressed or acted on by the Bank as being a determination or an opinion of the Bank will be deemed to be a determination or opinion of the Bank.

18.3 Supervening legislation

Any present or future legislation which operates:

(a) to lessen or vary in favour of the Borrower any of its obligations in connection with the Transaction Documents; or

(b) to postpone, stay, suspend or curtail any rights of the Bank under the Transaction Documents,

is excluded except to the extent that its exclusion is prohibited or rendered ineffective by law.

18.4 Time of the essence

Time is of the essence as regards any obligations of the Borrower or any date or period determined under the Transaction Documents, and if any date or period is altered by agreement between the parties, time is of the essence as regards such altered date or period.

18.5 Business Days

(a) If the day on or by which anything, other than making a payment, must be done by the Borrower under a Transaction Document is not a Business Day, that thing must be done on or by the preceding Business Day.

(b) If a payment would otherwise be due on a day which is not a Business Day it will be due on the immediately following Business Day. However,

if this would result in the payment being due in the month after the original due day or after the Termination Date it will be due on the immediately preceding Business Day.

(c) If anything, including making a payment, is to be done by the Borrower on or by a particular day and it is done:

(i) after the time by which a Transaction Document states it must be done or, if the Transaction Document does not state a time, after 4.00 pm in the place where it is to be done; or

(ii) on a day which is not a Business Day,

it will be deemed to have been done at 9.00 am on the next Business Day.

18.6 Confidentiality

(a) The Bank must keep any information or document relating to a Transaction Party confidential. However, the Bank may disclose to any person any information or document relating to a Transaction Party:

(i) where permitted in a Transaction Document;

(ii) to another party to a Transaction Document;

(iii) to a potential transferee, assignee, participant or sub-participant of the Bank's interests under a Transaction Document or to any other person who is considering entering into contractual relations with it in connection with a Transaction Document;

(iv) to the Bank's related bodies corporate and shareholders, or to any employee, banker, lawyer, auditor or other consultant of the Bank, its related bodies corporate or its shareholders;

(v) to the professional advisers or consultants of any party involved in connection with any Facility who are bound by a duty or obligation of confidence;

(vi) if required by law or by any Government Body or stock exchange;

(vii) in connection with any legal proceedings relating to a Transaction Document or a document delivered under or in relation to a Transaction Document;

(viii) if the information or document is in the public domain; or

(ix) with the consent of the Borrower (which must not be unreasonably withheld or delayed).

(b) Subject to **paragraph (c)** , the Transaction Parties shall keep confidential and not disclose to any other person the terms of the Transaction Documents.

(c) However, the Transaction Parties and any officers or employees of each Transaction Party may disclose such information:

(i) with the prior written consent of the Bank;

(ii) to the extent required by any applicable law or regulation;

(iii) to the extent it reasonably deems necessary in connection with any actual or contemplated proceedings or a claim with respect to this **clause 18.6** ; or

(iv) to the extent permitted by **clause 18.6(a)** (other than paragraph (iii)) as if each reference in that clause to the 'Bank' were to a 'Transaction Party' and each reference to the 'Borrower' were to the 'Bank'.

(d) The Bank and the Transaction Parties agree that:

(i) neither of them will disclose information of the kind mentioned in section 275(1) of the PPS Act; and

(ii) this document does not create a Security Interest.

(e) This **clause 18.6** survives the termination of this document.

(f) The Bank acknowledges that:

(i) information provided from time to time by the Transaction Parties to the Bank may constitute confidential non-public information; and

(ii) trading in marketable securities of Reading International Inc while in possession of the information referred to **clause 18.6(f)(i)** will violate United States' federal securities laws.

(g) The Bank agrees to:

(i) take reasonable precautions to maintain the confidentiality of the information referred to in **clause 18.6(f)(i)** ; and

(ii) advise any party to whom the information referred to in **clause 18.6(f)(i)** is disclosed that it may not trade in the marketable securities of Reading International Inc while in the possession of such information.

(h) This **clause 18.6** will not be deemed to restrict the provision of information by any party to the Internal Revenue Service of the United States of America.

18.7 Exchange rate

Subject to any express provision to the contrary, if for the purposes of a Transaction Document it is necessary to convert one currency into another currency, the conversion must be effected using an exchange rate selected by the Bank acting reasonably and in accordance with it usual practices.

18.8 Records as evidence

The Bank may maintain records specifying:

(a) payments made by the Bank for the account of a Transaction Party under a Transaction Document;

(b) payments by a Transaction Party for the account of the Bank under a Transaction Document; and

(c) interest, fees, charges, costs and expenses payable in relation to the Transaction Documents,

and those records will against the Borrower constitute prima facie evidence of the matters set out in them.

18.9 Further assurances

The Borrower must promptly execute all documents and do all things that the Bank from time to time reasonably requires to:

(a) effect, perfect or complete the provisions of each Transaction Document or any transaction contemplated by it;

(b) establish the priority of or reserve or create any Security Interest contemplated by or purported to be reserved or created by a Transaction Document; and

(c) stamp and register each Transaction Document in any relevant jurisdiction and by any person that the Bank thinks fit.

18.10 Amendment

This document may only be varied or replaced by a document executed by the parties.

18.11 Waiver and exercise of rights

(a) A right in favour of the Bank under a Transaction Document, a breach of an obligation of the Borrower under a Transaction Document or an Event of Default can only be waived by an instrument signed by the Bank. No other act, omission or delay of the Bank constitutes a waiver binding, or estoppel against, the Bank.

(b) A single or partial exercise or waiver by the Bank of a right relating to a Transaction Document does not prevent any other exercise of that right or the exercise of any other right.

(c) The Bank and its Representatives are not liable for any loss, cost or expense of the Borrower caused or contributed to by the waiver, exercise, attempted exercise, failure to exercise or delay in the exercise of a right and the Bank holds the benefit of this **clause 18.11** on trust for itself and its Representatives.

18.12 Rights cumulative

The rights of the Bank under the Transaction Documents are cumulative and in addition to its other rights.

18.13 Approval and consent

Except where a Transaction Document expressly provides otherwise, the Bank may conditionally or unconditionally give or withhold any consent under a Transaction Document and is not obliged to give its reasons for doing so.

18.14 Assignment

(a) The Borrower must not dispose of or Encumber any right under the

Transaction Documents without the consent of the Bank.

(b) The Bank may assign any of its rights or novate, sub-participate, sell- down or transfer by whatever form or otherwise deal with any or all of its rights and obligations under any Transaction Document without the consent of, or notice to, the Borrower.

(c) If an Event of Default subsists then, in order to facilitate the Bank to deal with its rights and obligations, the Bank may (but is not obliged to), from time to time, separate and sever any of its rights (or any part of any of its rights) described in a notice given by the Bank to the Borrower from its other rights and obligations under any Transaction Document. Any such notice is effective on the time of delivery to separate and sever the rights described in the notice so that:

(i) those rights and obligations are independent from, and may be assigned (including at law), novated, sub-participated, sold-down, transferred or otherwise dealt with separately from, any other of the rights and obligations of the Bank under that Transaction Document;

(ii) those rights and obligations may be exercised differently from any other rights and obligations of the Bank under that Transaction Document; and

(iii) the Outstanding Accommodation in respect of those rights may be calculated separately from the other Outstanding Accommodation.

(d) If the Bank assigns its rights or transfers its rights and obligations under this document or any other Transaction Document, no Transaction Party will be required to pay any net increase in the aggregate amount of costs, Taxes, fees or charges which is a direct consequence of the assignment or transfer.

18.15 Counterparts

This document may consist of a number of counterparts and, if so, the counterparts taken together constitute one document.

18.16 Sovereign immunity

The Borrower irrevocably waives any immunity that it or its property has from:

(a) set-off;

(b) legal, arbitral or administrative proceedings;

(c) any process or order of any court, administrative tribunal or arbitrator for the satisfaction or enforcement of a judgment, order or arbitral award or for the arrest, detention or sale of any property; or

(d) service on it of any process, judgment, order or arbitral award,

on the grounds of sovereignty or otherwise under any law of any jurisdiction where any proceedings may be brought or enforced in relation to any Event of Default under a Transaction Document.

18.17 Governing law and jurisdiction

(a) This document is governed by and is to be construed in accordance with the laws applicable in the Relevant Jurisdiction.

(b) Each party irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts exercising jurisdiction in the Relevant Jurisdiction and any courts which have jurisdiction to hear appeals from any of those courts and waives any right to object to any proceedings being brought in those courts.

18.18 Telephone recording

The Borrower consents to the Bank recording any telephone conversations between it and the Bank in relation to any Facility that are customarily recorded in the finance industry or where the Borrower is notified prior to the commencement of the telephone conversation and such recordings being used in any arbitral or legal proceedings and any telephone recording remains the Bank's sole property at all times.

18.19 Legal advice

The Borrower acknowledges that, except as expressly set out in a Transaction Document:

(a) none of the Bank or any of its advisers have given any representation or warranty or other assurance to it in relation to any Transaction Document or the transactions contemplated by any Transaction Document, including as to Tax or other effects;

(b) it has not relied on the Bank or any of its advisers or on any conduct (including any recommendation) by the Bank or any of its advisers; and

(c) it has obtained its own independent financial, Tax and legal advice.

18.20 Further assurances

Whenever the Bank requests a Transaction Party to do anything:

(a) to ensure any Transaction Document (or any security interest (as defined in the PPS Act) or other Security Interest, right or power under any Transaction Document) is fully effective, enforceable and perfected with the contemplated priority;

(b) for more satisfactorily assuring or securing to the Bank the property the subject of any such security interest or other Security in a manner consistent with the Transaction Documents; or

(c) for aiding the exercise of any right or power in any Transaction Document,

the Transaction Party shall do it promptly at its own cost. This may include obtaining consents, getting documents completed and signed, supplying information, delivering documents and evidence of title and executed blank transfers, and giving possession or control with respect to any Secured Property.

18.21 Exclusion of certain provisions

Where there is a Security Interest under any Transaction Document:

(a) to the extent permitted, sections 142 and 143 of the PPS Act are excluded in full and will not apply to that Security Interest and the Bank need not comply with sections 95, 118, 121(4), 125, 130 ,132(3)(d), and 132(4) of the PPS Act; and

(b) each Transaction Party waives its right to receive from the Bank any notice required under s157 of the PPS Act or the provisions of the PPS Act referred to in s144 of the PPS Act, except section 135.

This does not affect any rights a person has or would have other than by reason of the PPS Act and applies despite any other clause in any Transaction Document.

18.22 Notice of changes

Each Transaction Party agrees to notify the Bank at least 14 days before:

(a) a Transaction Party (or if the Transaction Party is trustee of a Trust or a partner of a partnership, the Trust or the partnership) changes its name;

(b) any ABN, ARBN or ARSN allocated to a Transaction Party (or if the Transaction Party is trustee of a Trust or a partner of a partnership, the Trust or the partnership) changes, is cancelled or otherwise ceases to apply to it (or if it does not have an ABN, ARBN or ARSN, one is allocated, or otherwise starts to apply, to it); or

(c) the Borrower becomes trustee of a trust, or a partner in a partnership, which is not expressly contemplated in the Transaction Documents.

19 Notices

19.1 General

A notice, demand, certification, process or other communication relating to a Transaction Document must be in writing in English and may be given by an Authorised Representative of the sender.

19.2 How to give a communication

In addition to any other lawful means, a communication may be given by being:

(a) personally delivered;

(b) left at the party's current address for notices;

(c) sent to the party's current address for notices by pre-paid ordinary mail or, if the address is outside Australia, by pre-paid airmail; or

(d) sent by fax to the party's current fax number for notices.

19.3 Particulars for delivery of notices

(a) The particulars for delivery of notices are initially:

Transaction Parties:

As set out in **schedule 1. Bank:**
Address: Level 28, 500 Bourke Street, Melbourne, Victoria 300

Fax: 1300 889 390

Attention: Andrew Tham

(b) Each party may change its particulars for delivery of notices by notice to each other party.

19.4 Communications by post

Subject to **clause 19.6** , a communication is given if posted:

(a) within Australia to an Australian address, three Business Days after posting; or

(b) in any other case, ten Business Days after posting.

19.5 Communications by fax

Subject to **clause 19.6** , a communication is given if sent by fax when the sender's fax machine produces a report that the fax was sent in full to the addressee. That report is conclusive evidence that the addressee received the fax in full at the time indicated on that report.

19.6 After hours communications

If a communication is given:

(a) after 5.00 pm in the place of receipt; or

(b) on a day which is a Saturday, Sunday or bank or public holiday in the place of receipt,

it is taken as having been given at 9.00 am on the next day which is not a Saturday, Sunday or bank or public holiday in that place.

19.7 Process service

Any process or other document relating to litigation, administrative or arbitral proceedings relating to a Transaction Document may be served on a party to this document by any method contemplated by this **clause 19.7** or in accordance with any applicable law.

READING INTERNATIONAL, INC. – LIST OF SUBSIDIARIES

Subsidiary (Jurisdiction of Incorporation)

A.C.N. 143 633 096 Pty Ltd (Australia)
AHGP, Inc. (Delaware)
AHLP, Inc. (Delaware)
Angelika Film Centers, LLC (Delaware)
Angelika Film Center Mosaic, LLC (Nevada)
Angelika Film Center Union Market, LLC (Nevada)
Angelika Film Centers (Dallas), Inc. (Texas)
Angelika Film Centers (Plano) LP (Nevada)
Angelika Plano Beverage LLC (Texas)
Angelika Plano Holdings, LLC (Nevada)
Australia Country Cinemas Pty Ltd (Australia)
Australian Equipment Supply Pty Ltd (Australia)
Bayou Cinemas LP (Delaware)
Bogart Holdings Ltd (New Zealand)
Burwood Developments Pty Ltd (Australia)
Carmel Theatres, LLC (Nevada)
Citadel Agriculture, Inc. (California)
Citadel Cinemas, Inc. (Nevada)
Citadel Realty, Inc. (Nevada)
City Cinemas, LLC (Nevada)
Consolidated Amusement Holdings, LLC (Nevada)
Consolidated Cinema Services, LLC (Nevada)
Consolidated Cinemas Kapolei, LLC (Nevada)
Consolidated Entertainment, LLC (Nevada)
Courtenay Car Park Ltd (New Zealand)
Craig Corporation (Nevada)
Darnelle Enterprises Limited (New Zealand)
Dimension Specialty, Inc. (Delaware)
Epping Cinemas Pty Ltd (Australia)
Gaslamp Theatres, LLC (Nevada)
Hope Street Hospitality, LLC (Delaware)
Hotel Newmarket Pty Ltd (Australia)
Kaahumanu Cinemas, LLC (Nevada)
Kahala Cinema Company LLC (Nevada)
KMA Cinemas, LLC (Nevada)
Liberty Live, LLC (Nevada)
Liberty Theaters, LLC (Nevada)
Liberty Theatres Properties LLC (Nevada)
Liberty Theatricals, LLC (Nevada)
Minetta Live, LLC (Nevada)
Movieland Cinemas (NZ) Ltd (New Zealand)
NZ Equipment Supply Limited (New Zealand)
Newmarket Properties #3 Pty Ltd (Australia)
Newmarket Properties No. 2 Pty Ltd (Australia)
Newmarket Properties Pty Ltd (Australia)
Orpheum Live, LLC (Nevada)
Queenstown Land Holdings Ltd (New Zealand)
RCPA LLC (Pennsylvania)

RDI Employee Investment Fund LLC (California)
Reading Arthouse Limited (New Zealand)
Reading Auburn Pty Ltd (Australia)
Reading Australia Leasing (E&R) Pty Ltd (Australia)
Reading Belmont Pty Ltd (Australia)
Reading Cannon Park Pty Ltd (Australia)
Reading Capital Corporation (Delaware)
Reading Center Development Corporation (Peunsylvania)
Reading Charlestown Pty Ltd (Australia)
Reading Cinemas Courtenay Central Ltd (New Zealand)
Reading Cinemas Management Pty Ltd (Australia)
Reading Cinemas NJ, Inc. (Delaware)
Reading Cinemas of Puerto Rico, Inc. (Puerto Rico)
Reading Cinemas Pty Ltd (Australia)
Reading Cinemas Puerto Rico LLC (Nevada)
Reading Cinemas USA LLC (Nevada)
Reading Colac Pty Ltd (Australia)
Reading Consolidated Holdings (Hawaii), Inc. (Hawaii)
Reading Consolidated Holdings, Inc. (Nevada)
Reading Courtenay Central Limited (New Zealand)
Reading Dandenong Pty Ltd (Australia)
Reading Dunedin Limited (New Zealand)
Reading Elizabeth Pty Ltd (Australia)
Reading Entertainment Australia Pty Ltd (Australia)
Reading Exhibition Pty Ltd (Australia)
Reading Foundation, LTD (Nevada)
Reading Holdings, Inc. (Nevada)
Reading International Cinemas LLC (Delaware)
Reading International Services Company (California)
Reading Licenses Pty Ltd (Australia)
Reading Maitland Pty Ltd (Australia)
Reading Malulani, LLC (Nevada)
Reading Management NZ Limited (New Zealand)
Reading Melton Pty Ltd (Australia)
Reading Moonee Ponds Pty Ltd (Australia)
Reading Murrieta Theater, LLC (Nevada)
Reading New Lyun Limited (New Zealand)
Reading New Zealand Ltd (New Zealand)
Reading Pacific LLC (Nevada)
Reading Properties Indooroopilly Pty Ltd (Australia)
Reading Properties Lake Taupo Ltd (New Zealand)
Reading Properties LLC (Nevada)
Reading Properties Manukau Ltd (New Zealand)
Reading Properties New Zealand Ltd (New Zealand)
Reading Properties Pty Ltd (Australia)
Reading Properties Taringa Pty Ltd (Australia)
Reading Property Holdings Pty Ltd (Australia)
Reading Queenstown Ltd (New Zealand)
Reading Restaurants NZ Limited (New Zealand)
Reading Rouse Hill Pty Ltd (Australia)
Reading Royal George, LLC (Delaware)
Reading Sunbury Pty Ltd (Australia)
Reading Theaters, Inc. (Delaware)
Reading Wellington Properties Ltd (New Zealand)
Rhodes Peninsula Cinema Pty Ltd (Australia)
Rialto Brands Ltd (New Zealand)

Rialto Cinemas Ltd (New Zealand)
Rialto Distribution Ltd (New Zealand)
Rialto Entertainment Ltd (New Zealand)
Ronwood Investments Ltd (New Zealand)
RREC LLC (Pennsylvania)
Rydal Equipment Co. (Pennsylvania)
S Note Liquidation Company, LLC (Nevada)
Sails Apartments Management Ltd (New Zealand)
Shadow View Land and Farming, LLC (Nevada)
Sutton Hill Properties, LLC (Nevada)
The Port Reading Railroad Company (New Jersey)
The Theatre At Legacy L.P (Texas) .
Tobrooke Holdings Ltd (New Zealand)
Trans-Pacific Finance Fnnd I, LLC (Delaware)
Trenton-Princeton Traction Company (New Jersey)
Twin Cities Cinemas, Inc. (Delaware)
US Agricultural Investors, LLC (Delaware)
US Development, LLC (Nevada)
US International Property Finance Pty Ltd (Australia)
Washington and Franklin Railway Company (Pennsylvania)
Westlakes Cinema Pty Ltd (Australia)
Wilmington and Northern Railroad Company (Pennsylvania)

Consent of Independent Registered Public Accounting Firm

We have issued our reports dated April 29 , 2016, with respect to the consolidated financial statements, schedule and internal control over financial reporting included in the Annual Report of Reading International, Inc. on Form 10-K for the year ended December 31, 2015. We hereby consent to the incorporation by reference of said reports in the Registration Statements of Reading International, Inc. on Forms S-8 (File No. 333-112069, effective January 21, 2004, File No. 333-167101, effective May 26, 2010) and on Form S-3 (File No. 333-162581, effective October 20, 2009).

/s/ GRANT THORNTON LLP
Los Angeles, California
April 29 , 2016

EXHIBIT 31.1

CERTIFICATION PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Ellen M. Cotter , certify that:

1) I have reviewed this Form 10-K of Reading International, Inc.;

2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4) The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5) The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's Board of Directors (or persons performing the equivalent functions):

   a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Ellen M. Cotter

Ellen M . Cotter

Preside nt and Chief Executive Officer

(Principal Executive Officer)

April 29 , 201 6

EXHIBIT 31.2

CERTIFICATION PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Devasis Ghose , certify that:

1) I have reviewed this Form 10-K of Reading International, Inc.;

2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4) The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5) The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's Board of Directors (or persons performing the equivalent functions):

   a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Devasis Ghose

Devasis Ghose

Chief Financial Officer and Treasurer

(Principal Financial Officer)

April 29 , 201 6

EXHIBIT 32.1

CERTIFICATION PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

(18 U.S.C. SECTION 1350)

In connection with the accompanying Annual Report of Reading International, Inc. (the "Company") on Form 10-K for the fiscal year ended December 31, 201 5 (the "Report"), I, Ellen M. Cotter , Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Ellen M. Cotter

Ellen M. Cotter

President and Chief Ex ecutive Officer

(Principal Executive Officer)

April 29 , 201 6

EXHIBIT 32.2

CERTIFICATION PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

(18 U.S.C. SECTION 1350)

In connection with the accompanying Annual Report of Reading International, Inc. (the "Company") on Form 10-K for the fiscal year ended December 31, 201 5 (the "Report"), I, Devasis Ghose , Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Devasis Ghose

Devasis Ghose

Chief Financial Officer

(Principal Financial Officer)

April 29 , 20 16

EXHIBIT 2

Confidential – Filed Under Seal

EXHIBIT 3

Confidential – Filed Under Seal

EXHIBIT 4

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported):	March 10, 2016

Reading International, Inc.
(Exact name of registrant as specified in its charter)

Nevada	1-8625	95-3885184
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

6100 Center Drive, Suite 900, Los Angeles, California	90045
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code:	(213) 235-2240

Not applicable.
(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

[ ] Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

[ ] Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

[ ] Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

[ ] Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 1.01 Entry into a Material Definitive Agreement.

New Compensatory Arrangements for Executive and Management Employees

See Item 5.02 below with respect to certain new compensation arrangements for executive and management employees and outside directors of Reading International, Inc. ("Reading," "Registrant" or the "Company").

Amendment to 2010 Stock Incentive Plan

On March 10, 2016, Reading's Board of Directors approved an amendment to the 2010 Stock Incentive Plan to permit the award of restricted stock units.

The foregoing description of the amendment to the 2010 Stock Incentive Plan is qualified in its entirety by reference to the provisions of the amendment to the 2010 Stock Incentive Plan as exhibit 10.1 to this Current Report on Form 8-K, which is incorporated herein by reference.

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers

Item 5.02 (c)

Andrzej Matyczynski

On March 10, 2016, the Company's Board of Directors (the "Board") appointed Andrzej Matyczynski, 63, as Executive Vice President—Global Operations.

From May 11, 2015 until March 10, 2016, Andrzej Matyczynski has acted as corporate advisor to the Company. Mr. Matyczynski served as our Chief Financial Officer and Treasurer from November 1999 until May 11, 2015 and Corporate Secretary from May 10, 2011 to October 20, 2014. Prior to joining our Company, he spent 20 years in various senior roles throughout the world at Beckman Coulter Inc., a U.S. based multi-national. Mr. Matyczynski earned a Master's Degree in Business Administration from the University of Southern California.

See Item 5.02(e) below with respect to the compensation arrangements for Mr. Matyczynski.

Margaret Cotter

On March 10, 2016, the Board appointed Margaret Cotter, 48, as Executive Vice President-Real Estate Management and Development-NYC.

Margaret Cotter has been a Director of the Company since September 27, 2002, and on August 7, 2014 was appointed Vice Chairperson of our Board. Ms. Cotter is the owner and President of OBI, LLC ("OBI"), which has, since 2002, managed our live-theater operations. Pursuant to the OBI management arrangement, Ms. Cotter also served as the President of Liberty Theaters, LLC, the subsidiary through which we own our live theaters. Operating and overseeing these properties for over 16 years, Ms. Cotter contributes to the strategic direction for our developments. Until her appointment on March 10, 2016, while she received management fees through OBI, Ms. Cotter received no compensation for her duties as President of Liberty Theaters, LLC, other than the right to participate in our Company's medical insurance program. Ms. Cotter, through OBI and Liberty Theaters, LLC, managed the real estate which houses each of our four live theaters in Manhattan and Chicago. Based in New York, Ms. Cotter secures leases, manages tenancies, oversees maintenance and regulatory compliance of these properties and heads up the re-development process with respect to these properties and our Cinemas 1, 2 & 3 property. Ms. Cotter is also a theatrical producer who has produced shows in Chicago and New York and a board member of the League of Off-Broadway Theaters and Producers. Ms. Cotter, a former Assistant District Attorney for King's County in Brooklyn, New York, graduated from Georgetown University and Georgetown University Law Center. She is the sister of Ellen M. Cotter, a director and our President and Chief Executive Officer, and James J. Cotter, Jr., a director. Ms. Margaret Cotter is a Co-Executor of her father's estate, which is the record owner of 427,808 shares of our Class B Voting Stock (representing 25.5% of such Class B voting Stock). Ms. Margaret Cotter is also a Co-Trustee of the James J. Cotter, Sr. Trust, which is the record owner of 696,080 shares of Class B Voting Common Stock (representing an additional 44.0% of such Class B Stock). In addition, with her direct ownership of 804,173 shares of Class A Stock and 35,100 shares of Class B Stock and her positions as Co-Executor of her father's estate and Co-Trustee of the James J. Cotter, Sr. Trust, Ms. Cotter is a significant stockholder in our Company.

In connection with her appointment and employment as Executive Vice President of the Company, the Company's Audit and Conflicts Committee authorized the mutual termination of the Theater Management Agreement dated January 1, 2002, between the Company's subsidiary, Liberty Theaters, Inc. (predecessor to Liberty Theaters, LLC) and OBI, LLC, an entity wholly-owned by Ms. Cotter, (the "Theater Management Agreement"). The termination agreement is currently being negotiated by OBI, LLC and Liberty Theaters, LLC and finalized, will be filed on Form 8-K. While Ms. Cotter is the President of Liberty Theaters, LLC, Liberty Theaters, LLC is being separately represented in these negotiations and the final termination agreement will be subject to the review and approval of our Audit and Conflicts Committee.

The Compensation Committee and the Audit and Conflicts Committee each approved additional consulting fee compensation to Margaret Cotter totaling $200,000 for services rendered by her to the Company in recent years outside of the scope of the Theater Management Agreement, including, but not limited to: (i) predevelopment work on the Company's Union Square and Cinemas 1, 2 & 3 properties, (ii) management of the New York properties, and (iii) management of Union Square tenant matters. The Compensation Committee also noted, when considering this additional consulting fee, that OBI, LLC had agreed to include as a part of its termination agreement with the Company certain waivers and releases including the termination of any rights it might have to receive compensation with respect to any show continuing at any of our theaters after the date of such termination.

The Theater Management Agreement generally provided for the payment of a combination of fixed and incentive fees for the management of our four live theaters. Historically, these fees have equated to approximately 21% of the net cash flow generated by these properties. We currently estimate that fees to be paid to OBI for 2015 will be approximately $390,000. We paid $397,000 and $401,000 in fees with respect to 2014, and 2013, respectively. We also reimbursed OBI for certain travel expenses.

As Executive Vice-President Real Estate Management and Development - NYC, Ms. Cotter will continue to be responsible for the management of our live theater assets and business, will continue her role heading up the pre-redevelopment of our New York Properties and will become our senior executive responsible for the actual redevelopment of our New York properties.

Ms. Cotter's compensation as Executive Vice-President was set as part of the extensive executive compensation process described in Item 5.02(e) below. For 2016, Ms. Cotter's base salary will be $350,000, she will have a short term incentive target bonus opportunity of $105,000 (30% of her base salary), and she was granted a long term incentive of a stock option for 19,921 shares of Class A common stock and 4,184 restricted stock units under the Company's 2010 Stock Incentive Plan, as amended, which long term incentives vest over a four year period.

Item 5.02(e)

Compensation Arrangements

Background

The Executive Committee ("Executive Committee") of the Board of Directors (the "Board"), upon the recommendation of our Chief Executive Officer, requested the Compensation Committee to evaluate the Company's compensation policy for executive officers and outside directors and to establish a plan that encompasses sound corporate practices consistent with the best interests of the Company. The Compensation Committee undertook to review, evaluate, revise and recommend the adoption of new compensation arrangements for executive and management officers and outside directors of the Company. In January 2016, the Compensation Committee retained the international compensation consulting firm of Willis Towers Watson as its advisor in this process and also relied on the Company's legal counsel, Greenberg Traurig, LLP.

Going forward, the Board of Directors has adopted a formal charter for our Compensation Committee a copy of which has been posted on our website, www.ReadingRDI.com.

Executive Compensation

From late January to late February 2016, the Compensation Committee met five separate times with Willis Towers Watson, the Chief Executive Officer, and legal counsel. Except for the first meeting, each meeting exceeded three hours and was fully focused on the assessments

discussed above. As part of its engagement Willis Towers Watson reviewed the Company's compensation paid to executive and management officers by position, in light of each person's duties and responsibilities. Willis Towers Watson then compared the top executive and management positions at the Company to (i) executive compensation paid by a peer group and (ii) two surveys, the 2015 Towers Watson Data Services Top Management Survey Report and the 2015 Mercer MBD Executive Compensation Survey, in each case, identified by office position and duties performed by the officer. The peer group utilized by Willis Towers Watson included the following companies:

Arcadia Realty Trust
Associated Estates Realty Corp.
Carmike Cinemas Inc.
Cedar Realty Trust Inc.
Charter Hall Group
EPR Properties
Vicinity Centres
IMAX Corporation
Inland Real Estate Corp.
Kite Realty Group Trust
Marcus Corporation
Pennsylvania Real Estate Investment Trust
Ramco-Gershenson Properties Trust
Urstadt Biddle Properties Inc.
Village Roadshow Ltd.

Willis Towers Watson selected the above peer group because (i) the companies included US and Australian based companies reflecting the Company's geographic operations and (ii) the companies were comparable to the Company based on revenue.

The executive pay assessment prepared by Willis Towers Watson measured the executive and management compensation paid by the Company against compensation paid by peer group companies and the companies listed in the two surveys based on the 25 th, 50 th and 75 th percentile of such peer group and surveyed companies. The 50 th percentile was the median compensation paid by such peer group and surveyed companies to executives performing similar responsibilities and duties.

In its report to the Compensation Committee, Willis Towers Watson noted that for Company executive officers:

- Base salaries in the aggregate were generally in the competitive zone of the market (1% below the market 50 th percentile), with certain notable exceptions on position by position review;
- Total cash compensation (base salary and cash bonus) in the aggregate was 26% below the 50 th percentile; and
- Total compensation (base salary, cash bonus and long term incentive awards) in the aggregate was 40% below the 50 th percentile.

The Willis Towers Watson assessment compared the base salary, the short term incentive (cash bonus) and long term incentive (equity awards) of the peer and surveyed companies to the base salary, short term incentive and long term incentive provided to executives by the Company. The assessment concluded that except in a few positions, the Company was generally competitive in base salary, however, the Company was not competitive when short term incentives and long term incentives were included in the total compensation paid to the Company

executives and management. The base salary paid by the Company to the following officers was below the 25 th percentile: President and CEO. The total compensation (base salary, short term incentive and long term incentive) paid by the Company to the following officers was below the 25 th percentile: President and CEO, EVP Global Operations, and Chief Legal Officer. The only officer at or above the 50 th percentile for total compensation was the Company's Chief Financial Officer and Treasurer who had joined the Company in May 2015 and which was the product of a negotiated arms-length employment agreement.

As a result of the foregoing factors Willis Towers Watson recommended that the Company:

- In determining salary increases, the Company should consider the executive's current competitive position, performance, role, and retention risk.
- Implement a formal annual incentive opportunity for all executives.
- Implement a regular annual grant program for long-term incentives.

The foregoing observations and recommendations were studied, questioned and thoroughly discussed by the Compensation Committee, Willis Towers Watson and legal counsel over each of the four in-person meetings (the first of the five meetings mentioned above was conducted by telephone and was focused on engagement of advisors). Among other things, the Compensation Committee discussed and considered the recommendations made by Willis Towers Watson regarding the establishment of a compensation program with the long term objective to target the compensation program with the market 50 th percentile of our peer companies, however, for 2016, to target our compensation program to the 25 th percentile of our peer companies. In each case, however, the Compensation Committee's final decision or recommendation, as the case may be, as to total compensation to an individual would be based on the individual's actual performance and specific circumstances and to adjust base salary, short term incentive, and long term incentive accordingly.

The Compensation Committee recommended, and the Board subsequently adopted, a compensation philosophy for the Company's management team members to:

- Attract and retain talented and dedicated management team members;
- Provide overall compensation that is competitive in its industry;
- Correlate annual cash incentives to the achievement of its business and financial objectives; and
- Provide management team members with appropriate long-term incentives aligned with stockholder value.

As part of the compensation philosophy the Company's compensation focus will be to (1) drive the Company's strategic plan on growth, (2) align officer and management performance with the interests of the Company's stockholders, and (3) encourage retention of officers and management team members.

In furtherance of the compensation policy and as a result of the extensive deliberations, including consideration of the Willis Towers Watson recommendations, the Compensation Committee adopted an executive and management officer compensation structure for 2016 consisting of:

- A base salary comparable with job description and industry standard.
- A short term incentive or cash bonus plan based on a combination of factors including individual performance against corporate goals as well as overall corporate and division performance. Target bonus to be denominated as a percent of base salary with specific goals weightings and pay-out ranges).
- A long term incentive or equity awards inline with job description, performance, and industry standards.

The Compensation Committee's intention is that the compensation structure approved for 2016 will remain in place indefinitely. However, it will review performance and results after the first year and thereafter and evaluate from time to time whether enhancements, changes or other compensation structures are in the Company's and it stockholders best interests.

Reflecting the new approach, the Compensation Committee established (i) annual base salaries at levels that it believed (based heavily on the data provided by Willis Towers Watson) are generally competitive with executives in our peer group and in other comparable publicly-held companies as described in the executive pay assessment prepared by Willis Towers Watson, and (ii) short term incentives in the form of discretionary annual cash bonuses based on the achievement of identified goals and benchmarks. Long-term incentives in the form of employee stock options and restricted stock units will be used as a retention tool and as a means to further align an executive's long-term interests with those of the Company's stockholders, with the ultimate objective of affording our executives an appropriate incentive to help drive increases in stockholder value.

The Compensation Committee will evaluate both executive performance and compensation to maintain the Company's ability to attract and retain highly-qualified executives in key positions and to assure that compensation provided to executives remains competitive when compared to the compensation paid to similarly situated executives of companies with whom we compete for executive talent or that we consider comparable to our company.

Role of Chief Executive Officer in Compensation Decisions

In connection with the implementation of the new compensation structure, the Compensation Committee conducted the thorough review of executive compensation discussed above. The Compensation Committee engaged in extensive discussions with and considered with great weight the recommendations of the Chief Executive Officer as to compensation for executive and management team members other than for the Chief Executive Officer.

In connection with consideration of 2015 performance bonuses for members of management, the Chief Executive Officer prepared and submitted recommendations for each of the executive and management team members, other than her own. In considering these recommendations, the Compensation Committee had the benefit of its extensive deliberations as well as the data provided by Willis Towers Watson. In executive session, the Compensation Committee approved a 2015 performance bonus for the Chief Executive Officer. At the Compensation Committee's February 17, 2016 meeting, it approved recommendations to the Board for its February 18, 2016 meeting, at which time the Board approved the same. The Board

approval covered certain officers including the five officers set forth below. In addition, our Chief Executive Officer discussed recommendations for other management team members but the Compensation Committee and Board agreed that such positions were within the scope of the Chief Executive Officer's authority and did not require the Compensation Committee or Board approval.

The Compensation Committee expects to perform an annual review of executive compensation, generally in the first quarter of the year following the year in review, with a presentation by the Chief Executive Officer regarding each element of the executive compensation arrangements. At the Compensation Committee's direction, the Chief Executive Officer prepared an executive compensation review for each executive officer (other than the Chief Executive Officer), as well as the full executive team, which included recommendations for:

- 2016 Base Salary
- A proposed year-end short -term incentive in the form of a target cash bonus based on the achievement of certain objectives; and
- A long-term incentive in the form of stock options and restricted stock units for the year under review.

As part of the compensation review, the Chief Executive Officer may also recommend other changes to an executive's compensation arrangements such as a change in the executive's responsibilities. The Compensation Committee will evaluate the Chief Executive Officer's recommendations and, in its discretion, may accept or reject the recommendations, subject to the terms of any written employment agreements.

The Compensation Committee met in executive session without our Chief Executive Officer to consider the Chief Executive Officer's compensation, including base salary, cash bonus and equity award, if any. Prior to such executive sessions, the Compensation Committee interviewed the Chief Executive Officer to obtain a better understanding of factors contributing to the Chief Executive Officer's compensation. With the exception of these executive sessions of the Compensation Committee, as a rule, our Chief Executive Officer participated in all deliberations of the Compensation Committee relating to executive compensation. However, the Compensation Committee also asked our Chief Executive Officer to be excused for certain deliberations with respect to the compensation recommended for Margaret Cotter, the sister of the Chief Executive Officer.

In conjunction with the year-end annual compensation review, or as soon as practicable after the year-end, our Chief Executive Officer will recommend to the Compensation Committee the Company objectives and other criteria to be utilized for purposes of determining cash bonuses for certain senior executive officers. The Compensation Committee, in its discretion, may revise the Chief Executive Officer's recommendations. At the end of the year, the Compensation Committee, in consultation with the Chief Executive Officer, will review each performance goal and determine the extent to which the officer achieved such goals. In establishing performance goals, the Compensation Committee expects to consider whether the goals could possibly result in an incentive for any executives to take unwarranted risks in our Company's business and intend to seek to avoid creating any such incentives.

Base Salaries

The Compensation Committee reviewed the executive pay assessment prepared by Willis Towers Watson and other factors and engaged in extensive deliberation and then recommended the following 2016 base salaries (the 2015 base salaries are shown for comparison purposes) for the following officers; the Board approved the recommendations of the Compensation Committee on March 10, 2016: the President and Chief Executive Officer, Chief Financial Officer and the persons identified and Named Executive Officers in the Company's proxy statement dated November 10, 2015 other than our prior Chief Executive Officers James J. Cotter, Sr. and James J. Cotter, Jr:

Name	**Title**	**2016 Base Salary(4)**	**2015 Base Salary(4)**
Ellen Cotter (1)	President and Chief Executive Officer	$450,000	$402,000
Devasis Ghose (2)	Chief Financial Officer	400,000	400,000
Andrzej Matyczynski (3)	EVP Global Operations	336,000	312,000
Robert F. Smerling	President, US Cinemas	375,000	350,000
Wayne Smith	Managing Director, ANZ	A$370,000	A$365,360

(1) Ellen M. Cotter was appointed Interim President and Chief Executive Officer on June 12, 2015 and President and Chief Executive Officer on January 8, 2016.
(2) Devasis Ghose was appointed Chief Financial Officer on May 11, 2015. Mr. Ghose is the only executive officer that is a party to an employment agreement.
(3) Andrzej Matyczynski was the Company's Chief Financial Officer until May 11, 2015 and thereafter he acted as corporate advisor to the Company. He was appointed EVP-Global Operations on March 10, 2016.
(4) All dollars are US dollars except the salary for Wayne Smith is reported in Australian dollars

Short Term Incentives

The Short Term Incentives authorized by the Compensation Committee and the Board provides the Company's executive officers and other management team members, who are selected to participate, with an opportunity to earn an annual cash bonus based upon the achievement of certain Company financial goals, division goals and individual goals, established by the Company's Chief Executive Officer and approved by the Compensation Committee and the Board of Directors (in future years, under the Compensation Committee Charter approved by the Board on March 10, 2016, the Compensation Committee will have full authority to approve

these matters). Specifically, a participant in the short term incentive plan will be advised of his or her annual potential target bonus expressed as a percentage of the participant's base salary and by dollar amount. The participant will be eligible for a short term incentive bonus once the participant achieves goals identified at the beginning of the year for a threshold target, the potential target or potential maximum target bonus opportunity. The bonus will vary depending upon the achievements made by the individual participants, the division and the corporation. Corporate goals will include levels of earnings before interest, depreciation, taxes and amortization ("non-GAAP Operating Income") and property development milestones. Division goals will include levels of division cash flow and division milestones and individual goals will include specific unique performance goals specific to the individual's position in the Company. Each of the corporate, division and individual goals carries a different percentage weight in determining the officer's or other team member's bonus for the year.

For 2016, executive officers will have an annual bonus opportunity expressed and determined as a percent of their base salary. This approach also was a recommendation of the Willis Towers Watson report to the Compensation Committee and provided points of reference for our Compensation Committee to compare short-term incentive opportunities for our executive and management team to those in peer and competitor companies.

Ms. Ellen Cotter, President and Chief Executive Officer, has a potential target bonus opportunity of 95% of Base Salary, or $427,500 at target. Of that potential target bonus opportunity, a threshold bonus of $213,750 may be achieved based upon Ms. Cotter's achievement of her performance goals and the Company's achievement of corporate goals as discussed above, a potential maximum target of $641,250 is based on achieving performance goals approved by the Chairman of the Compensation Committee. Ms. Cotter's aggregate annual bonus opportunity can range from $0 to $641,250. Mr. Devasis Ghose, Chief Financial Officer, has a potential target bonus opportunity of 50% of Base Salary, or $200,000 at target, which is based on achievement of his performance goals and the Company's achievement of corporate goals, as discussed above. Mr. Ghose's aggregate annual bonus opportunity can range from $0 to $300,000 (the maximum potential target if additional performance goals are met by Mr. Ghose). Mr. Andrzej Matyczynski, EVP - Global Operations, has a target bonus opportunity of 50% of Base Salary, or $168,000 at target, which is based on achievement of his performance goals, the Company's achievement of corporate goals and certain divisional goals. Mr. Matyczynski's aggregate annual bonus opportunity can range from $0 to $252,000 (the maximum potential target if additional performance goals are met by Mr. Matyczynski). Mr. Robert Smerling, President, US Cinemas , has a target bonus opportunity of 30% of base pay, or $112,500 at target, which is based on achievement of his performance goals, the Company's achievement of corporate goals and certain divisional goals. Mr. Smerling's aggregate annual bonus opportunity can range from $0 to $168,750 (the maximum potential target if additional performance goals are met by Mr. Smerling). Mr. Wayne Smith, Managing Director, ANZ , has a target bonus opportunity of 40% of Base Salary, or A$148,000 at target, which is based on achievement of his performance goals, the Company's achievement of corporate goals and certain divisional goals. Mr. Smith's aggregate annual bonus opportunity can range from A$0 to A$222,000 (the maximum potential target if additional performance goals are met by Mr. Smith). The positions of other management team members have target bonus opportunities ranging from 20% to 30% of Base Salary based on achievement certain goals. The highest level of achievement,

participants may be eligible to receive up to a maximum of 150% of his or her target bonus amount.

Long-Term Incentives

Long-Term incentives will utilize the equity-based plan under the Company's 2010 Incentive Stock Plan, as amended (the "2010 Plan"). For 2016, executive and management team participants will receive awards in the following forms: 50% time-based restricted stock units and 50% non-statutory stock options. The grants of restricted stock units and options will vest ratably over a four (4) year period with 1/4 th vesting on each anniversary date of the grant date.

On March 10, 2016 the following grants were made:

Name	**Title**	**Dollar Amount of Restricted Stock Units (1)**	**Dollar Amount of Non-Statutory Stock Options (1)**
Ellen Cotter	President and Chief Executive Officer	$150,000	$150,000
Devasis Ghose (2)	Chief Financial Officer	0	0
Andrzej Matyczynski	EVP Global Operations	37,500	37,500
Robert F. Smerling	President, US Cinemas	50,000	50,000
Wayne Smith	Managing Director, ANZ	27,000	27,000

(1) The number of shares of stock to be issued will be calculated using the Black Scholes pricing model as of the date of grant of the award.

(2) Mr. Devasis Ghose was awarded 100,000 non-statutory stock options vesting over a 4 year period on Mr. Ghose's commencement of employment on May 11, 2015.

All long-term incentive awards will be subject to other terms and conditions set forth in the 2010 Plan and award grant.

Director Compensation

The Compensation Committee also undertook a review of outside director compensation. The process followed was similar to that in scope and approach used by the Compensation Committee in considering executive compensation as described above. The meetings of the Compensation Committee evaluating executive compensation in most cases also considered

outside director compensation, although a substantial majority of those meetings were focused on executive compensation considerations.

Willis Towers Watson reviewed and presented to the Compensation Committee the competitiveness of the Company's outside director compensation. The Company's outside director compensation was compared to the compensation paid by the 15 peer companies (identified above in the Executive Compensation discussion). Wills Towers Watson's key findings were:

- The Company's annual board retainer was slightly above the 50 th percentile while the total cash compensation paid to outside directors was close to the 25 th percentile.
- Due to minimal annual director equity grants at the Company, total direct compensation to the Company's outside directors was the lowest among the peer group.
- The Company should consider increasing its committee cash compensation and annual director equity grants to be in line with peer practices.

The foregoing observations and recommendations were studied, questioned and thoroughly discussed by the Compensation Committee, Willis Towers Watson and legal counsel at three of the four in-person meetings (the first of the five meetings mentioned above was conducted by telephone and was focused on engagement of advisors). Among other things, the Compensation Committee discussed and considered the recommendations made by Willis Towers Watson regarding director retainer fees and equity awards for directors. Following discussion the Committee recommended to the Board that:

- The Board retainer currently paid to outside directors not be changed
- The committee chair retainers be increased to $20,000 for the Audit Committee and the Executive Committee and $15,000 for the Compensation Committee.
- The committee member fees be increased to $7,500 for the Audit and Executive Committees and to $5,000 for the Compensation Committee.
- The Lead Director fee be increased to $10,000.
- The annual equity award value to directors be $60,000 as a fixed dollar value (using Black-Scholes), that the equity award be restricted stock units and that such restricted stock units have a twelve month vesting period.
- The Board approved additional special compensation to be paid to certain directors for extraordinary services provided to the Company and devotion of time in providing such services as follows:
    - Guy W. Adams, $50,000
    - Edward L. Kane, $10,000
    - Douglas J. McEachern, $10,000

The recommendations of the Compensation Committee with respect to outside director compensation were presented and approved by the Board on May 10, 2016. Board compensation was made effective for the year 2016 and equity grants were made on March 10, 2016 based upon the closing of the Company's Class A Common Stock on such date.

Item 8.01 Other Events.

Separation Agreement – William D. Ellis

On February 18, 2016, William D. Ellis submitted his resignation as General Counsel and Corporate Secretary of the Company. On March 11, 2016, Reading entered into an agreement with Mr. William D. Ellis, pursuant to which Mr. Ellis will be available to advise the Company on matters on which he previously worked until December 31, 2016. Mr. Ellis' last day was March 11, 2016.

The foregoing description of the Separation Agreement is qualified in its entirety by reference to the provisions of the Separation Agreement filed as exhibit 10.3 to this Current Report on Form 8-K, which is incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

10.1	Amendment to 2010 Stock Incentive Plan approved March 10, 2016.
10.2	Compensatory Arrangements for Certain Executive Officers and Management.
10.3	Separation Agreement dated as of March 11, 2016, by and between William D. Ellis and Reading International, Inc.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Reading International, Inc.

Date: March 15, 2016

/s/ Devasis Ghose

Name: Devasis Ghose
Title: Chief Financial Officer

READING INTERNATIONAL, INC.

FIRST AMENDEMNT TO THE

2010 STOCK INCENTIVE PLAN

This First Amendment (the "Amendment") to the Reading International, Inc. 2010 Stock Incentive Plan (the "Plan"), is made and shall be effective as of this 10 th day of March , 2016 (the "Effective Date").

RECITALS

WHEREAS, the stockholders of Reading International, Inc. (the "Company") approved the Plan on May 13, 2010 at the annual meeting of stockholders in accordance with the recommendation of the board of directors; and

WHEREAS, the Plan provides for awards of stock options, restricted stock, bonus stock, and stock appreciation rights to eligible employees, directors, and consultants;

WHEREAS, the Company believes that it would be be in the best interests of the Company and its stockholders to permit awards of restricted stock units;

WHEREAS, NASDAQ rules do not require stockholders to approve an amendment to an equity incentive plan if the amendment relates to adding restricted stock units as long as the Plan provides for the award of restricted stock;

WHEREAS, the Plan provides for the award of restricted stock;

NOW, THEREFORE, in accordance with Section 12 of the Plan, the Plan is amended as follows as of the Effective Date:

AMENDMENTS

1. Section 2(y) the definition of " Rule 16b-3 " is hereby renumbered as Section 2(z).
2. Section 2(z) the definition of " Securities Act " is hereby renumbered as Section 2(aa).
3. Section 2(aa) the definition of " Stock Award " is hereby renumbered as Section 2(bb).
4. Section 2(bb) the definition of " Service " is hereby renumbered as Section 2(cc).
5. Section 2(cc) the definition of " Stock Award Agreement " is hereby renumbered as Section 2(dd).
6. Section 2(dd) the definition of " Ten Percent Stockholder " is hereby renumbered as Section 2(ee).
7. Section 2(y) the definition of "Restricted Stock Units" is hereby added.

"Restricted Stock Units" means a Stock Award which may be earned in whole or in part upon the passage of time or the attainment of performance criteria established by the Board and which may be settled for Common Stock, other securities or cash or a combination of Common Stock, other securities or cash as established by the Board.

8. Section 2(bb) of the Plan is hereby deleted and replaced in its entirety by the following:
" Stock Award " means any right granted under the Plan, including an Option, a stock bonus, a right to acquire restricted stock, a restricted stock unit and a stock appreciation right granted under the Plan, whether singly, in combination or in tandem, to a Participant by the Board pursuant to such terms, conditions, restrictions and/or limitations, if any, as the Board may establish.

9. Section 7(d) is hereby added to the Plan as follows:
Restricted Stock Units. Each restricted stock unit agreement shall be in such form and shall contain such terms and conditions as the Board shall deem appropriate. The terms and conditions of the restricted stock unit agreements may change from time to time, and the terms and conditions of separate restricted stock unit agreements need not be identical, but each restricted stock unit agreement shall include (through inclusion or incorporation of provisions hereof by reference in the agreement or otherwise) the substance of each of the following provisions:

i. **Consideration** . A restricted stock unit may be awarded upon the passage of time, the attainment of performance criteria or the satisfaction or occurrence of such other events as established by the Board.

ii. **Vesting Generally** . At the time of the grant of a restricted stock unit, the Board may impose such restrictions or conditions to vesting, and/or the acceleration of the vesting, of such restricted stock unit as it, in its sole discretion, deems appropriate. Vesting provisions of individual restricted stock units may vary.

iii. **Termination of Service** . In the event that a Participant's Service terminates, any or all of the restricted stock units held by the Participant that have not vested as of the date of termination under the terms of the restricted stock unit agreement shall be forfeited to the Company in accordance with the restricted stock unit agreement, except as otherwise provided in the applicable restricted stock unit agreement.

iv. **Transferability** . A restricted stock unit shall be subject to similar transfer restrictions as awards of restricted stock, except that no shares are actually awarded to a Participant who is granted restricted stock units on the date of grant, and such Participant shall have no rights of a stockholder with respect to such restricted stock units until the restrictions set forth in the restricted stock unit agreement have lapsed. Restricted stock units may be transferred to any trust established by a Participant for the benefit of the Participant, his or her spouse, and/or any one or more lineal descendants.

v. **Voting, Dividend & Other Right** . Holders of restricted stock units will not be entitled to vote or to receive the dividend equivalent rights in respect of the restricted stock units at the time of any payment of dividends to stockholders on Common Stock until they become owners of the Common Stock pursuant to their restricted stock unit agreement. If the applicable restricted stock unit agreement specifies that a Participant will be entitled to dividend equivalent rights, (i) the amount of any such dividend equivalent right shall equal the amount that would be payable to the Participant as a stockholder in respect of a number of shares equal to the number of vested restricted stock units then credited to the Participant, and (ii) any such dividend equivalent right shall be paid in accordance with the Company's payment practices as may be established from time to time and as of the date on which such dividend would have been payable in respect of outstanding shares of Common Stock (and in accordance with Section 409A of the Code with regard to awards subject thereto); provided that no dividend equivalents shall be currently paid on restricted share units that are not yet vested.

10. Except as modified hereby, the provisions of the Plan shall remain in full force and effect, and the Plan may be restated, as amended hereby, in its entirety.

Compensatory Arrangements for Executive and Management Employees

Background

The Executive Committee ("Executive Committee") of the Board of Directors (the "Board") of Reading International, Inc. (("Reading," "Registrant" or the "Company") , upon the recommendation of our Chief Executive Officer, requested the Compensation and Stock Options Committee (the "Compensation Committee") to evaluate the Company's compensation policy for executive officers and outside directors and to establish a plan that encompasses sound corporate practices consistent with the best interests of the Company. The Compensation Committee undertook to review, evaluate, revise and recommend the adoption of new compensation arrangements for executive and management officers and outside directors of the Company. In January 2016, the Compensation Committee retained the international compensation consulting firm of Willis Towers Watson as its advisor in this process and also relied on the Company's legal counsel, Greenberg Traurig, LLP.

Executive Compensation

From late January to late February 2016, the Compensation Committee met five separate times with Willis Towers Watson, the Chief Executive Officer, and legal counsel. As part of its engagement Willis Towers Watson reviewed the Company's compensation paid to executive and management officers by position, in light of each person's duties and responsibilities. Willis Towers Watson then compared the top 12 executive and management positions at the Company to (i) executive compensation paid by a peer group and (ii) two surveys, the 2015 Towers Watson Data Services Top Management Survey Report and the 2015 Mercer MBD Executive Compensation Survey, in each case, identified by office position and duties performed by the officer. The peer group utilized by Willis Towers Watson included the following companies:

Arcadia Realty Trust
Associated Estates Realty Corp.
Carmike Cinemas Inc.
Cedar Realty Trust Inc.
Charter Hall Group
Epr Properties
Vicinity Centres
IMAX Corporation
Inland Real Estate Corp.
Kite Realty Group Trust
Marcus Corporation.
Pennsylvania Real Estate Investment Trust
Ramco-Gershenson Properties Trust
Urstadt Biddle Properties Inc.
Village Roadshow Ltd.

Willis Towers Watson selected the above peer group because (i) the companies included US and Australian based companies reflecting the Company's geographic operations and (ii) the companies were comparable to the Company based on revenue.

The executive pay assessment prepared by Willis Towers Watson measured the executive and management compensation paid by the Company against compensation paid by peer group companies and the companies listed in the two surveys based on the 25 th, 50 th and 75 th percentile of such peer group and surveyed companies. The 50 th percentile was the median compensation

paid by such peer group and surveyed companies to executives performing similar responsibilities and duties.

In its report to the Compensation Committee, Willis Towers Watson noted that for Company executive officers:

- Base salaries in the aggregate were generally in the competitive zone of the market (1% below the market 50 th percentile), with certain notable exceptions on position by position review;

- Total cash compensation (base salary and cash bonus) in the aggregate was 26% below the 50 th percentile; and

- Total compensation (base salary, cash bonus and long term incentive awards) in the aggregate was 40% below the 50 th percentile.

The Compensation Committee, recommended, and the Board subsequently adopted, a compensation philosophy for the Company's management team members to:

- Attract and retain talented and dedicated management team members;
- Provide overall compensation that is competitive in its industry;
- Correlate annual cash incentives to the achievement of its business and financial objectives; and
- Provide management team members with appropriate long-term incentives aligned with stockholder value.

As part of the compensation philosophy the Company's compensation focus will be to (1) drive the Company's strategic plan on growth, (2) align officer and management performance with the interests of the Company's stockholders, and (3) encourage retention of officers and management team members.

In furtherance of the compensation policy and as a result of the extensive deliberations, including consideration of the Willis Towers Watson recommendations, the Compensation Committee adopted an executive and management officer compensation structure for 2016 consisting of:

- A base salary comparable with job description and industry standard.
- A short term incentive or cash bonus plan based on a combination of factors including individual performance against corporate goals as well as overall corporate and division performance. Target bonus to be denominated as a percent of base salary with specific goals weightings and pay-out ranges).
- A long term incentive or equity awards inline with job description, performance, and industry standards.

The Compensation Committee's intention is that the compensation structure approved for 2016 will remain in place indefinitely. However, it will review performance and results after the first year and thereafter and evaluate from time to time whether enhancements, changes or other compensation structures are in the Company's and it stockholders best interests.

Reflecting the new approach, the Compensation Committee established (i) annual base salaries at levels that it believed (based heavily on the data provided by Willis Towers Watson) are generally competitive with executives in our peer group and in other comparable publicly-held companies as described in the executive pay assessment prepared by Willis Towers Watson, and (ii) short term incentives in the form of discretionary annual cash bonuses based on the achievement of identified goals and benchmarks. Long-term incentives in the form of employee stock options and restricted stock units will be used as a retention tool and as a means to further align an executive's long-term interests with those of the Company's stockholders, with the ultimate objective of affording our executives an appropriate incentive to help drive increases in stockholder value.

The Compensation Committee will evaluate both executive performance and compensation to maintain the Company's ability to attract and retain highly-qualified executives in key positions and to assure that compensation provided to executives remains competitive when compared to the compensation paid to similarly situated executives of companies with whom we compete for executive talent or that we consider comparable to our company.

Role of Chief Executive Officer in Compensation Decisions

In connection with the implementation of the new compensation structure, the Compensation Committee conducted the thorough review of executive compensation discussed above. The Compensation Committee engaged in extensive discussions with and considered with great weight the recommendations of the Chief Executive Officer as to compensation for executive and management team members other than for the Chief Executive Officer.

In connection with consideration of 2015 performance bonuses for members of management, the Chief Executive Officer prepared and submitted recommendations for each of the executive and management team members, other than her own. In considering these recommendations, the Compensation Committee had the benefit of its extensive deliberations as well as the data provided by Willis Towers Watson. In executive session, the Compensation Committee approved a 2015 performance bonus for the Chief Executive Officer. At the Compensation Committee's February 17, 2016 meeting, it approved recommendations to the Board for its February 18, 2016 meeting, at which time the Board approved the same. The Board approval covered certain officers including the five officers set forth below. In addition, our Chief Executive Officer discussed recommendations for other management team members but the Compensation Committee and Board agreed that such positions were within the scope of the Chief Executive Officer's authority and did not require the Compensation Committee or Board approval.

The Compensation Committee expects to perform an annual review of executive compensation, generally in the first quarter of the year following the year in review, with a presentation by the Chief Executive Officer regarding each element of the executive compensation arrangements. At the Compensation Committee's direction, the Chief Executive Officer prepared an executive compensation review for each executive officer (other than the Chief Executive Officer), as well as the full executive team, which included recommendations for:

- 2016 Base Salary

- A proposed year-end short -term incentive in the form of a target cash bonus based on the achievement of certain objectives; and
- A long-term incentive in the form of stock options and restricted stock units for the year under review.

As part of the compensation review, the Chief Executive Officer may also recommend other changes to an executive's compensation arrangements such as a change in the executive's responsibilities or a change in title. The Compensation Committee will evaluate the Chief Executive Officer's recommendations and, in its discretion, may accept or reject the recommendations, subject to the terms of any written employment agreements.

The Compensation Committee met in executive session without our Chief Executive Officer to consider the Chief Executive Officer's compensation, including base salary, cash bonus and equity award, if any. Prior to such executive sessions, the Compensation Committee interviewed the Chief Executive Officer to obtain a better understanding of factors contributing to the Chief Executive Officer's compensation. With the exception of these executive sessions of the Compensation Committee, as a rule, our Chief Executive Officer participated in all deliberations of the Compensation Committee relating to executive compensation. However, the Compensation Committee will ask the Chief Executive Officer to be excused for certain deliberations with respect to the compensation recommended for Margaret Cotter, the sister of the Chief Executive Officer.

In conjunction with the year-end annual compensation review, or as soon as practicable after the year-end, our Chief Executive Officer will recommend to the Compensation Committee the Company objectives and other criteria to be utilized for purposes of determining cash bonuses for certain senior executive officers. The Compensation Committee, in its discretion, may revise the Chief Executive Officer's recommendations. At the end of the year, the Compensation Committee, in consultation with the Chief Executive Officer, will review each performance goal and determine the extent to which the officer achieved such goals. In establishing performance goals, the Compensation Committee expects to consider whether the goals could possibly result in an incentive for any executives to take unwarranted risks in our Company's business and intend to seek to avoid creating any such incentives.

Base Salaries

The Compensation Committee reviewed the executive pay assessment prepared by Willis Towers Watson and other factors and engaged in extensive deliberation and then recommended the following 2016 base salaries (the 2015 base salaries are shown for comparison purposes) for the following officers; the Board approved the recommendations of the Compensation Committee on March 10, 2016: the President and Chief Executive Officer, Chief Financial Officer and the persons identified and Named Executive Officers in the Company's proxy statement dated November 10, 2015 other than our prior Chief Executive Officers James J. Cotter, Sr. and James J. Cotter, Jr:

Name	Title	2016 Base Salary (4)	2015 Base Salary (4)
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(1) Ellen M. Cotter was appointed Interim President on June 12, 2015 and President and Chief Executive Officer on January 8, 2016.
(2) Devasis Ghose was appointed Chief Financial Officer on May 11, 2015. Mr. Ghose is the only executive officer that is a party to an employment agreement.
(3) Andrzej Matyczynski was the Company's Chief Financial Officer until May 11, 2015 and thereafter he acted as corporate advisor to the Company. He was appointed EVP-Global Operations on March 10, 2016.
(4) All dollars are in US dollars except the salary for Wayne Smith is reported in Australian dollars.

Short Term Incentives

The Short Term Incentives authorized by the Compensation Committee and the Board provides the Company's executive officers and other management team members, who are selected to participate, with an opportunity to earn an annual cash bonus based upon the achievement of certain Company financial goals, division goals and individual goals, established by the Company's Chief Executive Officer and approved by the Compensation Committee and the Board of Directors (in future years, under the Compensation Committee Charter approved by the Board on March 10, 2016, the Compensation Committee will have full authority to approve these matters). Specifically, a participant in the short term incentive plan will be advised of his or her annual potential target bonus expressed as a percentage of the participant's base salary and by dollar amount. The participant will be eligible for a short term incentive bonus once the participant achieves goals identified at the beginning of the year for a threshold target, the potential target or potential maximum target bonus opportunity. The bonus will vary depending upon the achievements made by the individual participants, the division and the corporation. Corporate goals will include levels of earnings before interest, depreciation, taxes and amortization ("non-GAAP Operating Income") and property development milestones. Division goals will include levels of division cash flow and division milestones and individual goals will

include specific unique performance goals specific to the individual's position in the Company. Each of the corporate, division and individual goals carries a different percentage weight in determining the officer's or other team member's bonus for the year.

For 2016, executive officers will have an annual bonus opportunity expressed and determined as a percent of their base salary. This approach also was a recommendation of the Willis Towers Watson report to the Compensation Committee and provided points of reference for our Compensation Committee to compare short-term incentive opportunities for our executive and management team to those in peer and competitor companies.

Ms. Ellen Cotter, President and Chief Executive Officer, has a potential target bonus opportunity of 95% of Base Salary, or $427,500 at target. Of that potential target bonus opportunity, a threshold bonus of $213,750 may be achieved based upon Ms. Cotter's achievement of her performance goals and the Company's achievement of corporate goals as discussed above, a potential maximum target of $641,250 is based on achieving performance goals approved by the Chairman of the Compensation Committee. Ms. Cotter's aggregate annual bonus opportunity can range from $0 to $641,250. Mr. Devasis Ghose, Chief Financial Officer, has a potential target bonus opportunity of 50% of Base Salary, or $200,000 at target, which is based on achievement of his performance goals and the Company's achievement of corporate goals, as discussed above. Mr. Ghose's aggregate annual bonus opportunity can range from $0 to $300,000 (the maximum potential target if additional performance goals are met by Mr. Ghose). Mr. Andrzej Matyczynski, EVP - Global Operations, has a target bonus opportunity of 50% of Base Salary, or $168,000 at target, which is based on achievement of his performance goals, the Company's achievement of corporate goals and certain divisional goals. Mr. Matyczynski's aggregate annual bonus opportunity can range from $0 to $252,000 (the maximum potential target if additional performance goals are met by Mr. Matyczynski). Mr. Robert Smerling, President, US Cinemas , has a target bonus opportunity of 30% of base pay, or $112,500 at target, which is based on achievement of his performance goals, the Company's achievement of corporate goals and certain divisional goals. Mr. Smerling's aggregate annual bonus opportunity can range from $0 to $168,750 (the maximum potential target if additional performance goals are met by Mr. Smerling). Mr. Wayne Smith, Managing Director, ANZ , has a target bonus opportunity of 40% of Base Salary, or A$148,000 at target, which is based on achievement of his performance goals the Company's achievement of corporate goals and certain divisional goals approved by the Compensation Committee. Mr. Smith's aggregate annual bonus opportunity can range from A$0 to A$222,000 (the maximum potential target if additional performance goals are met by Mr. Smith). The positions of other management team members have target bonus opportunities ranging from 20% to 30% of Base Salary based on achievement of certain goals. The highest level of achievement, participants may be eligible to receive up to a maximum of 150% of his or her target bonus amount.

Long-Term Incentives

Long-Term incentives will utilize the equity-based plan under the Company's 2010 Incentive Stock Plan, as amended (the "2010 Plan"). For 2016, executive and management team participants will receive awards in the following forms: 50% time-based restricted stock units and 50% non-statutory stock options. The grants of restricted stock units and options will vest ratably over a four (4) year period with 1/4 th vesting on each anniversary date of the grant date.

On March 10, 2016 the following grants were made:

Name	Title	Dollar Amount of Restricted Stock Units (1)	Dollar Amount of Non-Statutory Stock Options (1)
Ellen Cotter	President and Chief Executive Officer	$150,000	$150,000
Devasis Ghose (2)	Chief Financial Officer	0	0
Andrzej Matyczynski	EVP Global Operations	37,500	37,500
Robert F. Smerling	President, US Cinemas	50,000	50,000
Wayne Smith	Managing Director, ANZ	27,000	27,000

(1) The number of shares of stock to be issued will be calculated using the Black Scholes pricing model as of the date of grant of the award.

(2) Mr. Devasis Ghose was awarded 100,000 non-statutory stock options vesting over a 4 year period on Mr. Ghose's commencement of employment on May 11, 2015.

All long-term incentive awards will be subject to other terms and conditions set forth in the 2010 Plan and award grant.

Separation and Release Agreement

This Separation and Release Agreement (the " **Agreement** ") is entered into as of March 11 , 201 6, by and between William D. Ellis (" **Executive** " or " **you** ") and Reading International, Inc. , a Nevada corporation (" **Reading** " or the " **Company** ").

RECITALS :

WHEREAS , pursuant to that certain e mployment a greement dated October 20, 2014 , as amended (t he "Employment Agreement"), Executive was hired by the Company in the capacity of General Counsel for a th ree (3) year ter m to end on October 20, 201 7 (the "Employment Term");

Whereas, o n or about February 18, 2016, Executive gave notice to the Company that he was resigning from his employment under the Employment Agreement with the Company;

Whereas, the Company is willing to accept Executive's resignation, but desires to have the benefit of Executive's continued assistance and cooperation on Company matters as needed after his resignation, as described below;

Whereas, Executive and the Company agree that Executive 's resign ation will be effective March 11, 2016 .

NOW, THEREFORE, in consideration of the mutual covenants hereinafter set forth, the parties hereto agree as follows:

1. **Resignation** . Effective March 11, 2016 (the " **Resignation Date** "), you hereby re sign as the Company's General Counsel and Corporate Secretary and from any and all other positions that you hold as an officer, director , manager and/or employee of the Company and its various direct and indirect subsidiaries . Your status as a corporate officer, director , manager, employee or any fiduciary position with the Company and all affiliates will end on the Resignation Date.

2. **Compensation** . In exchange for the your continued cooperation and assistance, the Release provided below, and for the performance by you of your other obligations under this Agreement the Company hereby waives any rights it might have against you with respect to your early termination of your obligations under the Employment Agreement, including but not limited to any claim for breach of the Employment Agreement, and agrees to the following compensation and benefit treatment:

   2.1 **Payments** .

   (a) *Base Salary; Accrued Obligations* . On March 11, 2016, you wi ll receive payment for any accrued and unused vacation , your accrued but unpaid base salary through the Resignation Date, and reimbursement of unreimbursed business expenses for which substantiation has been submitted (or for which substantiation will be submitted, for charges on your corporate credit card already incurred but for which you do not

receive a bill until after the Resignation Date) in accordance with the Company's policies and procedures (collectively, the " **Accrued Obligations** ") . You acknowledge and agree that as of the date of this Agreement, you have no hours of accrued and unused vacation.

(b) *Compensation.* So long as you are in material compliance with your obligations under this Agreement, you will be entitled to nineteen equal payment s in the amount of $10,790, each payable semi-monthly beginning on March 30, 2016 and continuing on each of the Company's regular pay day thereafter until December 31, 2016 (the " **Pay ments** "). The Payments will be subject to applicable required tax withholding (if any).

2.2 **Equity Awards** . So long as you continue satisfy in all material respects your obligations to the Company under this Agreement, twenty thousand (20,000) of the employee stock options granted to you pursuant to Section 4 of your Employment Agreement shall continue to vest on October 20, 2016. No further options shall vest under that grant. This provision shall be interpreted consistent with and supplementary to the stock option agreement.

2.3 **Benefits**

(a) *COBRA* . Y ou will be offered the opportunity to receive continuation coverage for yourself and your eligible dependents under the Company's medical and dental plan s pursuant to the provisions of the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended (" **COBRA** ") following the Resignation Date , provided you timely elect and pay for such coverage .

(b) *Key Man Insurance* . The Company shall pay the premiums on your key man insurance policy through December 31, 2016.

2.4 O **ther Compensation Matters .** Notwithstanding anything to the contrary contained in this Agreement (including the Release set forth in Section 6 hereof), you hereby acknowledge that, in connection with your resignation when you ceas e to be an employee of the Company, you will not be entitled to receive from the Company or an affiliate (i) any severance or other pay ments or benefits , except as provided for in this Section 2, or (ii) any retiree termination welfare benefits (other than health care continuation coverage that you may be entitled to elect pursuant to Section 4980B of the Code) .

3. **Nondisparagement .** You agree to refrain from making any false or misleading statements or comments about the Company and any of its respective affiliates, their officers, directors, personnel, or any of their products and services. You agree to refrain from making any disparaging remarks to any person (other than comments to your immediate family members or advisers that are made on a confidential basis and are not repeated or published by such persons) about the Company and any of its respective affiliates, their officers, directors, their respective personnel, and their respective products and services; except to the extent otherwise required by applicable law. The Company agrees to refra in from making any false, misleading, or disparaging statements about you to any person outside the Company (other than comments to advisers of the Company that are made on a confidential basis and are not repeated or published by such persons) except to the extent otherwise required by applicable law. The Company has no obligation under Section 3 with respect to James J. Cotter, Jr.

4. **Cooperation** . In order to ensure a smooth transition from Executive's duties and responsibilities as the Company's General Counsel and Secretary, and taking into consideration Executive's schedule and other commitments, Executive agrees to provide reasonable assistance to and cooperation with Company following the Resignation Date in connection with any Company matters for which Executive had knowledge or responsibility while employed by Company. Further, if Company is involved in any legal action or investigation on or after Executive's Resignation Date relating to events which occurred during Executive's employment, Executive will cooperate with the Company to the fullest extent reasonably possible (taking into consideration Executive's schedule and other commitments) in the preparation, prosecution, or defense of the Company's case, including, but not limited to, required travel, appearances and testimony, the execution of affidavits or documents or providing information reasonably requested by the Company. As part of his cooperation and assistance pursuant to this Section 4, Executive agrees that he will take and/or promptly return phone calls and promptly respond to emails or other communications from the Company or its representatives, and will make himself available to meet with the Company or its representatives in person at its Los Angles offices or other location in Los Angeles County upon reasonable request by the Company. Company will reimburse Executive for reasonable pre-approved out-of-pocket expenses incurred in providing such assistance and cooperation to the Company. Executive agrees that in providing such services, Executive will be serving as an attorney for the Company, and that any communications between the Company (or any of its counsel) and Executive shall be subject to the attorney-client and attorney work product privilege. Executive acknowledges that he has no right or authority to waive any attorney-client or attorney work product privilege belonging to the Company and/or any of its affiliates, and that he shall not provide any information in violation of such privileges. Executive further agrees that he shall not meet or otherwise communicate with any counter-party or any representative of any counter party to any litigation in which the Company (or any of its officers or directors) is a party, whether or not nominal, without the prior written consent of the Company.

5. **Public Comment** . Prior to issuing any press release or SEC filing (e.g. Form 8-K) regarding your resignation, the Company agrees to give Executive 24 hours , with the opportunity to review and comment on the written draft release or SEC filing, notice prior to the requisite filing date .

6. **Release.** You hereby acknowledge that the Company's obligations under Section 2 hereof are in excess of any payments or benefits to which you are entitled under law, contract or otherwise and are contingent upon your timely performance of your obligations under this Agreement in all material respects, and the release of claims set forth in this Section 6 (the " **Release** "). For purposes of this Section 6 , " **Release d Parties** " include the Company and its affiliated companies and their officers, directors, managers, s tock holders, employees, agents, representatives, plans, trusts, administrators, fiduciaries, insurance companies, attorneys, successors, and assigns.

6.1 You, on behalf of yourself and your personal and legal representatives, heirs, executors, successors and assigns, hereby acknowledge full and complete satisfaction of, and fully and forever waive, release, and discharge the Release d Parties from any and all claims, causes of action, demands, liabilities, damages, obligations, and debts (collectively referenced as " **Claims** "), of every kind and nature, whether known or unknown, suspected or unsuspected, that you hold as of the date you sign this Agreement, or at any time previously held against any Release d Party , arising out of any matter whatsoever (with the exception of breach of this Agreement). This release specifically includes, but is not limited to, any and all Claims:

(a) Arising out of or in any way related to your employment with or separation of employment from the Company, or any contract or agreement between you and the Company or the termination thereof ;

(b) Arising out of or in any way related to any treatment of Executive by any of the Release d Parties , which shall include, without limitation, any treatment or decisions with respect to hiring, placement, promotion, discipline, work hours, assignment of or change in duties or responsibilities, demotion, transfer, termination, compensation, performance review, or training; any statements or alleged statements by the Company or any of the Release d Parties regarding Executive, whether oral or in writing; any damages or injury that Executive may have suffered, including without limitation, emotional or physical injury, compensatory damages, or lost wages; or employment discrimination, which shall include, without limitation, any individual or class claims of discrimination on the basis of age, disability, sex, race, religion, national origin, citizenship status, marital status, sexual preference, or any other basis whatsoever.

(c) Arising under or based on the Equal Pay Act of 1963 (EPA); Title VII of the Civil Rights Act of 1964, as amended (Title VII); Section 1981 of the Civil Rights Act of 1866 (42 U.S.C. §1981); the Civil Rights Act of 1991

(42 U.S.C. §1981a); the Americans with Disabilities Act of 1990, as amended (ADA); the Family and Medical Leave Act of 1993, as amended (FMLA); the Genetic Information Nondiscrimination Act of 2008 (GINA); the National Labor Relations Act (NLRA); the Worker Adjustment and Retraining Notification Act of 1988 (WARN); the Uniform Services Employment and Reemployment Rights Act (USERRA); the Rehabilitation Act of 1973; the Occupational Safety and Health Act (OSHA); the Employee Retirement Income Security Act of 1974 (ERISA) (except claims for vested benefits, if any, to which you are legally entitled); the False Claims Act; Title VIII of the Corporate and Criminal Fraud and Accountability Act, as amended (18 U.S.C. §1514A) (Sarbanes-Oxley Act); the federal Whistleblower Protection Act and any state whistleblower protection statute(s); the California Fair Employment and Housing Act or any other federal, state or local law relating to employment or discrimination in employment or any other fair employment practices statute(s) of any state , in all cases arising out of or relating to your employment by Reading or investment in Reading or your services as an officer or employee of Reading or its subsidiaries, or otherwise relating to the termination of such employment or services.

(d) Arising under or based on any other federal, state, county or local law, statute, ordinance, decision, order, policy or regulation prohibiting employment discrimination , providing for the payment of wages or benefits , or otherwise creating rights or claims for employees ; any and all claims alleging breach of public policy , the implied covenant of good faith and fair dealing , or any express, implied, oral or written contract, handbook, manual, policy statement or employment practice, including, but not limited to, the Employment Agreement or Amendment thereto ; constructive discharge; misrepresentation; defamation; libel; slander; interference with contractual relations; intentional or negligent infliction of emotional distress; invasion of privacy; assault; battery; fraud; negligence; harassment; retaliation; or wrongful discharge; and

(e) Arising under or based on the Age Discrimination in Employment Act of 1967 (" **ADEA** "), as amended by the Older Workers Benefit Protection Act (" **OWBPA** "), and alleging a violation thereof by any Release d Party , at any time prior to the date you sign this Agreement.

6.2 You agree that, except as set forth in this Agreement, you are not entitled to any payment or benefits from any of the Release d Parties , including, but not limited to, any payments or benefits under any plan, program or agreement with any Release d Party , including, but not limited to, the Employment Agreement or Amendment thereto .

6.3 You agree that, this Agreement extinguishes all claims and charges that you could have raised against any of the Released Parties, whether known to you or not . You expressly waive all rights and benefits under Section 1542 of the California

Civil Code and any similar law of any state or territory of the United States. Section 1542 of the California Civil Code provides as follows:

"A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor."

6.4 You hereby represent that you know of no claim that you have that has not been released by this Section 6 . You further represent and warrant that you have not assigned or subrogated any of your rights, claims or causes of action, including any claims referenced in this Agreement, or authorized any other person or entity to assert such claim or claims on your behalf, and you agree to indemnify and hold the Company harmless against any assignment of said rights, claims and/or causes of action.

6.5 Nothing contained in this Release will (i) release any claim that cannot be waived under applicable law, (ii) release your rights to any benefits under any employee welfare benefit plan of the Company, the 401(k) Plan or with respect to the right to elect health care continuation under COBRA, (iii) release any entitlement to or with respect to indemnification which you may have pursuant to agreement, the Company's bylaws, any policy of insurance maintained by the Company or otherwise under law, or (iv) be construed to release your rights under this Agreement or be construed to prohibit or restrict you in any manner from bringing appropriate proceedings to enforce this Agreement. You acknowledge that your execution of this Agreement terminates any claims you previously held to any and all compensation and employee benefits, other than those specifically identified in this Agreement.

6.6 By signing this Agreement, you represent that you have not commenced or joined in any claim, charge, action or proceeding whatsoever against any of the Release d Parties arising out of or relating to any of the matters set forth in this Section 6 . You further represent that you will not be entitled to any personal recovery in any action or proceeding that may be commenced on your behalf arising out of the matters released hereby.

7. **Release of ADEA Claims** . You expressly acknowledge and agree that this Agreement includes a release of all claims which you have or may have under the Age Discrimination in Employment Act, as amended ("ADEA"). The following terms and conditions apply to and are part of the release of ADEA claims under this Agreement:

(a) You have been advised to consult with an attorney before signing this Agreement;

(b) You are not releasing any rights or claims under the ADEA that may arise after the date on which you execute this Agreement;

(c) You have twenty-one (21) days from the date you are presented with this Agreement to decide whether or not to sign this Agreement, although you may choose to sign the Agreement at any time earlier;

(d) You have seven (7) days after signing this Agreement to revoke this Agreement (the " **Revocation Period** "), and this Agreement will not be effective until that Revocation Period has expired;

(e) To revoke this Agreement, you must deliver written notice of revocation by hand, overnight delivery, or confirmed facsimile signed by you and received by the Company to the attention of Ellen Cotter, President & CEO, no later than the seventh (7th) day of the Revocation Period. If no such revocation occurs, the General Release and this Agreement will become effective on the eighth (8th) day following your execution of this Agreement. You further acknowledge and agree that, in the event that you revoke this Agreement, it will have no force or effect ; and

(f) You hereby acknowledge and agree that you are knowingly and voluntarily releasing your rights and claims only in exchange for consideration (something of value) in addition to anything of value to which you are already entitled.

8. **Restrictive Covenants; Arbitration; Surviving Provisions** . You acknowledge and agree that Sections 8 (Non-Disclosure), 9 (Remedies), and 12 (Data), and 13 (Arbitration) of the Employment Agreement shall remain in effect after your resignation and termination of your employment, and are expressly incorporated herein. You further agree that any disputes related to this Agreement, or breach therefor, including the arbitrability of such dispute or controversy, shall be determined and settled by arbitration pursuant to the procedures set forth in Section 13 of the Employment Agreement. Further, the provisions of the Company policies that relate to trade secrets, confidential and proprietary information and non-solicitation of employees will survive the termination of your employment and are incorporated in this Section 8 by reference. Payments to you or on your behalf under Section 2.1(b), 2.2, and 2.3(b) will be conditioned on your continued compliance with the provisions of th ese provisions and the provisions of this Agreement . In the event of any violation by you of these provisions or th e provisions of this Agreement , no further payments will be made under Section 2.1(b) or 2.3(b) and no vesting of any unvested equity awards will occur under Section 2.2, and your right to any unpaid payments under Section 2.1(b) and 2.3(b) and any unvested equity awards under Section 2.2 will be forfeited.

9. **General Provisions** .

9.1 **Severability .** It is the desire and intent of the parties that the provisions of this Agreement will be enforced to the fullest extent permissible. In the event that any one or more of the provisions of this Agreement will be held to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remainder of this Agreement will remain valid and enforceable and continue in full force and effect

to the fullest extent consistent with law. Moreover, if any one or more of the provisions contained in this Agreement is held to be excessively broad as to duration, scope, activity or subject, such provisions will be construed by limiting and reducing them so as to be enforceable to the maximum extent compatible with applicable law.

9.2 **No Admission**. By entering into this Agreement, the parties do not admit to, and expressly deny, any wrongdoing.

9.3 **Return of Property.** You agree to return to the Company, on or prior to the Resignation Date , all files, records, documents, reports, computers and other property of the Company in your possession or control, including, but not limited to, any documents or other materials containing c onfidential i nformation, and you further agree that you will not keep, transfer or use any copies or excerpts of the foregoing items. Executive will be permitted to copy and remove any electronic files on the computer or cell phone that contain his personal information (but not any confidential information or proprietary Company information or data), including contact information. Executive understands and agrees that following his resignation, the Company shall have the right to access and review any files on his Company-provided computer, and to open and review any emails received at his Company email address.

9.4 **Notices**. Unless otherwise specified in this Agreement, a ny and all notices, requests, demands and other communications provided for by this Agreement will be in writing and will be effective when delivered in person, consigned to a reputable national or international courier service (including Federal Express), and addressed to you at your last known address on the books of the Company (which is 1995 Monte Vista Street, Pasadena, CA 91107) or, in the case of the Company, at the Company's principal place of business (which is 6100 Center Drive, Suite 900, Los Angeles, CA 90045) , attention of the CEO of the Company, or to such other address as either party may specify by notice to the other actually received.

9.5 **Successors and Assigns.** This Agreement is personal to you and, without the prior written consent of the Company, will not be assignable by you otherwise than by will or the laws of descent and distribution. This Agreement will inure to the benefit of and be enforceable by your legal representatives. This Agreement will inure to the benefit of and be binding upon the Company and its successors and assigns.

9.6 **Governing Law; Captions; Amendment.** This Agreement will be governed by, and construed in accordance with, the laws of the State of California , without reference to principles of conflict of laws. The captions of this Agreement are not part of the provisions hereof and will have no force or effect. This Agreement may not be amended or modified except by a written agreement executed by the parties hereto or their respective successors and legal representatives.

9.7 **Code Section 409A Compliance**. The Company and you each hereby affirm that it is their mutual view that the provision of payments and benefits described or referenced herein are either exempt from or in tended to be in compliance with the requirements of Section 409A of the Code and the Treasury regulations relating thereto (" **Section 409A** ") and that each party's tax reporting will be completed in a manner consistent with such view. The Company and you each agree that upon the Resignation Date, you will experience a "separation from service" for purposes of Section 409A. A ny payments that qualify for the "short-term deferral" exception or another exception under Section 409A will be paid under the applicable exception. For purposes of the limitations on nonqualified deferred compensation under Section 409A of the Code, each payment of compensation under this Agreement will be treated as a separate payment of compensation. Notwithstanding anything to the contrary in this Agreement, all reimbursements and in-kind benefits provided under this Agreement will be made or provided in accordance with the requirements of Section 409A of the Code, including, where applicable, the requirement that (x) the amount of expenses eligible for reimbursement, or in kind benefits provided, during a calendar year may not affect the expenses eligible for reimbursement, or in kind benefits to be provided, in any other calendar year; (y) the reimbursement of an eligible expense will be made no later than the last day of the calendar year following the year in which the expense is incurred; and (z) the right to reimbursement or in kind benefits is not subject to liquidation or exchange for another benefit. Neither the Company nor its affiliates will be liable in any manner for any federal, state or local income or excise taxes (including but not limited to any taxes under Sections 409A of the Code), or penalties or interest with respect thereto, as a result of the payment of any compensation or benefits hereunder or the inclusion of any such compensation or benefits or the value thereof in your income.

You acknowledge and agree that the Company will not be responsible for any additional taxes or penalties resulting from the application of Section 409A.

9.8 **Withholding**. Notwithstanding any other provision of this Agreement, the Company may withhold from amounts payable under this Agreement all amounts that are required to be withheld, including, but not limited to, federal, state, local and foreign taxes to be withheld by applicable laws or regulations , but will only take such withholdings to the minimum extent permissible under applicable laws or regulations .

9.9 **Preparation of Agreement**. This Agreement will be interpreted in accordance with the plain meaning of its terms and not strictly for or against any of the parties hereto. Regardless of which party initially drafted this Agreement, it will not be construed against any one party, and will be construed and enforced as a mutually-prepared document.

9.10 **Entire Agreement**. This Agreement constitutes the entire agreement between you and the Company with respect to the subjects addressed herein, and together with the provisions that survive your resignation and termination of your employment as specified in this Agreement, this Agreement supersede all prior agreements,

understandings and representations, written or oral, with respect to those subjects, including, but not limited to the, Employment Agreement and Amendment thereto . Without limiting the generality of the foregoing, you acknowledg e that the Employment Agreement and Amendment thereto will be terminated upon the e ffectiveness of this Agreement, except as specified in this Agreement.

9.11 **Counterparts** . This Agreement may be executed in counterparts, each of which will be deemed an original, and which together will be deemed to be one and the same instrument.

9.12 **Waiver of Breach** . Any waiver of any breach of this Agreement shall not be construed to be a continuing wavier or consent to any subsequent breach on the part of you or of the Company.

10. **Consultation w ith Attorney; Voluntary Agreement.** You understand and agree that you have the right and have been given the opportunity to review this Agreement and, specifically, the Release set forth in Section 6 above, with an attorney of your choice. You also understand and agree that you are under no obligation to consent to the Release. You acknowledge that you have read this Agreement and the Release and understand their terms and that you enter into this Agreement freely, voluntarily, and without coercion.

READ CAREFULLY BEFORE SIGNING

THIS SEPARATION AND RELEASE AGREEMENT INCLUDES A RELEASE OF ALL KNOWN AND UNKNOWN CLAIMS AND A WAIVER OF YOUR RIGHTS UNDER THE AGE DISCRIMINATION IN EMPLOYMENT ACT AS WELL AS OTHER FEDERAL, STATE AND LOCAL LAWS PROTECTING EMPLOYEE RIGHTS. IF YOU SIGN THIS AGREEMENT, YOU ARE WAIVING ALL OF YOUR RIGHTS TO ASSERT ANY CLAIMS UNDER THESE LAWS. PLEASE READ THIS AGREEMENT CAREFULLY AND SEEK THE ADVICE OF AN ATTORNEY REGARDING THE LEGAL EFFECT OF SIGNING THIS AGREEMENT.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year written opposite their signature .

" ***E xecutive*** "

Date: _____ _____
William D. Ellis , an individual

" ***Compan*** y"
Reading International, Inc.

Date: _____ By:_____
Ellen M. Cotter, President and CEO

EXHIBIT 5

DISTRICT COURT

CLARK COUNTY, NEVADA

JAMES J. COTTER, JR., individually and derivatively on behalf of Reading International, Inc., Plaintiff, vs. MARGARET COTTER, et al., Defendants. and READING INTERNATIONAL, INC., a Nevada corporation, Nominal Defendant	Case No. A-15-719860-B Coordinated with: Case No. P-14-082942-E

VIDEOTAPED DEPOSITION OF DOUGLAS McEACHERN

TAKEN ON MAY 6, 2016

REPORTED BY:

PATRICIA L. HUBBARD, CSR #3400

Q. Have you personally ever done any analysis to ascertain whether the profitability of the live theaters justifies the compensation that has been awarded over the past three years to Margaret Cotter?

MR. SWANIS: Objection. Form.

MR. SEARCY: Objection. Lacks foundation, assumes facts.

THE WITNESS: Yes and no.

Margaret Cotter has just transitioned from being an outside contractor to an employee of the company. And in connection with that her change in status was reviewed by the audit and conflicts committee of which I chair.

We reviewed her management agreement that she succeeded to before she managed -- took over management. Somebody else managed Liberty Theaters before Margaret took it over.

Margaret's compensation is 90 percent based upon the cash flows of the live theater operation.

Now, if we were to terminate that contract with Liberty Theaters, Margaret Cotter, she would be entitled to that same compensation in perpetuity until such time as the shows that were

playing in those theaters ended.

So her compensation is contractual, not based -- and based upon performance of the theaters, not based upon any discretion of the compensation committee.

BY MR. NATION:

Q. Okay. So, under the contract that pre-existed your coming onto the board --

A. Uh-huh.

Q. -- Margaret Cotter is entitled to receive 90 percent of the cash flows from the live theaters as her compensation?

MR. SWANIS: Objection. Form.

MR. SEARCY: Same objection.

BY MR. NATION:

Q. I'm trying to ask clarification of that.

A. It's not -- 90 percent of the compensation she receives is as a result of this formula calculation on the cash flow of the live theaters. I'm sorry I misspoke.

There's some modest amount of compensation, as I recall, attributable to a monthly payment that she gets, but the majority of the compensation comes out of this contract that's been filed with the S.E.C. and is a public record.

Chicago, there were three in New York. One of them in New York was located in the Union Square Building.

BY MR. NATION:

Q. Which theater is that?

A. I don't know the name of it. It was the Union Square Theater.

Q. Okay. And Margaret wanted to be in charge of developing the Union Square Theater is your understanding?

A. My understanding is that Margaret has been involved in the Union Square Building as -- the shows and the theater production activities and acting as our representative, and in addition on an uncompensated basis worked through the process of getting the Union Square Building through the Landmark Commission, which, by the way, was a 12-year period for which she was paid no money to get it entitled and get the building expanded by some 25,000 square feet.

The mere ability to get that -- and these will be rough numbers -- created enormous value in that building by getting it entitled for redevelopment from the Landmark Commission and getting the -- I think we went from 45,000 square

feet to close to 70,000 square feet approval from that Landmark Commission.

And then the building and safety group -- somebody else just recently gave us permission to continue and go forward with our plans.

So the enormous amount of value that was created in that building was Margaret Cotter working with her father, as I understand it, and getting the entitlements.

MR. NATION: Could you please read me the question that started that.

(Whereupon the question was read as follows:

"Question: And Margaret wanted to be in charge of developing the Union Square Theater is your understanding?")

BY MR. NATION:

Q. All right. So, at the time that -- picking up our narrative here, at the time that Jim Cotter came in as C.E.O. --

A. Junior?

Q. Jim Cotter, Jr., came in as C.E.O. --

A. Okay.

EXHIBIT 6

DISTRICT COURT

CLARK COUNTY, NEVADA

JAMES J. COTTER, JR., individually and derivatively on behalf of Reading International, Inc., Plaintiff, vs. MARGARET COTTER, et al., Defendants. and READING INTERNATIONAL, INC., a Nevada corporation, Nominal Defendant	Case No. A-15-719860-B Coordinated with: Case No. P-14-082942-E

VIDEOTAPED DEPOSITION OF MARGARET COTTER

TAKEN ON MAY 12, 2016

VOLUME I

REPORTED BY:

PATRICIA L. HUBBARD, CSR #3400

Q. What else does it encompass, if anything, beyond live theaters?

A. The development of the Union Square and the Cinema 1, 2, 3 currently.

Q. When you say "currently," is it anticipated that there will be development of other properties in New York?

A. Could be.

Q. That would be Orpheum, I guess, right?

A. The Orpheum and the Minetta Lane.

Q. Prior to the time you became executive vice president of real estate in New York at RDI in March of 2016 -- or in or about March of 2016, how was your compensation at Liberty Theatres calculated or determined?

A. I wouldn't be paid unless there was a show inside the theater.

So, I would receive, you know, a small amount of money every month if there was a booked show. And then I would receive 20 percent of the cash flow after a certain break-even at year-end.

So it was purely incentive based.

Q. The -- was the Union Square property a source in any way of income for you?

A. Yes.

EXHIBIT 7

Confidential – Filed Under Seal

EXHIBIT 8

Confidential – Filed Under Seal

EXHIBIT 9

Confidential – Filed Under Seal

EXHIBIT 10

DISTRICT COURT

CLARK COUNTY, NEVADA

JAMES J. COTTER, JR., individually and derivatively on behalf of Reading International, Inc., Plaintiff, vs. MARGARET COTTER, et al., Defendants. and READING INTERNATIONAL, INC., a Nevada corporation, Nominal Defendant	Case No. A-15-719860-B Coordinated with: Case No. P-14-082942-E

DEPOSITION OF: EDWARD KANE

TAKEN ON: MAY 2, 2016

REPORTED BY:

PATRICIA L. HUBBARD, CSR #3400

Q. Then we'll go on.

Directing your attention, Mr. Kane, back to your prior testimony regarding your assessment of Margaret Cotter's abilities to handle real estate development matters, were you of the view on June 12, 2015 when Mr. Jim Cotter, Jr., was terminated as president and C.E.O. that Margaret Cotter was competent to be the senior executive in charge of real estate development activities for RDI?

A. Was I confident?

Q. Were you -- in June 12, 2015, when Jim Cotter, Jr., was terminated as president and C.E.O., was it your view then that Margaret Cotter was competent to be the senior executive at RDI in charge of its real estate development activities in New York?

A. Yes.

Q. How long before June 12, 2015 did you come to that conclusion?

A. It evolved over period of time. I can't say when.

I do know that I was very impressed with what she had done with the Landmark Commission, making development of that property possible and

of the professional dynamic between Margaret Cotter on the one hand and Jim Cotter, Jr.?

MR. SEARCY: Objection. Vague.

THE WITNESS: I was reticent to get involved in that dispute. That's -- that's family. And I was reticent.

But I did tell him that he should -- Margaret wanted to be an employee for purposes of healthcare. And so long as her contract would not change, I saw no reason why she shouldn't. And I told him that.

And he kept giving me, "Oh, I can't attend to it," kind of -- I think he sent me an email, "I'm busy, I'll tend to it later." It was an irritant.

And it's part of why I thought he was bringing litigation into the board room. There was no reason not to do it. In fact the company would benefit from doing it.

BY MR. KRUM:

Q. How so?

A. How so? Because Margaret Cotter had a contract. And if she was terminated, it's my understanding she would continue to get compensation from plays that were in her theaters, including

Stomp.

And when we made her employee she gave that up. But that was a lucrative result.

So I think the company benefited actually from making her an employee.

MR. KRUM: What's our next number?

THE REPORTER: 106 -- 105.

MR. KRUM: I'll ask the court reporter to mark as Exhibit 105 a two-page document bearing production number GA5234 and 35.

(Whereupon the document referred to was marked Plaintiffs' Exhibit 105 by the Certified Shorthand Reporter and is attached hereto.)

BY MR. KRUM:

Q. Mr. Kane, I'm going to ask you only about your March 1 email in the middle of the first page of Exhibit 105.

Tell me when you've reviewed that to your satisfaction.

A. Yes.

Q. Do you recognize Exhibit 105?

A. Yes.

Q. It includes a -- an email you sent on

DISTRICT COURT

CLARK COUNTY, NEVADA

JAMES J. COTTER, JR., individually and derivatively on behalf of Reading International, Inc., Plaintiff, vs. MARGARET COTTER, et al., Defendants. and READING INTERNATIONAL, INC., a Nevada corporation, Nominal Defendant	Case No. A-15-719860-B Coordinated with: Case No. P-14-082942-E

VIDEOTAPED DEPOSITION OF EDWARD KANE

TAKEN ON JUNE 9, 2016

VOLUME 3

Job No.: 315759

REPORTED BY:

PATRICIA L. HUBBARD, CSR #3400

Q. Directing your attention to the portion of your October 14 -- excuse me -- October 24, 2014 email as part of Exhibit 291 that concerns compensation for Margaret --

A. Uh-huh.

Q. -- Margaret was not an employee of the company, correct?

A. Correct.

Q. So you were assuming that she was soon to be an employee of the company?

A. She had asked to be an employee of the company, yes.

Q. What peer group was used -- strike that.

What peer group, if any, was used this year in determining Margaret Cotter's compensation package?

A. You mean this year 2016?

Q. Yes.

A. I or Ellen and I or Guy Adams and I -- I don't remember who -- went back to Towers Watson and said, "We're not happy." And I was not happy, I told them, with the peer group. There were companies in there whose -- theater companies, cinema companies whose income -- what we say gross receipts were ten times ours. And I wanted a peer

group that was reflective of Reading.

And so I asked them to do -- do one which reflects the company of Reading, and they came back with a totally different peer group whose revenues and net income was reflective of ours.

It's not easy to do, because we're in two lines of business, but they did come up with one.

And that's what we used for 2016.

Q. So, basically it's a different peer group than the peer group that historically had been used?

A. A different peer group than was used by Towers Watson previously and a different peer group than Pearl Meyer had recommended or authorized.

Q. Who was responsible for interfacing with those companies when they -- when each was asked to generate a study that included a peer group?

MR. SEARCY: Objection. Vague and compound.

THE WITNESS: I believe Jim Cotter, Sr., dictated in large part the peer group that Towers Watson used previously and also certainly had input, if not dictated the peer group that Pearl Meyer came up with.

tenants in -- in the -- the Union Square property. And she had been working with her father for quite some time on real estate issues.

So I don't think it's fair to say she had no experience.

Q. Okay. So, would the compensation committee have recommended the same package for someone else who had the same experience as Margaret?

MR. SEARCY: Objection. Vague.

THE WITNESS: I don't know if I can answer that. I don't think -- we didn't think, that is, the people at the meeting -- didn't feel that her compensation was excessive. And it's certainly not more than she was making.

And she gave up quite a bit to become an employee, because she gave up any residual rights to any of the plays which she otherwise would have had even if she was terminated, compensation. So I think Margaret gave up more than she received.

BY MR. KRUM:

Q. What was the value of the residual rights that she gave up?

A. Well, it depends on how long these theaters would -- these plays that are in the

theaters would run.

But it would have been substantial. I can't give you the figure.

Q. Did the compensation committee undertake to ascertain the value or range of values or the residual values that Margaret gave up?

A. There was some discussion. I don't remember what we came up with about it.

Q. Was there a methodology employed or was somebody charged with coming up with something?

A. No. No. I think -- no, I don't remember that.

Q. When you say it was substantial, what does that mean?

A. That means she would get a return, for example, with Stomp. And her return over time would depend on how long the Stomp play was there.

Stomp continued to play in the Orpheum Theatre.

Q. The -- well, how many theaters continued to play at the time Margaret became an employee of the company?

A. Pardon me?

Q. How many theaters continued to post plays at the time Margaret joined the company?

EXHIBIT 11

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EXHIBIT 12

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FORM DEF 14A

READING INTERNATIONAL INC - RDI

Filed: May 18, 2016 (period: May 18, 2016)

Official notification to shareholders of matters to be brought to a vote (Proxy)

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the Securities Exchange Act of 1934

Filed by the Registrant ☑
Filed by a party other than the Registrant ☐

Check the appropriate box:
- ☐ Preliminary Proxy Statement
- ☐ Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- ☑ Definitive Proxy Statement
- ☐ Definitive Additional Materials
- ☐ Soliciting Material under Sec. 240.14a-12

READING INTERNATIONAL, INC.
(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

☑ No fee required

☐ Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11
- (1) Title of each class of securities to which transaction applies: _____
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- (4) Proposed maximum aggregate value of transaction: _____
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6100 Center Drive, Suite 900
Los Angeles, California 90045

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS
TO BE HELD ON Thursday, June 2, 2016

TO THE STOCKHOLDERS:

The 2016 Annual Meeting of Stockholders (the "Annual Meeting") of Reading International, Inc., a Nevada corporation, will be held at Courtyard by Marriott Los Angeles Westside, located at 6333 Bristol Parkway, Culver City, California 90230, on Thursday, June 2, 2016, at 11:00 a.m., Local Time, for the following purposes:

1. To elect nine Directors to serve until the Company's 2017 Annual Meeting of Stockholders and thereafter until their successors are duly elected and qualified; and

2. To transact such other business as may properly come before the Annual Meeting and any adjournment or postponement thereof.

A copy of our Annual Report on Form 10-K for the fiscal year ended December 31, 2015 is enclosed (the "Annual Report"). Only holders of record of our Class B Voting Common Stock at the close of business on April 22, 2016, are entitled to notice of and to vote at the Annual Meeting and any adjournment or postponement thereof.

Whether or not you plan on attending the Annual Meeting, we ask that you take the time to vote by following the Internet or telephone voting instructions provided on the proxy card or by completing and mailing the enclosed proxy card as promptly as possible. We have enclosed a self-addressed, postage-paid envelope for your convenience. If you later decide to attend the Annual Meeting, you may vote your shares even if you have already submitted a proxy card.

By Order of the Board of Directors,

Ellen M. Cotter
Chair of the Board

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May 19, 2016

READING INTERNATIONAL, INC.
6100 Center Drive, Suite 900
Los Angeles, California 90045

PROXY STATEMENT

Annual Meeting of Stockholders
Thursday, June 2, 2016

INTRODUCTION

This Proxy Statement is furnished in connection with the solicitation by the Board of Directors of Reading International, Inc. (the "Company," "Reading," "we," "us," or "our") of proxies for use at our 2016 Annual Meeting of Stockholders (the "Annual Meeting") to be held on Thursday, June 2, 2016, at 11:00 a.m., local time, at Courtyard by Marriott Los Angeles Westside, located at 6333 Bristol Parkway, Culver City, California 90230, and at any adjournment or postponement thereof. This Proxy Statement and form of proxy are first being sent or given to stockholders on or about May 19, 2016.

At our Annual Meeting, you will be asked to (1) elect nine Directors to our Board of Directors (the "Board") to serve until the 2017 Annual Meeting of Stockholders, and (2) act on any other business that may properly come before the Annual Meeting or any adjournment or postponement of the Annual Meeting.

As of April 22, 2016, the record date for the Annual Meeting (the "Record Date"), there were 1,680,590 shares of our Class B Voting Common Stock ("Class B Stock") outstanding.

When proxies are properly executed and received, the shares represented thereby will be voted at the Annual Meeting in accordance with the directions noted thereon. If no direction is indicated, the shares will be voted: FOR each of the nine nominees named in this Proxy Statement for election to the Board under Proposal 1.

ABOUT THE ANNUAL MEETING AND VOTING

Why am I receiving these proxy materials?

This Proxy Statement is being sent to all of our stockholders of record as of the close of business on April 22, 2016, by Reading's Board to solicit the proxy of holders of our Class B Stock to be voted at Reading's 2016 Annual Meeting, which will be held on Thursday, June 2, 2016, at 11:00 a.m. local time, at Courtyard by Marriott Los Angeles Westside, located at 6333 Bristol Parkway, Culver City, California 90230.

What items of business will be voted on at the Annual Meeting?

There is one item of business scheduled to be voted on at the 2016 Annual Meeting:

- PROPOSAL 1: Election of nine Directors to the Board.

We will also consider any other business that may properly come before the Annual Meeting or any adjournments or postponements thereof, including approving any such adjournment, if necessary. Please note that at this time we are not aware of any such business.

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RDI-A04182

How does the Board of Directors recommend that I vote?

Our Board recommends that you vote:

- On PROPOSAL 1: "FOR" the election of its nominees to the Board.

What happens if additional matters are presented at the Annual Meeting?

Other than the item of business described in this Proxy Statement, we are not aware of any other business to be acted upon at the Annual Meeting. If you grant a proxy, the persons named as proxies will have the discretion to vote your shares on any additional matters properly presented for a vote at the Annual Meeting.

Am I eligible to vote?

You may vote your shares of Class B Stock at the Annual Meeting if you were a holder of record of Class B Stock at the close of business on April 22, 2016. Your shares of Class B Stock are entitled to one vote per share. At that time, there were 1,680,590 shares of Class B Stock outstanding, and approximately 350 holders of record. Each share of Class B Stock is entitled to one vote on each matter properly brought before the Annual Meeting.

What if I own Class A Nonvoting Common Stock?

If you do not own any Class B Stock, then you have received this Proxy Statement only for your information. You and other holders of our Class A Nonvoting Common Stock ("Class A Stock") have no voting rights with respect to the matters to be voted on at the Annual Meeting.

What should I do if I receive more than one copy of the proxy materials?

You may receive more than one copy of this Proxy Statement and multiple proxy cards or voting instruction cards. For example, if you hold your shares in more than one brokerage account, you may receive a separate notice or a separate voting instruction card for each brokerage account in which you hold shares. If you are a stockholder of record and your shares are registered in more than one name, you may receive more than one copy of this Proxy Statement or more than one proxy card.

To vote all of your shares of Class B Stock by proxy card, you must either (i) complete, date, sign and return each proxy card and voting instruction card that you receive or (ii) vote over the Internet or by telephone the shares represented by each notice that you receive.

What is the difference between holding shares as a stockholder of record and as a beneficial owner?

Many stockholders of our Company hold their shares through a broker, bank or other nominee rather than directly in their own name. As summarized below, there are some differences in how stockholders of record and beneficial owners are treated.

Stockholders of Record. If your shares of Class B Stock are registered directly in your name with our Transfer Agent, you are considered the stockholder of record with respect to those shares and the proxy materials are being sent directly to you by Reading. As the stockholder of record of Class B Stock, you have the right to vote in person at the meeting. If you choose to do so, you can vote using the ballot provided at the Annual Meeting. Even if you plan to attend the Annual Meeting, we recommend that you vote your shares in advance as described below so that your vote will be counted if you decide later not to attend the Annual Meeting.

Beneficial Owner. If you hold your shares of Class B Stock through a broker, bank or other nominee rather than directly in your own name, you are considered the beneficial owner of shares held in street name and the proxy materials are being forwarded to you by your broker, bank or other nominee, who is considered the stockholder of record with respect to those shares. As the beneficial owner, you are also invited to attend the Annual Meeting. Because a beneficial owner is not the stockholder of record, you may not vote these shares in person at the Annual Meeting, unless you obtain a proxy from the broker, trustee or nominee that holds your shares, giving you the right to vote the shares at the meeting. You will need to contact your broker, trustee or nominee to obtain a proxy, and you will need to bring it to the Annual Meeting in order to vote in person.

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RDI-A04183

How do I vote?

Proxies are solicited to give all holders of our Class B Stock who are entitled to vote on the matters that come before the Annual Meeting the opportunity to vote their shares, whether or not they attend the Annual Meeting in person. If you are a holder of record of shares of our Class B Stock, you have the right to vote in person at the Annual Meeting. If you choose to do so, you can vote using the ballot provided at the Annual Meeting. Even if you plan to attend the Annual Meeting, we recommend that you vote your shares in advance as described below so that your vote will be counted if you decide later not to attend the Annual Meeting. You can vote by one of the following manners:

- By Internet — Holders of record of our Class B Stock may submit proxies over the Internet by following the instructions on the proxy card. Holders of our Class B Stock who are beneficial owners may vote by Internet by following the instructions on the voting instruction card sent to them by their bank, broker, trustee or nominee. Proxies submitted by the Internet must be received by 11:59 p.m., local time, on June 1, 2016 (the day before the Annual Meeting).

- By Telephone — Holders of record of our Class B Stock who live in the United States or Canada may submit proxies by telephone by calling the toll-free number on the proxy card and following the instructions. Holders of record of our Class B Stock will need to have the control number that appears on their proxy card available when voting. In addition, holders of our Class B Stock who are beneficial owners of shares living in the United States or Canada and who have received a voting instruction card by mail from their bank, broker, trustee or nominee may vote by phone by calling the number specified on the voting instruction card. Those stockholders should check the voting instruction card for telephone voting availability. Proxies submitted by telephone must be received by 11:59 p.m., local time, on June 1, 2016 (the day before the Annual Meeting).

- By Mail — Holders of record of our Class B Stock who have received a paper copy of a proxy card by mail may submit proxies by completing, signing and dating their proxy card and mailing it in the accompanying pre-addressed envelope. Holders of our Class B Stock who are beneficial owners who have received a voting instruction card from their bank, broker or nominee may return the voting instruction card by mail as set forth on the card. Proxies submitted by mail must be received by the Inspector of Elections before the polls are closed at the Annual Meeting.

- In Person — Holders of record of our Class B Stock may vote shares held in their name in person at the Annual Meeting. You also may be represented by another person at the Annual Meeting by executing a proxy designating that person. Shares of Class B Stock for which a stockholder is the beneficial owner, but not the stockholder of record, may be voted in person at the Annual Meeting only if such stockholder obtains a proxy from the bank, broker or nominee that holds the stockholder's shares, indicating that the stockholder was the beneficial owner as of the record date and the number of shares for which the stockholder was the beneficial owner on the record date.

Holders of our Class B Stock are encouraged to vote their proxies by Internet, telephone or by completing, signing, dating and returning a proxy card or voting instruction card, but not by more than one method. If you vote by more than one method, or vote multiple times using the same method, only the last-dated vote that is timely received by the Inspector of Elections will be counted, and each previous vote will be disregarded. If you vote in person at the Annual Meeting, you will revoke any prior proxy that you may have given. You will need to bring a valid form of identification (such as a driver's license or passport) to the Annual Meeting to vote shares held of record by you in person.

What if my shares are held of record by an entity such as a corporation, limited liability company, general partnership, limited partnership or trust (an "Entity"), or in the name of more than one person, or I am voting in a representative or fiduciary capacity?

Shares held of record by an Entity. In order to vote shares on behalf of an Entity, you need to provide evidence (such as a sealed resolution) of your authority to vote such shares, unless you are listed as a record holder of such shares.

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Shares held of record by a trust. The trustee of a trust is entitled to vote the shares held by the trust, either by proxy or by attending and voting in person at the Annual Meeting. If you are voting as a trustee, and are not identified as a record owner of the shares, then you must provide suitable evidence of your status as a trustee of the record trust owner. If the record owner is a trust and there are multiple trustees, then if only one trustee votes, that trustee's vote applies to all of the shares held of record by the trust. If more than one trustee votes, the votes of the majority of the voting trustees apply to all of the shares held of record by the trust. If more than one trustee votes and the votes are split evenly on any particular Proposal, each trustee may vote proportionally the shares held of record by the trust.

Shares held of record in the name of more than one person. If only one individual votes, that individual's vote applies to all of the shares so held of record. If more than one person votes, the votes of the majority of the voting individuals apply to all of such shares. If more than one individual votes and the votes are split evenly on any particular Proposal, each individual may vote such shares proportionally.

What is a broker non-vote?

Applicable rules permit brokers to vote shares held in street name on routine matters. Shares that are not voted on non-routine matters, such as the election of Directors or any proposed amendment of our Articles or Bylaws, are called broker non-votes. Broker non-votes will have no effect on the vote for the election of Directors, but could affect the outcome of any matter requiring the approval of the holders of an absolute majority of the Class B Stock. We are not currently aware of any matter to be presented to the Annual Meeting that would require the approval of the holders of an absolute majority of the Class B Stock.

What routine matters will be voted on at the annual meeting?

None.

What non-routine matters will be voted on at the annual meeting?

The election of nine Directors to the Board is the only non-routine matter included among the Board's proposals on which brokers may not vote, unless they have received specific voting instructions from beneficial owners of our Class B Stock.

How are abstentions and broker non-votes counted?

Abstentions and broker non-votes are included in determining whether a quorum is present. In tabulating the voting results for the items to be voted on at the 2016 Annual Meeting, shares that constitute abstentions and broker non-votes are not considered entitled to vote and will not affect the outcome of any matter being voted on at the meeting, unless the matter requires the approval of the holders of a majority of the outstanding shares of Class B Stock.

How can I change my vote after I submit a proxy?

If you are a stockholder of record, there are three ways you can change your vote or revoke your proxy after you have submitted your proxy:

- First, you may send a written notice to Reading International, Inc., postage or other delivery charges pre-paid, 6100 Center Drive, Suite 900, Los Angeles, CA, 90045, c/o Annual Meeting Secretary, stating that you revoke your proxy. To be effective, the Inspector of Elections must receive your written notice prior to the closing of the polls at the Annual Meeting.

- Second, you may complete and submit a new proxy in one of the manners described above under the caption, "How do I vote?" Any earlier proxies will be revoked automatically.

- Third, you may attend the Annual Meeting and vote in person. Any earlier proxy will be revoked. However, attending the Annual Meeting without voting in person will not revoke your proxy.

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RDI-A04185

How will you solicit proxies and who will pay the costs?

We will pay the costs of the solicitation of proxies. We may reimburse brokerage firms and other persons representing beneficial owners of shares for expenses incurred in forwarding the voting materials to their customers who are beneficial owners and obtaining their voting instructions. In addition to soliciting proxies by mail, our board members, officers and employees may solicit proxies on our behalf, without additional compensation, personally or by telephone.

Is there a list of stockholders entitled to vote at the Annual Meeting?

The names of stockholders of record entitled to vote at the Annual Meeting will be available at the Annual Meeting and for ten days prior to the Annual Meeting, at our corporate offices, 6100 Center Drive, Suite 900, Los Angeles, CA, 90045 between the hours of 9:00 a.m. and 5:00 p.m., local time, for any purpose relevant to the Annual Meeting. To arrange to view this list during the times specified above, please contact the Secretary of the Company.

What constitutes a quorum?

The presence in person or by proxy of the holders of record of a majority of our outstanding shares of Class B Stock entitled to vote will constitute a quorum at the Annual Meeting. Each share of our Class B Stock entitles the holder of record to one vote on all matters to come before the Annual Meeting.

How are votes counted and who will certify the results?

First Coast Results, Inc. will act as the independent Inspector of Elections and will count the votes, determine whether a quorum is present, evaluate the validity of proxies and ballots, and certify the results. A representative of First Coast Results, Inc. will be present at the Annual Meeting. The final voting results will be reported by us on a Current Report on Form 8-K to be filed with the SEC within four business days following the Annual Meeting.

What is the vote required for a Proposal to pass?

The nine nominees for election as Directors at the Annual Meeting who receive the highest number of "FOR" votes will be elected as Directors. This is called plurality voting. Unless you indicate otherwise, the persons named as your proxies will vote your shares FOR all the nominees for Directors named in Proposal 1. If your shares are held by a broker or other nominee and you would like to vote your shares for the election of Directors in Proposal 1, you must instruct the broker or nominee to vote "FOR" for each of the candidates for whom you would like to vote. If you give no instructions to your broker or nominee, then your shares will not be voted. If you instruct your broker or nominee to "WITHHOLD," then your vote will not be counted in determining the election.

Only votes "FOR" Proposal 1 at the Annual Meeting will be counted as votes cast and abstentions; votes withheld and broker non-votes will not be counted for voting purposes.

Is my vote kept confidential?

Proxies, ballots and voting tabulations identifying stockholders are kept confidential and will not be disclosed to third parties, except as may be necessary to meet legal requirements.

How will the Annual Meeting be conducted?

In accordance with our Bylaws, Ellen M. Cotter, as the Chair of the Board, will be the Presiding Officer of the Annual Meeting. Craig Tompkins has been designated by the Board to serve as Secretary for the Annual Meeting.

Ms. Cotter and other members of management will address attendees following the Annual Meeting. Stockholders desiring to pose questions to our management are encouraged to send their questions to us, care of the Annual Meeting Secretary, in advance of the Annual Meeting, so as to assist our management in preparing appropriate responses and to facilitate compliance with applicable securities laws.

The Presiding Officer has broad authority to conduct the Annual Meeting in an orderly and timely manner. This authority includes establishing rules for stockholders who wish to address the meeting or bring matters before the

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Annual Meeting. The Presiding Officer may also exercise broad discretion in recognizing stockholders who wish to speak and in determining the extent of discussion on each item of business. In light of the need to conclude the Annual Meeting within a reasonable period of time, there can be no assurance that every stockholder who wishes to speak will be able to do so. The Presiding Officer has authority, in her discretion, to at any time recess or adjourn the Annual Meeting. Only stockholders are entitled to attend and address the Annual Meeting. Any questions or disputes as to who may or may not attend and address the Annual Meeting will be determined by the Presiding Officer.

Only such business as shall have been properly brought before the Annual Meeting shall be conducted. Pursuant to our governing documents and applicable Nevada law, in order to be properly brought before the Annual Meeting, such business must be brought by or at the direction of (1) the Chair, (2) our Board, or (3) holders of record of our Class B Stock. At the appropriate time, any stockholder who wishes to address the Annual Meeting should do so only upon being recognized by the Presiding Officer.

CORPORATE GOVERNANCE

Director Leadership Structure

Ellen M. Cotter is our current Chair, President and Chief Executive Officer. Ellen M. Cotter has been with our Company for more than 18 years, focusing principally on the cinema operations aspects of our business. During this time period, we have grown our Domestic Cinema Operations from 42 to 248 screens and our cinema revenues have grown from US $15.5 million to US $132.9 million. Historically, we have combined the roles of the Chair and the Chief Executive Officer, except for the period from August 2014 until June 12, 2015, when the roles of Chair and Chief Executive Officer were held by two executives of the Company following the resignation for health reasons of our founder, James J. Cotter, Sr. At the present time, we believe that the combined roles (i) allow for consistent leadership, (ii) continue the tradition of having a Chair and Chief Executive Officer, who is also a controlling stockholder of the Company, and also (iii) reflect our status as a "controlled company" under relevant NASDAQ Listing Rules

Margaret Cotter is our current Vice-Chair and she also serves as our Executive Vice President – Real Estate Management and Development - NYC. Margaret Cotter has been responsible for the operation of our live theaters for more than 17 years and has for more than the past five years been actively involved in the re-development of our New York properties. On March 10, 2016, our Board appointed Margaret Cotter as Executive Vice President-Real Estate Management and Development-NYC.

Ellen M. Cotter has a substantial stake in our business, owning directly 799,765 shares of Class A Stock and 50,000 shares of Class B Stock. Margaret Cotter likewise has a substantial stake in our business, owning directly 804,173 shares of Class A Stock and 35,100 shares of Class B Stock. Ellen M. Cotter and Margaret Cotter are the Co-Executors of their father's (James J. Cotter, Sr.) estate (the "Cotter Estate") and Co-Trustees of a trust (the "Cotter Trust") established for the benefit of his heirs. Together, they have shared voting control over an aggregate of 1,208,988 shares or 71.9% of our Class B Stock. Ellen M. Cotter and Margaret Cotter have informed the Board that they intend to vote the shares beneficially held by them for each of the nine nominees named in this Proxy Statement for election to the Board under Proposal 1.

James Cotter, Jr. alleges that he has the right to vote the shares held by the Cotter Trust. The Company believes that, under applicable Nevada Law, where there are multiple trustees of a trust that is a record owner of voting shares of a Nevada corporation, and more than one trustee votes, the votes of the majority of the voting trustees apply to all of the shares held of record by the trust. If more than one trustee votes and the votes are split evenly on any particular proposal, each trustee may vote proportionally the shares held of record by the trust. Ellen M. Cotter and Margaret Cotter, who collectively constitute a majority of the Co-Trustees of the Cotter Trust, have informed the Board that they intend to vote the shares held by the Cotter Trust for each of the nine nominees named in this Proxy Statement for election to the Board under Proposal 1. Accordingly, the Company believes that Ellen M. Cotter and Margaret Cotter collectively have the power and authority to vote all of the shares of Class B Stock held of record by the Cotter Trust, which, when added to the other shares they report as being beneficially owned by them, will constitute 71.9% of the shares of Class B Stock entitled to vote for Directors at the Annual Meeting.

The Company has elected to take the "controlled company" exemption under applicable listing rules of The NASDAQ Capital Stock Market (the "NASDAQ Listing Rules"). Accordingly, the Company is exempted from the requirement to have an independent nominating committee and to have a board composed of at least a majority of

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independent directors, as that term is defined in the NASDAQ Listing Rules ("Independent Directors"). We are nevertheless nominating a majority of Independent Directors for election to our Board. We currently have an Audit and Conflicts Committee (the "Audit Committee") and a Compensation and Stock Options Committee ("Compensation Committee") composed entirely of Independent Directors. We currently have a four member Executive Committee composed of our Chair and Vice-Chair and Messrs. Guy W. Adams and Edward L. Kane. Due to this structure, the concurrence of at least one non-management member of the Executive Committee is required in order for the Executive Committee to take action.

We believe that our Directors bring a broad range of leadership experience to our Company and regularly contribute to the thoughtful discussion involved in effectively overseeing the business and affairs of the Company. We believe that all Board members are well engaged in their responsibilities and that all Board members express their views and consider the opinions expressed by other Directors. A majority of our Board is independent under the NASDAQ Listing Rules and SEC rules, and William D. Gould serves as the Lead Independent Director among our Independent Directors ("Lead Independent Director"). In that capacity, Mr. Gould chairs meetings of the Independent Directors and acts as liaison between our Chair, President and Chief Executive Officer and our Independent Directors. Our Independent Directors are involved in the leadership structure of our Board by serving on our Audit Committee and the Compensation Committee, each of which has a separate independent Chair. Nominations to our Board for the Annual Meeting were made by our entire Board, consisting of a majority of Independent Directors.

Since our last Annual Meeting of Stockholders, we have (i) adopted a best practices Charter for our Compensation Committee, (ii) adopted a new best practices Charter for our Audit Committee, and (iii) completed, with the assistance of compensation consultants Willis Towers Watson and outside counsel Greenberg Traurig, LLP, a complete review of our compensation practices, in order to bring them into alignment with current best practices. Immediately prior to our last Annual Meeting we adopted a new supplemental policy restricting trading in our stock by our Directors and executive officers.

Management Succession

On August 7, 2014, James J. Cotter, Sr., our then controlling stockholder, Chair and Chief Executive Officer, resigned from all positions at our Company, and passed away on September 13, 2014. Upon his resignation, Ellen M. Cotter was appointed Chair, Margaret Cotter, her sister, was appointed Vice Chair and James Cotter, Jr., her brother, was appointed Chief Executive Officer, while continuing his position as President.

On June 12, 2015, the Board terminated the employment of James Cotter, Jr. as our President and Chief Executive Officer, and appointed Ellen M. Cotter to serve as the Company's interim President and Chief Executive Officer. The Board established an Executive Search Committee (the "Search Committee") initially composed of Ellen M. Cotter, Margaret Cotter, and Independent Directors William Gould and Douglas McEachern, and retained Korn Ferry to evaluate candidates for the Chief Executive Officer position. Ellen M. Cotter resigned from the Search Committee when she concluded that she was a serious candidate for the position. Korn Ferry screened over 200 candidates and ultimately presented six external candidates to the Search Committee. The Search Committee evaluated those external candidates and Ellen M. Cotter in meetings in December 2015 and January 2016, considering numerous factors, including, among others, the benefits of having a President and Chief Executive Officer who has the confidence of the existing senior management team, Ms. Cotter's prior performance as an executive of the Company and her performance as the interim President and Chief Executive Officer of the Company, the qualifications, experience and compensation demands of the external candidates, and the benefits and detriments of having a Chair, President and Chief Executive Officer who is also a controlling stockholder of the Company. The Search Committee recommended the appointment of Ellen M. Cotter as permanent President and Chief Executive Officer and the Board appointed her on January 8, 2016, with seven Directors voting yes, one Director (James Cotter, Jr.) voting no, and Ellen M. Cotter abstaining.

Board's Role in Risk Oversight

Our management is responsible for the day-to-day management of risks we face as a Company, while our Board, as a whole and through its committees, has responsibility for the oversight of risk management. In its risk oversight role, our Board has the responsibility to satisfy itself that the risk management processes designed and implemented by management are adequate and functioning as designed.

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The Board plays an important role in risk oversight at Reading through direct decision-making authority with respect to significant matters, as well as through the oversight of management by the Board and its committees. In particular, the Board administers its risk oversight function through (1) the review and discussion of regular periodic reports by the Board and its committees on topics relating to the risks that the Company faces, (2) the required approval by the Board (or a committee of the Board) of significant transactions and other decisions, (3) the direct oversight of specific areas of the Company's business by the Audit Committee and the Compensation Committee, and (4) regular periodic reports from the auditors and other outside consultants regarding various areas of potential risk, including, among others, those relating to our internal control over financial reporting. The Board also relies on management to bring significant matters impacting the Company to the attention of the Board.

"Controlled Company" Status

Under section 5615(c)(1) of the NASDAQ Listing Rules, a "controlled company" is a company in which 50% of the voting power for the election of Directors is held by an individual, a group or another company. Together, Ellen M. Cotter and Margaret Cotter beneficially own 1,208,988 shares or 71.9% of our Class B Stock. Our Class A Stock does not have voting rights. Based on advice of counsel, our Board has determined that the Company is therefore a "controlled company" within the NASDAQ Listing Rules.

After reviewing the benefits and detriments of taking advantage of the exemptions to certain corporate governance rules available to a "controlled company" as set forth in the NASDAQ Listing Rules, our Board has determined to take advantage of those exemptions. In reliance on a "controlled company" exemption, the Company does not maintain a separate standing Nominating Committee. The Company nevertheless at this time maintains a full Board composed of a majority of Independent Directors and a fully independent Audit Committee, and has no present intention to vary from that structure. Our Board, consisting of a majority of Independent Directors, approved the nominees for our 2016 Annual Meeting. See "*Consideration and Selection of the Board's Director Nominees*," below. Each of the nominees, in each case the nominee abstaining from the vote, was approved by at least a majority of our Directors.

Board Committees

Our Board has a standing Executive Committee, Audit Committee, and Compensation Committee. The Tax Oversight Committee has been inactive since November 2, 2015 in anticipation that its functions would be moved to the Audit Committee under its new charter. That new charter was approved on May 5, 2016. These committees, other than the Tax Oversight Committee, are discussed in greater detail below.

Executive Committee. The Executive Committee operates pursuant to a Charter adopted by our Board. Our Executive Committee is currently composed of Ms. Ellen M. Cotter, Ms. Margaret Cotter and Messrs. Adams and Kane. Pursuant to its Charter, the Executive Committee is authorized, to the fullest extent permitted by Nevada law and our Bylaws, to take any and all actions that could have been taken by the full Board between meetings of the full Board. The Executive Committee held six meetings during 2015.

Audit Committee. The Audit Committee operates pursuant to a Charter adopted by our Board that is available on our website at http://www.readingrdi.com/Committee-Charters. The Audit Committee reviews, considers, negotiates and approves or disapproves related party transactions (see the discussion in the section entitled "*Certain Relationships and Related Party Transactions*" below). In addition, the Audit Committee is responsible for, among other things, (i) reviewing and discussing with management the Company's financial statements, earnings press releases and all internal controls reports, (ii) appointing, compensating and overseeing the work performed by the Company's independent auditors, and (iii) reviewing with the independent auditors the findings of their audits.

Our Board has determined that the Audit Committee is composed entirely of Independent Directors (as defined in section 5605(a)(2) of the NASDAQ Listing Rules), and that Mr. McEachern, the Chair of our Audit Committee, is qualified as an Audit Committee Financial Expert. Our Audit Committee is currently composed of Mr. McEachern, who serves as Chair, Mr. Kane and Mr. Wrotniak. Mr. Timothy Storey, who served on our Board through October 11, 2015, served on our Audit Committee through the same date. The Audit Committee held four meetings during 2015.

Compensation Committee. Our Board has established a standing Compensation Committee consisting of three of our non-employee Directors, and is currently composed of Mr. Kane, who serves as Chair, Dr. Codding and Mr. McEachern. Mr. Storey served on our Compensation Committee through October 11, 2015 and Mr. Adams served

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through May 14, 2016. As a Controlled Company, we are exempt from the NASDAQ Listing Rules regarding the determination of executive compensation solely by Independent Directors. Notwithstanding such exemption, we adopted a Compensation Committee charter on March 10, 2016 requiring our Compensation Committee members to meet the independence rules and regulations of the SEC and the NASDAQ Stock Market. As a part of the transition to this new compensation committee structure, the compensation for 2016 of the President, Chief Executive Officer, all Executive Vice Presidents, and all Managing Directors was reviewed and approved by the Board at that March 10, 2016 meeting.

The Compensation Committee charter is available on our website at http://www.readingrdi.com/charter-of-our-compensation-stock-options-committee/. The Compensation Committee evaluates and makes recommendations to the full Board regarding the compensation of our Chief Executive Officer. Under its new Charter, the Compensation Committee has delegated authority to establish the compensation for all executive officers other than the President and Chief Executive Officer; provided that compensation decisions related to members of the Cotter Family remain vested in the full Board. In addition, the Compensation Committee establishes the Company's general compensation philosophy and objectives (in consultation with management), approves and adopts on behalf of the Board incentive compensation and equity-based compensation plans, subject to stockholder approval as required, and performs other compensation related functions as delegated by our Board. The Compensation Committee held three meetings during 2015.

Consideration and Selection of the Board's Director Nominees

The Company has elected to take the "Controlled Company" exemption under applicable NASDAQ Listing Rules. Accordingly, the Company does not maintain a standing Nominating Committee. Our Board, consisting of a majority of Independent Directors, approved the Board nominees for our 2016 Annual Meeting.

Our Board does not have a formal policy with respect to the consideration of Director candidates recommended by our stockholders. No non-Director stockholder has, in more than the past ten years, made any formal proposal or recommendation to the Board as to potential nominees. Neither our governing documents nor applicable Nevada law place any restriction on the nomination of candidates for election to our Board directly by our stockholders. In light of the facts that (i) we are a Controlled Company under the NASDAQ Listing Rules and exempted from the requirements for an independent nominating process, and (ii) our governing documents and Nevada law place no limitation upon the direct nomination of Director candidates by our stockholders, our Board believes there is no need for a formal policy with respect to Director nominations.

Our Board will consider nominations from our stockholders, provided written notice is delivered to our Secretary at our principal executive offices not less than 120 days prior to the first anniversary of the date that this Proxy Statement is sent to stockholders, or such earlier date as may be reasonable in the event that our annual stockholders meeting is moved more than 30 days from the anniversary of the 2016 Annual Meeting. Such written notice must set forth the name, age, address, and principal occupation or employment of such nominee, the number of shares of our common stock that are beneficially owned by such nominee, and such other information required by the proxy rules of the SEC with respect to a nominee of our Board.

Our Directors have not adopted any formal criteria with respect to the qualifications required to be a Director or the particular skills that should be represented on our Board, other than the need to have at least one Director and member of our Audit Committee who qualifies as an "audit committee financial expert," and have not historically retained any third party to identify or evaluate or to assist in identifying or evaluating potential nominees. We have no policy of considering diversity in identifying Director nominees.

Our Board oversees risk by remaining well-informed through regular meetings with management and our Chair's personal involvement in our day-to-day business including any matters requiring specific risk management oversight. Our Chair, President and Chief Executive Officer chairs regular senior management meetings, which are typically held weekly, one addressing domestic issues and the other addressing overseas issues. The risk oversight function of our Board is enhanced by the fact that our Audit Committee is comprised entirely of Independent Directors.

We encourage, but do not require, our Board members to attend our Annual Meeting. All of our nine then-incumbent Directors attended last year's annual meeting.

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Following a review of the experience and overall qualifications of the Director candidates, our Board resolved to nominate, each of the incumbent Directors named in Proposal 1 for election as Directors of the Company at our 2016 Annual Meeting.

The Board, in reaching the decision to nominate Mr. James Cotter, Jr. for re-election to the Board, took a number of factors into consideration. Without attempting to place any particular priority on any particular consideration, the Board considered Mr. Cotter Jr.'s pending litigation against certain of the other Directors; his pending arbitration proceedings with the Company related to his prior termination as the President and Chief Executive Officer of our Company; his litigation against the Company seeking reimbursement and future advancement of his legal fees and expenses incurred in such arbitration proceedings; the Board's June 2015 determination to terminate Mr. Cotter, Jr. as our Company's President and Chief Executive Officer; the potential that this personal action and legal proceedings have and will likely continue to cause dissension among Board members and impact the otherwise collegial nature of Board meetings; Mr. Cotter, Jr.'s longevity on the Board and his broad knowledge of our Company; Mr. Cotter, Jr.'s beneficial holdings of the Company's securities; the fact that, depending on the ultimate resolution of certain litigation as to the terms of the Cotter Trust, Mr. Cotter, Jr. could periodically or ultimately hold voting control over our Company, and the fact that Ellen M. Cotter and Margaret Cotter had notified the Board that, as the beneficial owners of over 70% of the voting power of our Company, they supported Mr. Cotter Jr.'s ongoing participation on the Board. After considering these factors, the Board nominated Mr. Cotter, Jr. to serve another term as a Director of the Company.

Each of the nominees received at least seven (7) Yes votes, with each such nominee abstaining as to his or her nomination. Director Cotter, Jr. abstained with respect to the nomination of each of the nominees other than Ellen M. Cotter and Margaret Cotter, and voted Yes for Ellen M. Cotter and Margaret Cotter. Director Adams voted No with respect to the nomination of James Cotter, Jr.

Code of Ethics

We have adopted a Code of Ethics designed to help our Directors and employees resolve ethical issues. Our Code of Ethics applies to all Directors and employees, including the Chief Executive Officer, the Chief Financial Officer, principal accounting officer, controller and persons performing similar functions. Our Code of Ethics is posted on our website at http://www.readingrdi.com/Governance-Documents.

The Board has established a means for employees to report a violation or suspected violation of the Code of Ethics anonymously. In addition, we have adopted a "Whistleblower Policy," which is posted on our website, at http://www.readingrdi.com/Governance-Documents, that establishes a process by which employees may anonymously disclose to the Audit Committee alleged fraud or violations of accounting, internal accounting controls or auditing matters.

Review, Approval or Ratification of Transactions with Related Persons

The Audit Committee adopted a written charter for approval of transactions between the Company and its Directors, Director nominees, executive officers, greater than five percent beneficial owners and their respective immediate family members, where the amount involved in the transaction exceeds or is expected to exceed $120,000 in a single calendar year and the party to the transaction has or will have a direct or indirect interest. A copy of this charter is available at www.readingrdi.com under the "Investor Relations" caption. For additional information, see the section entitled "*Certain Relationships and Related Party Transactions*."

Material Legal Proceedings

On June 12, 2015, the Board terminated James Cotter, Jr. as the President and Chief Executive Officer of our Company. That same day, Mr. Cotter, Jr. filed a lawsuit, styled as both an individual and a derivative action, and titled "James Cotter, Jr., individually and derivatively on behalf of Reading International, Inc. vs. Margaret Cotter, et al." Case No,: A-15-719860-V, Dept. XI (the "Cotter Jr. Derivative Action" and the "Cotter, Jr. Complaint," respectively) against the Company and each of our other then sitting Directors (Ellen M. Cotter, Margaret Cotter, Guy Adams, William Gould, Edward Kane, Douglas McEachern, and Tim Storey, the "Original Defendant Directors") in the Eighth Judicial District Court of the State of Nevada for Clark County (the "Nevada District Court"). On October 22, 2015, Mr. Cotter, Jr., amended his complaint to drop his individual claims (the "Amended Cotter Jr. Derivative Complaint"). Accordingly, the Amended Cotter, Jr. Complaint presently purports to assert only purportedly derivative claims and to seek remedies

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only on behalf of the Company. The lawsuit currently alleges, among other things, that the Original Defendant Directors breached their fiduciary duties to the Company by terminating Mr. Cotter, Jr. as President and Chief Executive Officer, continuing to make use of the Executive Committee that has been in place for more than the past ten years, making allegedly potentially misleading statements in its press releases and filings with the Securities and Exchange Commission ("SEC"), paying certain compensation to Ms. Ellen M. Cotter, and allowing the Cotter Estate to make use of Class A Common Stock to pay for the exercise of certain long outstanding stock options held of record by the Cotter Estate. He seeks reinstatement as President and Chief Executive Officer and alleges as damages fluctuations in the price for our Company's shares after the announcement of his termination as President and Chief Executive Officer and certain unspecified damages to our Company's reputation.

In a derivative action, the stockholder plaintiff seeks damages or other relief for the benefit of the Company, and not for the stockholder plaintiff's individual benefit. Accordingly, the Company is, at least in theory, only a nominal defendant in such a derivative action. However, as a practical matter, because Mr. Cotter, Jr. is also seeking, among other things, an order that our Board's determination to terminate Mr. Cotter Jr. was ineffective and that he should be reinstated as the President and Chief Executive Officer of the Company and also that our Board's Executive Committee be disbanded (an injunctive remedy that, if granted, would be binding on the Company), and as he asserts potentially misleading statements in certain press releases and filings with the SEC, the Company is incurring significant cost and expense defending the decision to terminate Mr. Cotter, Jr. as President and Chief Executive Officer, its Board committee structure, and the adequacy of those press releases and filings. Also, the Company continues to incur costs promulgating and responding to discovery demands and satisfying indemnity obligations to the Original Defendant Directors.

Our Directors and Officers Insurance liability insurer is providing insurance coverage, subject to a $500,000 deductible (which has now been exhausted) and its standard reservation of rights, with respect to the defense of the Original Director Defendants. Our new Directors, Dr. Judy Codding and Mr. Michael Wrotniak, are not named in the Cotter Jr. Derivative Action as they were not Directors at the time of the breaches of fiduciary duty alleged by Mr. Cotter, Jr.

Pursuant to the terms of Mr. Cotter Jr.'s employment agreement with the Company, disputes relating to his employment are to be arbitrated. Accordingly, on July 14, 2015, the Company filed an arbitration demand with the American Arbitration Association against Mr. Cotter, Jr. The demand seeks declaratory relief, among other things, that Mr. Cotter, Jr.'s employment and employment agreement with the Company have been validly terminated and that the Board validly removed him from his positions as President and Chief Executive Officer of the Company and positions with the Company's subsidiaries.

Mr. Cotter, Jr. has filed a counter-complaint in the arbitration, asserting claims for breach of his employment contract, declaratory relief, and contractual indemnification. Mr. Cotter, Jr.'s counsel has advised that Mr. Cotter is seeking a variety of damages, including consequential damages, and that such claimed damages total no less than $1,000,000. On April 19, 2016, Mr. Cotter, Jr. filed an action in the District Court, Clark County, Nevada seeking to recover his costs of defending the Arbitration, plus compensatory damages and interest at the maximum legal rate. The Company intends to vigorously defend these claims.

On August 6, 2015, the Company received notice that a Motion to Intervene in the Cotter Jr. Derivative Action and that a proposed derivative complaint had been filed in the Nevada District Court captioned T2 Partners Management, LP, a Delaware limited partnership, doing business as Kase Capital Management; T2 Accredited Fund, LP, a Delaware limited partnership, doing business as Kase Fund; T2 Qualified Fund, LP, a Delaware limited partnership, doing business as Kase Qualified Fund; Tilson Offshore Fund, Ltd, a Cayman Islands exempted company; T2 Partners Management I, LLC, a Delaware limited liability company, doing business as Kase Management; T2 Partners Management Group, LLC, a Delaware limited liability company, doing business as Kase Group; JMG Capital Management, LLC, a Delaware limited liability company; and Pacific Capital Management, LLC, a Delaware limited liability company, derivatively on behalf of Reading International, Inc. vs. Margaret Cotter, Ellen M. Cotter, Guy Adams, Edward Kane, Douglas McEachern, Timothy Storey, William Gould and Does 1 through 100, inclusive, as defendants, and, Reading International, Inc., a Nevada corporation, as Nominal Defendant (the "T2 Derivative Action"). On August 11, 2015, the Court granted the motion of T2 Partners Management, LP et. al. (the "T2 Plaintiffs"), allowing these plaintiffs to file their complaint (the "T2 Derivative Complaint").

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On September 9, 2015, certain of the Original Defendant Directors filed a Motion to Dismiss the T2 Derivative Complaint. The Company joined this Motion to Dismiss on September 14, 2015. The hearing on this Motion to Dismiss was vacated as the T2 Plaintiffs voluntarily withdrew the T2 Derivative Complaint, with the parties agreeing that T2 Plaintiffs would have leave to amend the Complaint. On February 12, 2016, the T2 Plaintiffs filed an amended T2 Derivative Complaint (the "Amended T2 Derivative Complaint").

The T2 Plaintiffs allege in their Amended T2 Derivative Complaint various violations of fiduciary duty, abuse of control, gross mismanagement and corporate waste by the Amended T2 Complaint Director Defendants (as such term is defined below). More specifically the Amended T2 Derivative Complaint seeks certain monetary damages, as well as equitable injunctive relief, attorney fees and costs of suit. Once again, the Company has been named as a nominal defendant. However, because the Amended T2 Derivative Complaint also seeks the reinstatement of Mr. Cotter, Jr., as our President and CEO, it is being defended by the Company. In addition, the Company continues to incur costs promulgating and responding to discovery demands and satisfying indemnity obligations to the Amended T2 Complaint Director Defendants. The defendants in the Amended T2 Complaint are the same as named in the Cotter Jr. Derivative Action as well as our two new Directors, Dr. Judy Codding and Michael Wrotniak, and Company legal counsel, Craig Tompkins. Mr. Storey was not named as a defendant in the Amended T2 Complaint. The cost of the defense of Directors Codding and Wrotniak is likewise being covered by our Directors and Officers Liability Insurance carrier with the same reservations of right as in the Cotter Jr. Derivative Action, but without any separate deductible. The coverage under our Directors and Officers Liability Insurance of the cost of the defense of Mr. Tompkins is being reviewed by the insurer and is currently being covered by the Company under its indemnity agreement with him. The Directors named in the T2 Derivative Complaint are referred to herein as the "Amended T2 Complaint Director Defendants" and the Directors named in the Amended Cotter, Jr. Derivative Complaint are referred to herein as the Amended Cotter Jr. Complaint Director Defendants.

The Amended T2 Derivative Complaint has deleted its request for an order disbanding our Executive Committee and an order "collapsing the Class A and B stock structure into a single class of voting stock." The Amended T2 Complaint has added a request for an order setting aside the election results from the 2015 Annual Meeting of Stockholders, based on an allegation that Ellen M. Cotter and Margaret Cotter were not entitled to vote the shares of Class B Common Stock held by the Cotter Estate and the Cotter Trust. The Company and the other defendants contest the allegations of the T2 Plaintiffs. The Company followed applicable Nevada law in recognizing that Ellen M. Cotter and Margaret Cotter had the legal right and power to vote the shares of Class B Common Stock held of record by the Cotter Estate and the Cotter Trust, and the independent Inspector of Elections has certified the results of that election. Furthermore, even if the election results were to be overturned or voided, this would have no impact on the current composition of our Board, as all of the nominees were standing for re-election and accordingly retain their directorships until their replacements are elected. The Company will vigorously contest any assertions by the T2 Plaintiffs challenging the voting at the 2015 Annual Meeting of Stockholders and believes that the court will rule for the Company should this issue ever reach the court. The case is currently set for trial in November, 2016.

On May 2, 2016, the T2 Plaintiffs filed a petition on order shortening time seeking a preliminary injunction (1) enjoining the Inspector of Elections from counting any proxies purporting to vote either the 327,808 Class B shares represented by stock certificate B0005 (held of record by the Cotter Estate) or the 696,080 Class B shares represented by stock certificate RDIB 0028 (held of record by the Cotter Trust) at the upcoming June 2, 2016 Annual Meeting, and (2) enjoining Ellen M. Cotter, Margaret Cotter and James Cotter, Jr. from voting the above referenced shares at the 2016 Annual Meeting. The Company believes that the above referenced shares are currently held of record by the Cotter Estate and the Cotter Trust, and that such shares can be voted by the Co-Executors of the Cotter Estate and the Trustees of the Cotter Trust, as applicable.

The Company believes that the claims set forth in the Amended Cotter Jr. Derivative Complaint and the Amended T2 Derivative Complaint are entirely without merit and seek equitable remedies for which no relief can be given. The Company intends to defend vigorously against our Directors and Officers and against any attempt to reinstate Mr. Cotter, Jr. as President and Chief Executive Officer or to effect any changes in the rights of our Company's stockholders. Mr. Storey has been dismissed by stipulation as a defendant in the James Cotter Jr. Derivative Action.

On May 13, 2016, Directors Adams, Codding, Ellen M. Cotter, Margaret Cotter, Kane, McEachern and Wrotniak filed a motion in the T2 Derivative Action to disqualify the T2 Plaintiffs on the grounds that at least one of the T2 Plaintiffs had engaged in trading in our Company's Class A Common Stock after production by the Company and the

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Amended T2 Complaint Director Defendants of confidential information in the discovery process.

PROPOSAL 1: Election of Directors

Nominees for Election

Nine Directors are to be elected at our Annual Meeting to serve until the annual meeting of stockholders to be held in 2017 or until their successors are duly elected and qualified. Unless otherwise instructed, the proxy holders will vote the proxies received by us "FOR" the election of the nominees below, all of whom currently serve as Directors. The nine nominees for election to the Board who receive the greatest number of votes cast for the election of Directors by the shares present and entitled to vote will be elected Directors. If any nominee becomes unavailable for any reason, it is intended that the proxies will be voted for a substitute nominee designated by the Board. The nominees named have consented to serve if elected.

The names of the nominees for Director, together with certain information regarding them, are as follows:

Name	Age	Position
Ellen M. Cotter	50	Chair of the Board and Chief Executive Officer and President [1]
Guy W. Adams	65	Director [1]
Judy Codding	71	Director [2]
James Cotter, Jr.	46	Director [3]
Margaret Cotter	48	Vice Chair of the Board and Executive Vice President-Real Estate Management and Development-NYC (1)
William D. Gould	77	Director [4]
Edward L. Kane	78	Director [1][2][3][5]
Douglas J. McEachern	64	Director [2][5]
Michael Wrotniak	49	Director [5]

(1) Member of the Executive Committee.
(2) Member of the Compensation and Stock Options Committee.
(3) Member of the Tax Oversight Committee. This committee has been inactive since November 2, 2015, in anticipation that its functions would move to the Audit Committee under its new charter. That new charter was approved on May 5, 2016.
(4) Lead Independent Director.
(5) Member of the Audit and Conflicts Committee.

Ellen M. Cotter. Ellen M. Cotter has been a member of our Board since March 13, 2013, and currently serves as a member of our Executive Committee. Ms. Cotter was appointed Chair of our Board on August 7, 2014 and served as our interim President and Chief Executive Officer from June 12, 2015 until January 8, 2016, when she was appointed our permanent President and Chief Executive Officer. She joined the Company in March 1998. Ms. Cotter is a graduate of Smith College and holds a Juris Doctor from Georgetown Law School. Prior to joining the Company, Ms. Cotter spent four years in private practice as a corporate attorney with the law firm of White & Case in New York City. Ms. Cotter is the sister of Margaret Cotter and James Cotter, Jr. For more than the past ten years, Ms. Cotter served as the Chief Operating Officer ("COO") of our domestic cinema operations, in which capacity she had, among other things, responsibility for the acquisition and development, marketing and operation of our cinemas in the United States. Prior to her appointment as COO of Domestic Cinemas, she spent a year in Australia and New Zealand, working to develop our cinema and real estate assets in those countries. Ms. Cotter is the Co-Executor of the Cotter Estate, which is the record owner of 427,808 shares of our Class B Stock (representing 25.5% of such Class B Stock). Ms. Cotter is also a Co-Trustee of the Cotter Trust, which is the record owner of 696,080 shares of Class B Stock (representing an additional 41.4% of such Class B Stock).

Ms. Cotter brings to our Board her 18 years of experience working in our Company's cinema operations in the United States, Australia and New Zealand. She has also served as the Chief Executive Officer of Reading's subsidiary,

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Consolidated Entertainment, LLC, which operates substantially all of our cinemas in Hawaii and California. In addition, with her direct ownership of 799,765 shares of Class A Stock and 50,000 shares of Class B Stock, and her positions as Co-Executor of the Cotter Estate and Co-Trustee of the Cotter Trust, Ms. Cotter is a significant stakeholder in our Company. In recognition of her contributions to the independent film industry, Ms. Cotter was awarded the first Gotham Appreciation Award at the 2015 Gotham Independent Film Awards. She was also inducted that same year into the ShowEast Hall of Fame.

Guy W. Adams. Guy W. Adams has been a Director of the Company since January 14, 2014, currently serves as the chair of our Executive Committee, and until May 14, 2016, served as a member of our Compensation Committee. For more than the past ten years, he has been a Managing Member of GWA Capital Partners, LLC, a registered investment adviser managing GWA Investments, LLC, a fund investing in various publicly traded securities. Over the past fifteen years, Mr. Adams has served as an independent director on the boards of directors of Lone Star Steakhouse & Saloon, Mercer International, Exar Corporation and Vitesse Semiconductor. At these companies, he has held a variety of board positions, including lead director, audit committee chair, and compensation committee chair. He has spoken on corporate governance topics before such groups as the Council of Institutional Investors, the USC Corporate Governance Summit and the University of Delaware Distinguished Speakers Program. Mr. Adams provides investment advice to private clients and currently invests his own capital in public and private equity transactions. He has served as an advisor to James J. Cotter, Sr. and continues to provide professional advisory services to various enterprises now owned by either the Cotter Estate or the Cotter Trust. Mr. Adams received his Bachelor of Science degree in Petroleum Engineering from Louisiana State University and his Masters of Business Administration from Harvard Graduate School of Business Administration.

Mr. Adams brings many years of experience serving as an independent director on public company boards, and in investing and providing financial advice with respect to investments in public companies.

Dr. Judy Codding. Dr. Judy Codding has been a Director of our Company since October 5, 2015, and currently serves as a member of our Compensation Committee. Dr. Codding is a globally respected education leader. From October 2010 until October 2015 she served as the Managing Director of "The System of Courses," a division of Pearson, PLC (NYSE: PSO), the largest education company in the world that provides education products and services to institutions, governments, and direct to individual learners. Prior to that time, Dr. Codding served as the Chief Executive Officer and President of America's Choice, Inc., which she founded in 1998, and which was acquired by Pearson in 2010. America's Choice, Inc. was a leading education company offering comprehensive, proven solutions to the complex problems educators face in the era of accountability. Dr. Codding has a Doctorate in Education from University of Massachusetts at Amherst, and completed postdoctoral work and served as a teaching associate in Education at Harvard University where she taught graduate level courses focused on moral leadership. Dr. Codding has served on various boards, including the Board of Trustees of Curtis School, Los Angeles, CA (2011 to present) and the Board of Trustees of Educational Development Center, Inc. (EDC) since 2012. Through family entities, Dr. Codding has been and continues to be involved in the real estate business, through the ownership of hotels, shopping centers and buildings in Florida and the exploration of mineral, oil and gas rights in Maryland and Kentucky.

Dr. Codding brings to our Board her experience as an entrepreneur, as an author, advisor and researcher in the areas of leadership training and decision-making as well as her experience in the real estate business.

James Cotter, Jr. James Cotter, Jr. has been a Director of our Company since March 21, 2002, and served as a member of our Tax Oversight Committee. The Tax Oversight Committee has been inactive since November 2, 2015, in anticipation that its functions would be moved to the Audit Committee under its new charter. That new charter was adopted on May 5, 2016. Mr. Cotter, Jr. served as our Vice Chair from June 2007 until August 7, 2014. Mr. Cotter, Jr. served as our President from June 1, 2013 through June 12, 2015, and as our Chief Executive Officer from August 7, 2014 through June 12, 2015. He is currently the lead director of Cecelia Packing Corporation (a Cotter family-owned citrus grower, packer and marketer) and served as the Chief Executive Officer of that company from July 2004 until 2013. Mr. Cotter, Jr. served as a Director of Cecelia Packing Corporation from February 1996 to September 1997, and as a Director of Gish Biomedical from September 1999 to March 2002. He was an attorney in the law firm of Winston & Strawn (and its predecessor), specializing in corporate law, from September 1997 to May 2004. Mr. Cotter, Jr. is the brother of Margaret Cotter and Ellen M. Cotter. Mr. Cotter, Jr. has advised the Company that he is a Co-Trustee of the Cotter Trust, which is the record owner of 696,080 shares of Class B Stock (representing 41.4% of such Class B Stock). The Company understands that Mr. Cotter's status as a trustee of the Cotter Trust is disputed by his sisters, Ellen M. Cotter and Margaret Cotter.

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James Cotter, Jr. brings to our Board his experience as a business professional and corporate attorney, as well as his many years of experience in, and knowledge of, the Company's business and affairs. In addition, with his direct ownership of 770,186 shares of our Company's Class A Common Stock and his position as Co-Trustee of the Cotter Trust, Mr. Cotter, Jr. is a significant stakeholder in our Company. Further, depending on the outcome of ongoing Trust Litigation, in the future Mr. Cotter, Jr. may be a controlling stockholder in the Company.

Margaret Cotter. Margaret Cotter has been a Director of our Company since September 27, 2002, and on August 7, 2014 was appointed Vice Chair of our Board and currently serves as a member of our Executive Committee. On March 10, 2016, our Board appointed Ms. Cotter as Executive Vice President-Real Estate Management and Development-NYC. In this position, Ms. Cotter is responsible for the management of our live theater properties and operations, including oversight of the re-development of our Union Square and Cinemas 1, 2, 3 properties. Ms. Cotter is the owner and President of OBI, LLC ("OBI"), which, from 2002 until her appointment as Executive Vice President-Real Estate Management and Development-NYC, managed our live-theater operations under a management agreement. Pursuant to the OBI management agreement, Ms. Cotter also served as the President of Liberty Theaters, LLC, the subsidiary through which we own our live theaters. The OBI management agreement was terminated with Ms. Cotter's appointment as Executive Vice President-Real Estate Management and Development-NYC. Ms. Cotter is also a theatrical producer who has produced shows in Chicago and New York and is a board member of the League of Off-Broadway Theaters and Producers. Ms. Cotter, a former Assistant District Attorney for King's County in Brooklyn, New York, graduated from Georgetown University and Georgetown University Law Center. She is the sister of Ellen M. Cotter and James Cotter, Jr. Ms. Margaret Cotter is a Co-Executor of the Cotter Estate, which is the record owner of 427,808 shares of our Class B Stock (representing 25.5% of such Class B Stock). Ms. Margaret Cotter is also a Co-Trustee of the Cotter Trust, which is the record owner of 696,080 shares of Class B Voting Common Stock (representing an additional 41.4% of such Class B Stock).

Ms. Cotter brings to the Board her experience as a live theater producer, theater operator and an active member of the New York theater community, which gives her insight into live theater business trends that affect our business in this sector. Operating and overseeing these properties for over 17 years, Ms. Cotter contributes to the strategic direction for our developments. In addition, with her direct ownership of 804,173 shares of Class A Stock and 35,100 shares of Class B Stock and her positions as Co-Executor of the Cotter Estate and Co-Trustee of the Cotter Trust, Ms. Cotter is a significant stakeholder in our Company.

William D. Gould. William D. Gould has been a Director of our Company since October 15, 2004, and currently serves as our Lead Independent Director. Mr. Gould has been a member of the law firm of TroyGould PC since 1986. Previously, he was a partner of the law firm of O'Melveny & Myers. We have from time to time retained TroyGould PC for legal advice. Total fees payable to Mr. Gould's law firm for calendar year 2015 were $61,000.84.

Mr. Gould is an author and lecturer on the subjects of corporate governance and mergers and acquisitions. Mr. Gould brings to our Board more than fifty years of experience as a corporate lawyer and advisor focusing on corporate governance, mergers and acquisitions.

Edward L. Kane. Edward L. Kane has been a Director of our Company since October 15, 2004. Mr. Kane was also a Director of our Company from 1985 to 1998, and served as President from 1987 to 1988. Mr. Kane currently serves as the chair of our Compensation Committee, and served as chair of our Tax Oversight Committee. That committee has been inactive since November 2, 2015, in anticipation that its functions would be moved to the Audit Committee under its new charter. The new charter for the Audit Committee was approved on May 5, 2016. He also serves as a member of our Executive Committee and our Audit Committee. Mr. Kane practiced as a tax attorney for many years in San Diego, California. Since 1996, Mr. Kane has acted as a consultant and advisor to the health care industry, serving as the President and sole shareholder of High Avenue Consulting, a healthcare consulting firm, and as the head of its successor proprietorship. During the 1990s, Mr. Kane also served as the Chair and Chief Executive Officer of ASMG Outpatient Surgical Centers in southern California, and he served as a director of BDI Investment Corp., which was a regulated investment company based in San Diego. For over a decade, he was the Chair of Kane Miller Books, an award-winning publisher of children's books. At various times during the past three decades, Mr. Kane has been Adjunct Professor of Law at two of San Diego's law schools, most recently in 2008 and 2009 at Thomas Jefferson School of Law, and prior thereto at California Western School of Law.

In addition to his varied business experience, Mr. Kane brings to our Board his many years as a tax attorney and law professor. Mr. Kane also brings his experience as a past President of Craig Corporation and of Reading Company,

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two of our corporate predecessors, as well as his experience as a former member of the boards of directors of several publicly held corporations.

Douglas J. McEachern. Douglas J. McEachern has been a Director of our Company since May 17, 2012 and chair of our Audit Committee since August 1, 2012 and serves as a member of our Compensation Committee since May 14, 2016. He has served as a member of the board and of the audit and compensation committee for Willdan Group, a NASDAQ listed engineering company, since 2009. From June 2011 until October 2015, Mr. McEachern was a director of Community Bank in Pasadena, California and a member of its audit committee. Mr. McEachern served as the chair of the board of Community Bank from October 2013 until October 2015. He also is a member of the finance committee of the Methodist Hospital of Arcadia. From September 2009 to December 2015, Mr. McEachern served as an instructor of auditing and accountancy at Claremont McKenna College. Mr. McEachern was an audit partner from July 1985 to May 2009 with the audit firm of Deloitte and Touche, LLP, with client concentrations in financial institutions and real estate. Mr. McEachern was also a Professional Accounting Fellow with the Federal Home Loan Bank board in Washington DC, from June 1983 to July 1985. From June 1976 to June 1983, Mr. McEachern was a staff member and subsequently a manager with the audit firm of Touche Ross & Co. (predecessor to Deloitte & Touche, LLP). Mr. McEachern received a B.S. in Business Administration in 1974 from the University of California, Berkeley, and an M.B.A. in 1976 from the University of Southern California.

Mr. McEachern brings to our Board his more than 38 years' experience meeting the accounting and auditing needs of financial institutions and real estate clients, including our Company. Mr. McEachern also brings his experience reporting as an independent auditor to the boards of directors of a variety of public reporting companies and as a board member himself for various companies and not-for-profit organizations.

Michael Wrotniak. Michael Wrotniak has been a Director of our Company since October 12, 2015, and has served as a member of our Audit Committee since October 25, 2015. Since 2009, Mr. Wrotniak has been the Chief Executive Officer of Aminco Resources, LLC ("Aminco"), a privately held international commodities trading firm. Mr. Wrotniak joined Aminco in 1991 and is credited with expanding Aminco's activities in Europe and Asia. By establishing a joint venture with a Swiss engineering company, as well as creating partnerships with Asia-based businesses, Mr. Wrotniak successfully diversified Aminco's product portfolio. Mr. Wrotniak became a partner of Aminco in 2002. Mr. Wrotniak has been for more than the past six years, a trustee of St. Joseph's Church in Bronxville, New York, and is a member of the Board of Advisors of the Little Sisters of the Poor at their nursing home in the Bronx, New York since approximately 2004. Mr. Wrotniak graduated from Georgetown University in 1989 with a B.S. in Business Administration (cum laude).

Mr. Wrotniak is a specialist in foreign trade, and brings to our Board his considerable experience in international business, including foreign exchange risk mitigation.

Please see footnote 12 of the Beneficial Ownership of Securities table for information regarding the election of Ellen M. Cotter, Margaret Cotter and James Cotter, Jr. to the Board.

Attendance at Board and Committee Meetings

During the year ended December 31, 2015, our Board met 13 times. The Audit Committee held four meetings, the Compensation Committee held three meetings, and the Tax Oversight Committee held one meeting. Each Director attended at least 75% of these Board meetings and at least 75% of the meetings of all committees on which he or she served.

Indemnity Agreements

We currently have indemnity agreements in place with each of our current Directors and senior officers, as well as certain of the Directors and senior officers of our subsidiaries. Under these agreements, we have agreed, subject to certain exceptions, to indemnify each of these individuals against all expenses, liabilities and losses incurred in connection with any threatened, pending or contemplated action, suit or proceeding, whether civil or criminal, administrative or investigative, to which such individual is a party or is threatened to be made a party, in any manner, based upon, arising from, relating to or by reason of the fact that such individual is, was, shall be or has been a Director, officer, employee, agent or fiduciary of the Company.

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Compensation of Directors

During 2015, we paid our non-employee Directors $50,000 per year. We paid the Chair of our Audit Committee an additional $7,000 per year, the Chair of our Compensation Committee an additional $5,000 per year, the Chair of our Tax Oversight Committee an additional $18,000 per year and the Lead Independent Director an additional $5,000 per year.

In 2015, we also paid an additional one-time fee of $25,000 to each of Messrs. Adams, Gould, McEachern and Kane, and an additional one-time fee of $75,000 to Mr. Storey. These fees were awarded in each case in recognition of their service on our Board and Committees.

In March 2016, the Board approved additional special compensation to be paid for extraordinary services to the Company and devotion of time in providing such services, as follows:

Guy W. Adams:	$50,000
Edward L. Kane:	$10,000
Douglas J. McEachern:	$10,000

Some portion of such additional special compensation was for services rendered during 2015.

Upon joining our Board, new Directors historically received immediately vested five-year stock options to purchase 20,000 shares of our Class A Stock at an exercise price equal to the market price of the stock at the date of grant. However, this process was discontinued in 2015, and Directors Codding and Wrotniak did not receive such grants. In January, 2015 and January, 2016, each of our then non-employee Directors received an annual grant of stock options to purchase 2,000 shares of our Class A Stock. The options awarded have a term of five years, an exercise price equal to the market price of Class A Stock on the grant date and were fully vested immediately upon grant. As discussed below, our outside director compensation was changed for the remainder of 2016 and the years thereafter. See "*2016 and Future Director Compensation*," below.

Director Compensation Table

The following table sets forth information concerning the compensation to persons who served as our non-employee Directors during 2015 for their services as Directors.

Name	Fees Earned or Paid in Cash ($)	Option Awards ($)(1)	All Other Compensation ($)	Total ($)
Judy Codding	11,957	0	0	11,957
Margaret Cotter [2]	35,000	7,656	0	42,656
Guy W. Adams	75,000	7,656	0	82,656
William D. Gould	80,000	7,656	0	87,656
Edward L. Kane	98,000	7,656	0	105,656
Douglas J. McEachern	82,000	7,656	0	89,656
Tim Storey [3]	112,500	7,656	21,136[4]	140,292
Michael Wrotniak	11,005	0	0	11,005

(1) Fair value of the award computed in accordance with FASB ASC Topic 718.

(2) Until March 10, 2016, in addition to her Director's fees, Ms. Margaret Cotter received a combination of fixed and incentive management fees under the OBI management agreement described under the caption "Certain Transactions and Related Party Transactions - OBI Management Agreement," below.

(3) Mr. Storey served on our Board and Compensation Committee through October 11, 2015.

(4) Represents fees paid to Mr. Storey as the sole independent Director of our Company's wholly owned New Zealand subsidiary.

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2016 and Future Director Compensation

As discussed below in "Compensation Discussion and Analysis," the Executive Committee of our Board, upon the recommendation of our Chief Executive Officer, requested the Compensation Committee to evaluate the Company's compensation policy for outside directors and to establish a plan that encompasses sound corporate practices consistent with the best interests of the Company. Our Compensation Committee undertook to review, evaluate, revise and recommend the adoption of new compensation arrangements for executive and management officers and outside directors of the Company. In January 2016, the Compensation Committee retained the international compensation consulting firm of Willis Towers Watson as its advisor in this process and also relied on our legal counsel, Greenberg Traurig, LLP.

The process followed by our Compensation Committee was similar to that in scope and approach used by the Compensation Committee in considering executive compensation. Willis Towers Watson reviewed and presented to the Compensation Committee the competitiveness of the Company's outside director compensation. The Company's outside director compensation was compared to the compensation paid by the 15 peer companies (identified "Compensation Discussion and Analysis"). Willis Towers Watson's key findings were:

- Our annual Board retainer was slightly above the 50th percentile while the total cash compensation paid to outside Directors was close to the 25th percentile.
- Due to our minimal annual Director equity grants, total direct compensation to our outside Directors was the lowest among the peer group.
- We should consider increasing our committee cash compensation and annual Director equity grants to be in line with peer practices.

The foregoing observations and recommendations were studied, questioned and thoroughly discussed by our Compensation Committee, Willis Towers Watson and legal counsel over the course of our Compensation Committee meetings. Among other things, our Compensation Committee discussed and considered the recommendations made by Willis Towers Watson regarding Director retainer fees and equity awards for Directors. Following discussion, our Compensation Committee recommended and our Board authorized that:

- The Board retainer currently paid to outside Directors will not be changed.
- The committee chair retainers will be increased to $20,000 for our Audit Committee and our Executive Committee and $15,000 for our Compensation Committee.
- The committee member fees will be $7,500 for our Audit and Executive Committees and $5,000 for our Compensation Committee.
- The Lead Independent Director fee will be increased to $10,000.
- The annual equity award value to Directors will be $60,000 as a fixed dollar value based on the closing price on the date of the grant and, that the equity award be restricted stock units and that such restricted stock units have a twelve month vesting period.
- Our Board also approved additional special compensation to be paid to certain directors for extraordinary services provided to us and devotion of time in providing such services as follows:
    - Guy W. Adams, $50,000
    - Edward L. Kane, $10,000
    - Douglas J. McEachern, $10,000

Our Board compensation was made effective for the year 2016 and equity grants were made on March 10, 2016 based upon the closing of the Company's Class A Common Stock on such date.

Vote Required

The nine nominees receiving the greatest number of votes cast at the Annual Meeting will be elected to the Board.

The Board has nominated each of the nominees discussed above to hold office until the 2017 Annual Meeting of Stockholders and thereafter until his or her respective successor has been duly elected and qualified. In the event that

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any nominee shall be unable or unwilling to serve as a Director, the Board shall reserve discretionary authority to vote for a substitute or substitutes. The Board has no reason to believe that any nominee will be unable or to serve and all nominees named have consented to serve if elected.

Recommendation of the Board

THE BOARD RECOMMENDS A VOTE "FOR" EACH OF THE DIRECTOR NOMINEES.

Ellen M. Cotter and Margaret Cotter, who together have shared voting control over an aggregate of 1,208,988 shares, or 71.9%, of our Class B Stock, have informed the Board that they intend to vote the shares beneficially held by them in favor of the nine nominees named in this Proxy Statement for election to the Board under Proposal 1. Of the shares of Class B Stock beneficially held by them, 696,080 shares are held of record by the Cotter Trust. James Cotter, Jr. alleges he has the right to vote the shares held by the Cotter Trust. The Company believes that, under applicable Nevada Law, where there are multiple trustees of a trust that is a record owner of voting shares of a Nevada corporation, and more than one trustee votes, the votes of the majority of the voting trustees apply to all of the shares held of record by the trust. If more than one trustee votes and the votes are split evenly on any particular proposal, each trustee may vote proportionally the shares held of record by the trust. Ellen M. Cotter and Margaret Cotter, who collectively constitute a majority of the Co-Trustees of the Cotter Trust, have informed the Board that they intend to vote the shares held by the Cotter Trust for the nine nominees named in this Proxy Statement for election to the Board under Proposal 1. Accordingly, the Company believes that Ellen M. Cotter and Margaret Cotter collectively have the power and authority to vote all of the shares of Class B Stock held of record by the Cotter Trust.

REPORT OF THE AUDIT COMMITTEE

The following is the report of the Audit Committee of our Board with respect to our audited financial statements for the fiscal year ended December 31, 2015.

The information contained in this report shall not be deemed to be "soliciting material" or "filed" with the SEC or subject to the liabilities of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), except to the extent that we specifically incorporate it by reference into a document filed under the Securities Act of 1933, as amended, or the Exchange Act.

The purpose of the Audit Committee is to assist the Board in its general oversight of our financial reporting, internal controls and audit functions. The Audit Committee operates under a written Charter adopted by our Board. The Charter is reviewed periodically and subject to change, as appropriate. The Audit Committee Charter describes in greater detail the full responsibilities of the Audit Committee.

In this context, the Audit Committee has reviewed and discussed the Company's audited financial statements with management and Grant Thornton LLP, our independent auditors. Management is responsible for: the preparation, presentation and integrity of our financial statements; accounting and financial reporting principles; establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rule 13a-15(e)); establishing and maintaining internal control over financial reporting (as defined in Exchange Act Rule 13a-15(f)); evaluating the effectiveness of disclosure controls and procedures; evaluating the effectiveness of internal control over financial reporting; and evaluating any change in internal control over financial reporting that has materially affected, or is reasonably likely to materially affect, internal control over financial reporting. Grant Thornton LLP is responsible for performing an independent audit of the consolidated financial statements and expressing an opinion on the conformity of those financial statements with accounting principles generally accepted in the United States of America, as well as an opinion on (i) management's assessment of the effectiveness of internal control over financial reporting and (ii) the effectiveness of internal control over financial reporting.

The Audit Committee has discussed with Grant Thornton LLP the matters required to be discussed by Auditing Standard No. 16, "Communications with Audit Committees" and PCAOB Auditing Standard No. 5, "An Audit of Internal Control Over Financial Reporting that is Integrated with Audit of Financial Statements." In addition, Grant Thornton LLP has provided the Audit Committee with the written disclosures and the letter required by the Independence Standards Board Standard No. 1, as amended, "Independence Discussions with Audit Committees," and the Audit Committee has discussed with Grant Thornton LLP their firm's independence.

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Based on their review of the consolidated financial statements and discussions with and representations from management and Grant Thornton LLP referred to above, the Audit Committee recommended to our Board that the audited financial statements be included in our Annual Report on Form 10-K for fiscal year 2015 for filing with the SEC.

It is not the duty of the Audit Committee to plan or conduct audits or to determine that the Company's financial statements are complete and accurate and in accordance with accounting principles generally accepted in the United States. That is the responsibility of management and the Company's independent registered public accounting firm. In giving its recommendation to the Board, the Audit Committee relied on (1) management's representation that such financial statements have been prepared with integrity and objectivity and in conformity with accounting principles generally accepted in the United States and (2) the report of the Company's independent registered public accounting firm with respect to such financial statements.

Respectfully submitted by the Audit Committee.

Douglas J. McEachern, Chair
Edward L. Kane
Michael Wrotniak

BENEFICIAL OWNERSHIP OF SECURITIES

Except as described below, the following table sets forth the shares of Class A Stock and Class B Stock beneficially owned on April 22, 2016 by:

- each of our incumbent Directors and Director nominees;
- each of our incumbent executive officers and named executive officers set forth in the Summary Compensation Table of this Proxy Statement;
- each person known to us to be the beneficial owner of more than 5% of our Class B Stock; and
- all of our incumbent Directors and incumbent executive officers as a group.

Except as noted, and except pursuant to applicable community property laws, we believe that each beneficial owner has sole voting power and sole investment power with respect to the shares shown. An asterisk (*) denotes beneficial ownership of less than 1%.

	Amount and Nature of Beneficial Ownership (1)			
	Class A Stock		Class B Stock	
Name and Address of Beneficial Owner	Number of Shares	Percentage of Stock	Number of Shares	Percentage of Stock
Directors and Named Executive Officers				
Ellen M. Cotter (2)(12)	3,146,965	14.5	1,173,888	69.8
James Cotter, Jr. (12)(13)	3,084,976	14.2	696,080	41.4
Margaret Cotter (3)(12)	3,335,012	15.4	1,158,988	66.9
Guy W. Adams (8)	2,000	*	--	--
Judy Codding (9)	2,000	*	--	--
William D. Gould (4)	56,340	*	--	--
Edward L. Kane (5)	21,500	*	100	*
Andrzej J. Matyczynski (16)	50,880	*	--	--
Douglas J. McEachern (6)	39,300	*	--	--
Michael Wrotniak (10)	2,000	--	--	--
Robert F. Smerling (7)	43,750	*	--	--
Wayne Smith (11)	3,000	*	--	--
William Ellis (17)	20,000	*	--	--
Dev Ghose (18)	25,000	*	--	--
5% or Greater Stockholders				
James J. Cotter Living Trust (12)	1,897,649	8.8	696,080	41.4
Estate of James J. Cotter, Sr. (Deceased) (12)	326,800	1.5	427,808	25.5

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Mark Cuban (14) 5424 Deloache Avenue Dallas, Texas 75220	72,164	*	207,913	12.4
PICO Holdings, Inc. and PICO Deferred Holdings, LLC (15) 875 Prospect Street, Suite 301 La Jolla, California 92037	--	--	117,500	7.0
James J. Cotter Foundation	102,751	*		
Cotter 2005 Grandchildren's Trust	289,390	1.3		
All Directors and executive officers as a group (14 persons)	5,032,094	23.2	1,209,088	71.9

(1) Percentage ownership is determined based on 21,654,302 shares of Class A Stock and 1,680,590 shares of Class B Stock outstanding on April 22, 2016. Beneficial ownership has been determined in accordance with SEC rules. Shares subject to options that are currently exercisable, or exercisable within 60 days following the date as of which this information is provided, and not subject to repurchase as of that date, which are indicated by footnote, are deemed to be beneficially owned by the person holding the options and are deemed to be outstanding in computing the percentage ownership of that person, but not in computing the percentage ownership of any other person.

(2) The Class A Stock shown includes 20,000 shares subject to stock options as well as 799,765 shares held directly. The Class A Stock shown also includes 102,751 shares held by the James J. Cotter Foundation (the "Cotter Foundation"). Ellen M. Cotter is Co-Trustee of the Cotter Foundation and, as such, is deemed to beneficially own such shares. Ms. Cotter disclaims beneficial ownership of such shares except to the extent of her pecuniary interest, if any, in such shares. The Class A Stock shown also includes 297,070 shares that are part of the Estate of James J. Cotter, Deceased (the "Cotter Estate") that is being administered in the State of Nevada and 29,730 shares from the Cotter Profit Sharing Plan. On December 22, 2014, the District Court of Clark County, Nevada, appointed Ellen M. Cotter and Margaret Cotter as co-executors of the Cotter Estate. As such, Ellen M. Cotter would be deemed to beneficially own such shares. The shares of Class A Stock shown also include 1,897,649 shares held by the James J. Cotter Living Trust (the "Cotter Trust"). See footnote (12) to this table for information regarding beneficial ownership of the shares held by the Cotter Trust. As Co-Trustees of the Cotter Trust, the three Cotter family members would be deemed to beneficially own such shares depending upon the outcome of the matters described in footnote (12). Together Margaret Cotter and Ellen M. Cotter beneficially own 1,208,988 shares of Class B Stock.

(3) The Class A Stock shown includes 17,000 shares subject to stock options as well as 804,173 shares held directly. The Class A Stock shown also includes 289,390 shares held by the Cotter 2005 Grandchildren's Trust and 29,730 shares from the Cotter Profit Sharing Plan. Margaret Cotter is Co-Trustee of the Cotter 2005 Grandchildren's Trust and, as such, is deemed to beneficially own such shares. Ms. Cotter disclaims beneficial ownership of such shares except to the extent of her pecuniary interest, if any, in such shares. The Class A Stock shown includes 297,070 shares of Class A Stock that are part of the Cotter Estate. As Co-Executor of the Cotter Estate, Ms. Cotter would be deemed to beneficially own such shares. The shares of Class A Stock shown also include 1,897,649 shares held by the Cotter Trust. See footnotes (12) for information regarding beneficial ownership of the shares held by the Cotter Trust. As Co-Trustees of the Cotter Trust, the three Cotter family members would be deemed to beneficially own such shares depending upon the outcome of the matters described in footnote (12). Together Margaret Cotter and Ellen M. Cotter beneficially own 1,208,988 shares of Class B Stock.

(4) The Class A Stock shown includes 19,000 shares subject to stock options.

(5) The Class A Stock shown includes 4,000 shares subject to stock options.

(6) The Class A Stock shown includes 29,000 shares subject to stock options.

(7) The Class A Stock shown consists of 43,750 shares subject to stock options.

(8) The Class A Stock shown consists of 2,000 shares subject to stock options.

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(9) The Class A Stock shown consists of 2,000 shares subject to stock options.

(10) The Class A Stock shown consists of 2,000 shares subject to stock options.

(11) The Class A Stock shown consists of 3,000 restricted stock grants.

(12) On June 5, 2013, the Declaration of Trust establishing the Cotter Trust was amended and restated (the "2013 Restatement") to provide that, upon the death of James J. Cotter, Sr., the Trust's shares of Class B Stock were to be held in a separate trust, to be known as the "Reading Voting Trust," for the benefit of the grandchildren of Mr. Cotter, Sr. Mr. Cotter, Sr. passed away on September 13, 2014. The 2013 Restatement also names Margaret Cotter the sole trustee of the Reading Voting Trust and names James Cotter, Jr. as the first alternate trustee in the event that Ms. Cotter is unable or unwilling to act as trustee. The trustees of the Cotter Trust, as of the 2013 Restatement, were Ellen M. Cotter and Margaret Cotter. On June 19, 2014, Mr. Cotter, Sr. signed a 2014 Partial Amendment to Declaration of Trust (the "2014 Amendment") that names Margaret Cotter and James Cotter, Jr. as the co-trustees of the Reading Voting Trust and provides that, in the event they are unable to agree upon an important trust decision, they shall rotate the trusteeship between them annually on each January 1st. It further directs the trustees of the Reading Voting Trust to, among other things, vote the Class B Stock held by the Reading Voting Trust in favor of the appointment of Ellen M. Cotter, Margaret Cotter and James Cotter, Jr. to our Board and to take all actions to rotate the chairmanship of our Board among the three of them. The 2014 Amendment states that James Cotter, Jr., Ellen M. Cotter and Margaret Cotter are Co-Trustees of the Cotter Trust. On February 5, 2015, Ellen M. Cotter and Margaret Cotter filed a Petition in the Superior Court of the State of California, County of Los Angeles, captioned In re James J. Cotter Living Trust dated August 1, 2000 (Case No. BP159755). The Petition, among other things, seeks relief that could determine the validity of the 2014 Amendment and who between Margaret Cotter and James Cotter Jr. will have authority as trustee or co-trustees of the Reading Voting Trust to vote the shares of Class B Stock shown (in whole or in part) and the scope and extent of such authority. Mr. Cotter, Jr. has filed an opposition to the Petition. The 696,080 shares of Class B Stock shown in the table as being beneficially owned by the Cotter Trust are reflected on the Company's stock register as being held by the Cotter Trust and not by the Reading Voting Trust. The information in the table reflects direct ownership of the 696,080 shares of Class B Stock by the Cotter Trust in accordance with the Company's stock register and beneficial ownership of such shares as being held by each of the three potential Co-Trustees, Mr. Cotter, Jr., Ellen M. Cotter and Margaret Cotter, who, unless a court determines otherwise, are deemed to share voting and investment power of the shares held by the Cotter Trust.

(13) The Class A Stock shown includes 25,000 shares subject to stock options as well as 770,186 shares held directly. The Class A Stock shown also includes 289,390 shares held by the Cotter 2005 Grandchildren's Trust and 102,751 held by the Cotter Foundation. Mr. Cotter, Jr. is Co-Trustee of the Cotter 2005 Grandchildren's Trust and of the Cotter Foundation and, as such, is deemed to beneficially own such shares. Mr. Cotter, Jr. disclaims beneficial ownership of such shares except to the extent of his pecuniary interest, if any, in such shares. The Class A Stock shown also includes 1,897,649 shares held by the Cotter Trust, which became irrevocable upon Mr. Cotter, Sr.'s death on September 13, 2014. See footnote (12) above for information regarding beneficial ownership of the shares held by the Cotter Trust. As Co-Trustees of the Cotter Trust, the three Cotter family members would be deemed to beneficially own such shares depending upon the outcome of the matters described in footnote (12). The Class A Stock shown includes 770,186 shares pledged as security for a margin loan.

(14) Based on Mr. Cuban's Form 5 filed with the SEC on February 19, 2016 and Schedule 13D/A filed on February 22, 2016.

(15) Based on the PICO Holdings, Inc. and PICO Deferred Holdings, LLC Schedule 13G filed with the SEC on January 14, 2009.

(16) The Class A Stock shown includes 25,000 shares subject to stock options.

(17) The Class A Stock shown includes 8,815 shares subject to stock options.

(18) The Class A Stock shown includes 25,000 shares subject to stock options.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Exchange Act requires our executive officers and Directors, and persons who own more than 10% of our common stock, to file reports regarding ownership of, and transactions in, our securities with the SEC and to provide us with copies of those filings. Based solely on our review of the copies received by us and on the written representations of certain reporting persons, we believe that the following Forms 3 and 4 for transactions that occurred in

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2015 were not filed or filed later than is required under Section 16(a) of the Securities Exchange Act of 1934:

Filer	Form	Transaction Date	Date of Filing
Andrzej J. Matyczynski	4	December 31, 2015	Not filed (1)
Andrzej J. Matyczynski	4	December 31, 2014	Not filed (2)
Andrzej J. Matyczynski	4	December 31, 2013	Not filed (3)
Mark Cuban	4	November 11, 2015	Not filed (4)
Estate of James J. Cotter	4	December 31, 2014	October 9, 2015
James J. Cotter Living Trust	3	September 13, 2014	October 9, 2015
Ellen M. Cotter	4	April 16, 2015	October 9, 2015
Margaret Cotter	4	April 8, 2015	October 9, 2015
William Gould	4	April 6, 2015	October 8, 2015
James Cotter Jr.(5)	4	March 10, 2016	March 15, 2016
James Cotter Jr.	4	November 25, 2015	December 1, 2015
James Cotter Jr.	4	August 17, 2015	August 24, 2015
James Cotter Jr.	4	July 16, 2015	July 31, 2015
James Cotter Jr.	4	June 30, 2015(6)	July 16, 2015
James Cotter, Jr.	4	June 4, 2016(7)	July 16, 2015
Wayne Smith	4	July 16, 2015	July 31, 2015

(1) This transaction was reported on Form 5 on April 22, 2016, which is later than required under Section 16(a) of the Securities Exchange Act of 1934.
(2) This transaction was reported on Form 5 on March 17, 2015, which is later than required under Section 16(a) of the Securities Exchange Act of 1934.
(3) This transaction was reported on Form 5 on March 12, 2014, which is later than required under Section 16(a) of the Securities Exchange Act of 1934.
(4) This transaction was reported on Form 5 on February 19, 2016, which is later than required under Section 16(a) of the Securities Exchange Act of 1934.
(5) An additional Form 4 for Mr. Cotter Jr. was reported with a typographical error in the transaction date. The transaction date was reported as December 1, 2012, but should have been reported as December 1, 2015. This Form 4 was timely filed on December 3, 2015.
(6) Pursuant to Form 4/A filed August 24, 2015, the earliest transaction date was changed from July 1, 2015 to June 30, 2015.
(7) Pursuant to Form 4/A filed November 17, 2015, the earliest transaction date was changed from July 1, 2015 to June 4, 2015.

In addition to the above, the following Forms 5 for transactions that occurred in 2013, 2014 and 2015 were filed later than is required under Section 16(a) of the Securities Exchange Act of 1934.

Filer	Form	Transaction Date	Date of Filing
Andrzej J. Matyczynski	5	December 31, 2015	April 22, 2016
Andrzej J. Matyczynski	5	December 31, 2014	March 17, 2015
Andrzej J. Matyczynski	5	December 31, 2013	March 12, 2014
Mark Cuban	5	November 11, 2015	February 19, 2016

Insofar as we are aware, all required filings have now been made.

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EXECUTIVE OFFICERS

The following table sets forth information regarding our executive officers, other than Ellen M. Cotter and Margaret Cotter, whose information is set forth above under "Proposal 1: Election of Directors – Nominees for Election."

Name	Age	Title
Dev Ghose	62	Executive Vice President, Chief Financial Officer, Treasurer and Corporate Secretary
Robert F. Smerling	81	President - Domestic Cinemas
Wayne D. Smith	58	Managing Director – Australia and New Zealand
Andrzej J. Matyczynski	63	Executive Vice President – Global Operations

Devasis ("Dev") Ghose. Dev Ghose was appointed Chief Financial Officer and Treasurer on May 11, 2015, Executive Vice President on March 10, 2016 and Corporate Secretary on April 28, 2016. Over the past 25 years, Mr. Ghose served as Executive Vice President and Chief Financial Officer and in a number of senior finance roles with three NYSE-listed companies: Skilled Healthcare Group (a health services company, now part of Genesis HealthCare) from 2008 to 2013, Shurgard Storage Centers, Inc. (an international company focused on the acquisition, development and operation of self-storage centers in the US and Europe; now part of Public Storage) from 2004 to 2006, and HCP, Inc., (which invests primarily in real estate serving the healthcare industry) from 1986 to 2003, and as Managing Director-International for Green Street Advisors (an independent research and trading firm concentrating on publicly traded real estate corporate securities in the US & Europe) from 2006 to 2007. Prior thereto, Mr. Ghose worked for 10 years for PricewaterhouseCoopers in the U.S. from 1975 to 1985, and KPMG in the UK. He qualified as a Certified Public Accountant in the U.S. and a Chartered Accountant in the U.K., and holds an Honors Degree in Physics from the University of Delhi, India and an Executive M.B.A. from the University of California, Los Angeles.

Robert F. Smerling. Robert F. Smerling has served as President of our domestic cinema operations since 1994. Mr. Smerling has been in the cinema industry for 58 years and, immediately before joining our Company, served as the President of Loews Theatres Management Corporation.

Wayne D. Smith. Wayne D. Smith joined our Company in April 2004 as our Managing Director - Australia and New Zealand, after 23 years with Hoyts Cinemas. During his time with Hoyts, he was a key driver, as Head of Property, in growing that company's Australian and New Zealand operations via an AUD$250 million expansion to more than 50 sites and 400 screens. While at Hoyts, his career included heading up the group's car parking company, cinema operations, representing Hoyts as a director on various joint venture interests, and coordinating many asset acquisitions and disposals the company made.

Andrzej J. Matyczynski. On March 10, 2016, Mr. Matyczynski was appointed as our Executive Vice President—Global Operations. From May 11, 2015 until March 10, 2016, Andrzej J. Matyczynski acted as the Strategic Corporate Advisor to the Company. Mr. Matyczynski served as our Chief Financial Officer and Treasurer from November 1999 until May 11, 2015 and as Corporate Secretary from May 10, 2011 to October 20, 2014. Prior to joining our Company, he spent 20 years in various senior roles throughout the world at Beckman Coulter Inc., a U.S. based multi-national. Mr. Matyczynski earned a Master's Degree in Business Administration from the University of Southern California.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

Role and Authority of the Compensation Committee

Our Board has established a standing Compensation Committee consisting of three of our non-employee Directors. As a Controlled Company, we are exempt from the NASDAQ Listing Rules regarding the determination of executive compensation solely by independent directors. Notwithstanding such exemption, we adopted a Compensation Committee charter on March 10, 2016 requiring our Compensation Committee members to meet the independence rules

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and regulations of the SEC and the NASDAQ Stock Market.

Prior to the adoption of our Compensation Committee Charter on March 10, 2016, it was our practice that the Compensation Committee would recommend to the full Board the compensation of our Chief Executive Officer and of the other Cotter family members who serve as officers of our Company. Our Board, with the Cotter family Directors abstaining, typically accepted without modification the compensation recommendations of the Compensation Committee, but reserved the right to modify the recommendations or take other compensation actions of its own. Prior to his resignation as our Chief Executive Officer, Mr. James J. Cotter, Sr. was delegated responsibility by our Board for determining the compensation of our executive officers other than himself and his family members. The Board exercised oversight of Mr. Cotter, Sr.'s executive compensation decisions as a part of his performance as our former Chief Executive Officer.

Earlier this year, our Board adopted a number of actions intended to bring certain of our governance practices into line with best practices, including substantial steps in the area of Executive Compensation, which are discussed below under "2016 and Future Compensation Structure." First, this discussion will address our executive compensation for 2015.

2015 EXECUTIVE COMPENSATION

The individuals named in the Summary Compensation Table, below, are referred to as the "named executive officers."

Chief Executive Officer Compensation

As a matter of general practice prior to 2016, the Compensation Committee recommended to our Board the annual compensation of our Chief Executive Officer, based primarily upon the Compensation Committee's annual review of peer group practices and the advice of an independent third-party compensation consultant engaged annually to assist the Compensation Committee. The Compensation Committee had established three components of our Chief Executive Officer's compensation—a base cash salary, a discretionary annual cash bonus, and a fixed stock grant. The objective of each element was to reasonably reward our Chief Executive Officer for his or her performance and leadership.

The Compensation Committee engaged executive compensation consultants Towers Watson (now known as Willis Towers Watson) in 2012 to analyze our Chief Executive Officer's total direct compensation compared to a peer group of companies. In preparing that analysis, Willis Towers Watson, in consultation with our management, including James J. Cotter, Sr., identified a peer group of companies in the real estate and cinema exhibition industries, our two business segments, based on market value, industry, and business description.

Prior to the work commenced in early 2016, Willis Towers Watson had most recently updated its analysis of our Chief Executive Officer's compensation in 2014, when Mr. Cotter, Sr. held that position. The Willis Towers Watson analysis focused on the competitiveness of Mr. Cotter, Sr.'s annual base salary, total cash compensation and total direct compensation (*i.e.*, total cash compensation plus expected value of long-term compensation) relative to a peer group of 17 United States and Australian companies and published compensation survey data, and to our Company's compensation philosophy, which was to target Mr. Cotter, Sr.'s total direct compensation to the 66th percentile of the peer group. The peer group consisted of the following 17 companies:

Acadia Realty Trust
Amalgamated Holdings Ltd.
Associated Estates Realty Corp.
Carmike Cinemas Inc.
Cedar Shopping Centers Inc.
Cinemark Holdings Inc.
Entertainment Properties Trust
Glimcher Realty Trust
IMAX Corporation
Inland Real Estate Corp.
Kite Realty Group Trust
LTC Properties Inc.
Ramco-Gershenson Properties Trust
Regal Entertainment Group
The Marcus Corporation
Urstadt Biddle Properties Inc.
Village Roadshow Ltd.

Following his appointment on August 7, 2014 as our Chief Executive Officer and until his termination from that position on June 12, 2015, James Cotter, Jr. continued to receive the same base salary of $335,000 that he had previously

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been receiving in his capacity as our President. Mr. Cotter, Jr. was not awarded a discretionary cash bonus for 2014 or 2015.

On June 12, 2015, our Board appointed Ellen M. Cotter as our interim President and Chief Executive Officer. No new compensatory arrangements were entered into with Ms. Cotter in connection with her appointment as interim President and Chief Executive Officer, and she continued to receive the same base salary of $402,000 that she received at the time of her appointment.

In early 2016, the Compensation Committee, with the assistance of Willis Towers Watson and Ms. Cotter, adopted new procedures regarding officer compensation. As a part thereof, unlike prior years, the Compensation Committee evaluated the performance of our Chief Executive Officer and our named executive officers and determined their 2015 cash bonus awards. Having had the benefit of further analysis of the Company's executive compensation and revisions of the Company's compensation philosophy, the Compensation Committee approved a $250,000 bonus for Ellen M. Cotter for her 2015 performance as interim President and Chief Executive Officer.

Total Direct Compensation

In 2015, we and our Compensation Committee had no policy regarding the amount of salary and cash bonus paid to our Chief Executive Officer or other named executive officers in proportion to their total direct compensation.

Compensation of Other Named Executive Officers

Until the reassessment of compensation practices in early 2016, the compensation of the Cotter family members as executive officers of our Company was determined by the Compensation Committee based on the same compensation philosophy used to determined Mr. Cotter, Sr.'s compensation prior to his retirement. The Cotter family members' respective compensation packages each consisted of a base cash salary, discretionary cash bonus and, on occasion, discretionary grants of stock options.

Historically, our Chief Executive Officer determined the base salaries of our executive officers other than himself and members of his family. Our Chief Executive Officer considered the following guidelines in setting the type and amount of executive compensation:

1. Executive compensation should primarily be used to:

   - attract and retain talented executives;
   - reward executives appropriately for their individual efforts and job performance; and
   - afford executives appropriate incentives to achieve the short-term and long-term business objectives established by management and our Board.

2. In support of the foregoing, the total compensation paid to our named executive officers should be:

   - fair, both to our Company and to the named executive officers;
   - reasonable in nature and amount; and
   - competitive with market compensation rates.

Personal and Company performances were just two factors historically considered in establishing base salaries. We had no pre-established policy or target for allocating total executive compensation between base and discretionary or incentive compensation, or between cash and stock-based incentive compensation. Historically, including in 2015, a majority of total compensation to our named executive officers has been in the form of annual base salaries and discretionary cash bonuses, although stock bonuses have been granted from time to time under special circumstances.

These elements of our executive compensation are discussed further below.

Salary: Annual base salary was intended to compensate named executive officers for services rendered during the fiscal year in the ordinary course of performing their job responsibilities. Factors considered in setting the base salaries prior to 2015 included (i) the negotiated terms of each executive's employment agreement or the original terms of employment, (ii) the individual's position and level of responsibility with our Company, (iii) periodic review of the

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executive's compensation, both individually and relative to our other named executive officers, and (iv) a subjective evaluation of individual job performance of the executive.

Cash Bonus: Historically, we had awarded annual cash bonuses to supplement the base salaries of our named executive officers, and our Board delegated to our former Chief Executive Officer, Mr. Cotter, Sr., the authority to determine in his discretion the annual cash bonuses, if any, to be paid to our executive officers other than the Cotter family executives.

In early 2016, following the reassessment of the Company's compensation structure discussed below, the Compensation Committee, meeting in executive session, approved a 2015 performance bonus for the Chief Executive Officer as well as our other named executive officers.

Stock Bonus: Equity incentive bonuses were available for award to align our executives' long-term compensation to appreciation in stockholder value over time. Historically, awards have not been granted on any fixed schedule, but instead were granted from time to time to new hires and for the recognition and retention of executives.

If awarded, it has generally been our policy to value stock options and restricted stock at the closing price of our common stock as reported on the NASDAQ Stock Market on the date the award was approved or on the date of hire, if the stock is granted as a recruitment incentive. When stock was granted as bonus compensation for a particular transaction, the award may have been based on the market price on a date calculated from the closing date of the relevant transaction. Stock options granted to our employees generally have a five year term and vest over four years in equal installments upon the annual anniversaries of the date of the grant, subject to continued employment upon each vesting date. Awards may also have been subject to vesting and limitations on voting or other rights.

As discussed below, our Board substantially changed these practices for 2016 and future years.

Other than James Cotter, Jr.'s role as Chief Executive Officer and thereafter, Ms. Ellen M. Cotter's role as Chief Executive Officer, none of our executive officers played a role in determining the compensation of our named executive officers during 2015.

2015 Base Salaries and Bonuses

We have historically established base salaries and target discretionary cash bonuses for our named executive officers through negotiations with the individual named executive officer, generally at the time the named executive officer commenced employment with us, subject to additional increases from time to time based on performance and tenure, with the intent of providing annual cash compensation at a level sufficient to attract and retain talented and experienced individuals.

Our Compensation Committee recommended and our Board approved the following base salaries for Mr. Cotter, Jr. and Ellen M. Cotter for 2015:

Name	2014 Base Salary ($)	2015 Base Salary ($)
Ellen M. Cotter [1]	335,000	402,000
James Cotter, Jr [2]	335,000	335,000[2]

(1) Ellen M. Cotter was appointed Interim President and Chief Executive Officer on June 12, 2015 and President and Chief Executive Officer on January 8, 2016.

(2) James Cotter, Jr. served as President from June 1, 2013 through June 12, 2015, and Chief Executive Officer from August 7, 2014 through June 12, 2015. Mr. Cotter, Jr. had an annual base salary of $335,000 for 2015. When his employment ended, Mr. Cotter, Jr. earned a prorated base salary of $195,417 for 2015, which includes his severance payment paid through the end of July 2015.

With the exception of Mr. Ghose, who was appointed Chief Financial Officer on May 11, 2015, Mr. Matyczynski, whose base salary was $324,000 in 2015, and Mr. Smith, whose base salary was $274,897, the base salaries of our other named executive officers generally remained at the levels established for 2014, as shown in the following table:

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Name	2014 Base Salary ($)	2015 Base Salary ($)
Dev Ghose [1]	--	400,000[1]
Andrzej J. Matyczynski [2]	309,000	324,000
William Ellis[3]	350,000[3]	350,000
Robert F. Smerling	350,000	350,000
Wayne Smith	324,295[4]	274,897[4]

(1) Dev Ghose was appointed Chief Financial Officer and Treasurer on May 11, 2015. For 2015, Mr. Ghose earned a prorated base salary of $257,692.

(2) Andrzej J. Matyczynski, our former Chief Financial Officer, Treasurer and Corporate Secretary, has a written agreement with our Company that provides certain severance and deferred compensation benefits. Mr. Matyczynski resigned as Corporate Secretary on October 20, 2014 and as our Chief Financial Officer and Treasurer effective May 11, 2015, however he continued as an employee to assist in the transition of our new Chief Financial Officer, and was appointed Executive Vice President-- Global Operations on March 10, 2016. Under Mr. Matyczynski's employment contract, upon his retirement and provided there has been no termination for cause, he will become entitled under his agreement to a lump-sum severance payment of $50,000, subject to certain offsets, and to the payment of his vested benefit under his deferred compensation plan discussed below in this section.

(3) William Ellis submitted his resignation on February 18, 2016, effective March 11, 2016. For 2014, Mr. Ellis earned a prorated base salary of $71,795.

(4) Mr. Smith's salary was paid in Australian Dollars in the amounts of AUD$359,250 in 2014 (shown in the table in U.S. Dollars using exchange rate 0.9027), and AUD$365,360 in 2015 (shown in the table in U.S. Dollars using exchange rate 0.7524).

Prior to 2016, all named executive officers were eligible to receive a discretionary annual cash bonus. Cash bonuses are typically prorated to reflect a partial year of service.

In connection with consideration of 2015 performance bonuses for members of management, the Chief Executive Officer prepared and submitted recommendations for each of the executive and management team members, other than herself. In considering these recommendations, the Compensation Committee had the benefit of its extensive deliberations as well as the data provided by Willis Towers Watson. In executive session, the Compensation Committee considered and approved a 2015 performance bonus for the Chief Executive Officer. The proposed bonus amounts were reviewed and approved by the Board in February 2016. The Board approval covered the named executive officers set forth below, as well as select other officers and executives.

The following are the 2015 Performance Bonuses approved pursuant to the above process:

Name	2015 Performance Bonus ($)
Ellen M. Cotter	250,000
Dev Ghose	75,000
Andrzej J. Matyczynski	0
William Ellis	0[1]
James Cotter, Jr.	0
Robert F. Smerling	75,000
Wayne Smith	71,478[2]

(1) Pursuant to his employment agreement, in 2015 Mr. Ellis received a guaranteed bonus of $60,000, and as such, it was not subject to the process above. Mr. Ellis submitted his resignation on February 18, 2016.

(2) Mr. Smith's bonus was paid in Australian Dollars in the amount of AUD$95,000 (shown in the table in U.S. Dollars using exchange rate 0.7524).

In the past, we have offered stock options and stock awards to our employees, including named executive

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officers, as the long-term incentive component of our compensation program. We sometimes granted equity awards to new hires upon their commencing employment with us and from time to time thereafter. Our stock options allow employees to purchase shares of our common stock at a price per share equal to the fair market value of our common stock on the date of grant and may or may not be intended to qualify as "incentive stock options" for U.S. federal income tax purposes. Generally, the stock options we granted to our employees vest over four years in equal installments upon the annual anniversaries of the date of grant, subject to their continued employment with us on each vesting date.

Employment Agreements

James Cotter, Jr. On June 12, 2015, the Board terminated the employment of James Cotter, Jr. as our President and Chief Executive Officer. Under Mr. Cotter, Jr.'s employment agreement with the Company, he is entitled to the compensation and benefits he was receiving at the time of a termination without cause for a period of twelve months from notice of termination. At the time of termination, Mr. Cotter Jr.'s annual salary was $335,000, and the Company paid Mr. Cotter Jr. severance payments in the amount of $43,750. A dispute has arisen between the Company and Mr. Cotter as to whether the Company is required to continue to make these payments, which dispute is currently subject to arbitration. Mr. Cotter's employment agreement also provided for the grant of options to purchase 100,000 shares of Class A Stock at an exercise price of $6.31 per share. Mr. Cotter, Jr. has previously exercised options to purchase 50,000 of such shares. Mr. Cotter, Jr. has asserted that the options to exercise the remainder of the 50,000 options survived the termination of his employment. The Company's position is that all unvested options expired upon the termination of Mr. Cotter, Jr.'s employment. This matter is currently under review by the Compensation Committee.

Dev Ghose. On April 20, 2015, we entered into an employment agreement with Mr. Dev Ghose, pursuant to which he agreed to serve as our Chief Financial Officer for a one-year term commencing on May 11, 2015. The employment agreement provides that Mr. Ghose is to receive an annual base salary of $400,000, with an annual target bonus of $200,000, and employee benefits in line with those received by our other senior executives. Mr. Ghose was also granted stock options to purchase 100,000 shares of Class A Stock at an exercise price equal to the closing price of our Class A Stock on the date of grant and which will vest in equal annual increments over a four-year period, subject to his remaining in our continuous employ through each annual vesting date.

Under his employment agreement, we may terminate Mr. Ghose's employment with or without cause (as defined) at any time. If we terminate his employment without cause or fail to renew his employment agreement upon expiration without cause, Mr. Ghose will be entitled to receive severance in an amount equal to the salary and benefits he was receiving for a period of 12 months following such termination or non-renewal. If the termination is in connection with a "change of control" (as defined), Mr. Ghose would be entitled to severance in an amount equal to the compensation he would have received for a period two years from such termination.

William D. Ellis. On October 20, 2014, we entered into an employment agreement with Mr. William D. Ellis, which was amended in September 2015, pursuant to which he agreed to serve as our General Counsel for a term of three years. The employment agreement provided that Mr. Ellis was to receive an annual base salary of $350,000, with an annual guaranteed bonus of at least $60,000. In addition, Mr. Ellis was granted stock options to purchase 60,000 shares of Class A Stock at an exercise price equal to the closing price of our Class A Stock on the date of grant and which will vest in equal annual increments over a three-year period, subject to his remaining in our continuous employ through each annual vesting date.

On February 18, 2016, Mr. Ellis submitted his resignation as our General Counsel and Corporate Secretary. On March 11, 2016, we entered into an agreement with Mr. Ellis, pursuant to which, in consideration of the payment to Mr. Ellis of $205,010 (to be paid in 19 equal semi-monthly installments of $10,790) and the vesting of options to acquire 20,000 shares of our Class A Common Stock on October 15, 2016, Mr. Ellis has agreed to be available to advise us on matters on which he previously worked until December 31, 2016. Mr. Ellis' last day of employment was March 11, 2016.

Andrzej J. Matyczynski. Mr. Matyczynski, our former Chief Financial Officer, Treasurer and Corporate Secretary, has a written agreement with our Company that provides for a lump-sum severance payment of $50,000, provided there has been no termination for cause and subject to certain offsets, and to the payment of his vested benefit under his deferred compensation plan discussed below in the section entitled "Other Elements of Compensation." Mr. Matyczynski resigned as our Corporate Secretary on October 20, 2014 and as our Chief Financial Officer and

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Treasurer effective May 11, 2015, but continued as an employee in order to assist in the transition of our new Chief Financial Officer. He was appointed EVP-Global Operations in March 2016.

2016 AND FUTURE COMPENSATION STRUCTURE

Background

In early 2016, our Compensation Committee conducted a thorough evaluation of our compensation policy for executive officers and outside directors to establish a plan that encompasses best corporate practices consistent with our best interests. Our Compensation Committee undertook to review, evaluate, revise and recommend the adoption of new compensation arrangements for our executive and management officers and outside directors. In January 2016, our Compensation Committee retained the international compensation consulting firm of Willis Towers Watson as its advisor in this process and also relied on the advice of our legal counsel, Greenberg Traurig, LLP.

Compensation Committee Charter

On February 29, 2016, our Board adopted the Charter of the Compensation Committee, or the Compensation Committee Charter. In keeping with our intent to implement best practices, the Compensation Committee Charter delegated the following responsibilities to our Compensation Committee:

- in consultation with our senior management, to establish our compensation philosophy and objectives;
- to review and approve all compensation, including salary, bonus, incentive and equity compensation, for our Chief Executive Officer and our executive officers, provided that our Chief Executive Officer may not be present during voting or deliberations on his or her compensation;
- to approve all employment agreements, severance arrangements, change in control provisions and agreements and any special or supplemental benefits applicable to our Chief Executive Officer and other executive officers;
- to approve and adopt, on behalf of our Board, incentive compensation and equity-based compensation plans, or, in the case of plans requiring stockholder approval, to review and recommend such plan to the stockholders;
- to review and discuss with our management and our counsel and auditors, the disclosures made in Compensation Discussion and Analysis and advise our Board whether, in the view of the Committee, the Compensation Discussion and Analysis is, in form and substance, satisfactory for inclusion in our annual report on Form 10-K and proxy statement for the annual meeting of stockholders;
- to prepare an annual compensation committee report for inclusion in our proxy statement for the annual meeting of stockholders in accordance with the applicable rules of the SEC;
- to periodically review and reassess the adequacy of this charter and recommend any proposed changes to the Board for approval;
- to administer our equity-based compensation plans, including the grant of stock options and other equity awards under such plans, the exercise of any discretion accorded to the administrator of all such plans and the interpretation of the provisions of such plans and the terms of any awards made under the plans; and
- to consider the results of the most recent stockholder advisory vote on executive compensation required by Section 14A of the Securities Exchange Act of 1934 when determining compensation policies and making decisions on executive compensation.

Under the Compensation Committee Charter, "executive officer" is defined to mean the chief executive officer, president, chief financial officer, chief operating officer, general counsel, principal accounting officer, any executive vice president of the Company and any Managing Director of Reading Entertainment Australia Pty Ltd and/or Reading New Zealand, Ltd.; provided that any compensation determinations pertaining to Ellen M. Cotter and Margaret Cotter will be subject to review and approval by our Board.

As noted above, the Compensation Committee Charter was adopted as part of our Board's implementation of additional corporate best practices measures. The Compensation Committee Charter will apply for the remainder of 2016 and the future, subject to further amendments and modifications by our Board. The Compensation Committee's charter is available on our website at http://www.readingrdi.com/Committee-Charters.

The Compensation Committee reviews compensation policies and practices effecting employees in addition to

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those applicable to executive officers. The Compensation Committee has determined that it is not reasonably likely that our compensation policies and practices for its employees would have a material adverse effect on our Company.

Executive Compensation

In early 2016, our Compensation Committee met with Willis Towers Watson, our Chief Executive Officer, and our legal counsel, to review the Company's compensation levels, programs and practices. As part of its engagement, Willis Towers Watson reviewed our compensation paid to executive and management officers by position, in light of each person's duties and responsibilities. Willis Towers Watson then compared our top executive and management positions to (i) executive compensation paid by a peer group, and (ii) two surveys, the 2015 Willis Towers Watson Data Services Top Management Survey Report and the 2015 Mercer MBD Executive Compensation Survey, in each case, identified by office position and duties performed by the officer. The peer group utilized by Willis Towers Watson included the following 15 companies:

Arcadia Realty Trust
Associated Estates Realty Corp.
Carmike Cinemas Inc.
Cedar Realty Trust Inc.
Charter Hall Group
EPR Properties
Vicinity Centres
IMAX Corporation
Inland Real Estate Corp.
Kite Realty Group Trust
Marcus Corporation
Pennsylvania Real Estate Investment Trust
Ramco-Gershenson Properties Trust
Urstadt Biddle Properties Inc.
Village Roadshow Ltd.

Willis Towers Watson selected the above peer group noting that the companies selected (i) included 12 United States based companies and three Australian based companies to reflect our geographic operations, and (ii) were comparable to us based on the key financial criteria of being between 1/3rd and three times our revenue.

The executive pay assessment prepared by Willis Towers Watson measured our executive and management compensation against compensation paid by peer group companies and the companies listed in the two surveys based on the 25th, 50th and 75th percentile of such peer group and surveyed companies. The 50th percentile was the median compensation paid by such peer group and surveyed companies to executives performing similar responsibilities and duties.

The Willis Towers Watson assessment compared the base salary, the short term incentive (cash bonus) and long term incentive (equity awards) of the peer and surveyed companies to the base salary, short term incentive and long term incentive provided to our executives. The assessment concluded that, except in a few positions, we were generally competitive in base salary, however, we were not competitive when short-term incentives and long term incentives were included in the total compensation paid to our executives and management.

As a result of the foregoing factors, Willis Towers Watson recommended that we:

- Implement a formal annual incentive opportunity for all executives; and
- Implement a regular annual grant program for long-term incentives.

Our Compensation Committee recommended, and our Board subsequently adopted, a compensation philosophy for our management team members to:

- Attract and retain talented and dedicated management team members;
- Provide overall compensation that is competitive in its industry;
- Correlate annual cash incentives to the achievement of its business and financial objectives; and
- Provide management team members with appropriate long-term incentives aligned with stockholder value.

As part of the compensation philosophy, our compensation focus will be to (1) drive our strategic plan on growth, (2) align officer and management performance with the interests of our stockholders, and (3) encourage retention of our officers and management team members.

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In furtherance of the compensation policy and as a result of the extensive deliberations, including consideration of the Willis Towers Watson recommendations, our Compensation Committee adopted an executive and management officer compensation structure for 2016 consisting of:

- A base salary comparable with job description and industry standard;
- A short-term incentive plan based on a combination of factors including overall corporate and division performance as well as individual performance with a target bonus opportunity to be denominated as a percent of base salary with specific goals weightings and pay-out ranges; and
- A long-term incentive or equity awards in line with job description, performance, and industry standards.

Our Compensation Committee's intention is that the compensation structure approved for 2016 will remain in place indefinitely. However, it will review performance and results after the first year and thereafter and evaluate from time to time whether enhancements, changes or other compensation structures are in our and our stockholders best interests.

Reflecting the new approach, our Compensation Committee established (i) 2016 annual base salaries at levels that it believed (based heavily on the data provided by Willis Towers Watson) are generally competitive with executives in our peer group and in other comparable publicly-held companies as described in the executive pay assessment prepared by Willis Towers Watson, (ii) short term incentives in the form of discretionary annual cash bonuses based on the achievement of identified goals and benchmarks, and (iii) long-term incentives in the form of employee stock options and restricted stock units will be used as a retention tool and as a means to further align an executive's long-term interests with those of our stockholders, with the ultimate objective of affording our executives an appropriate incentive to help drive increases in stockholder value.

Our Compensation Committee will evaluate both executive performance and compensation to maintain our ability to attract and retain highly-qualified executives in key positions and to assure that compensation provided to executives remains competitive when compared to the compensation paid to similarly situated executives of companies with whom we compete for executive talent or that we consider comparable to our Company.

Role of Chief Executive Officer in Compensation Decisions

In connection with the implementation of the new compensation structure, our Compensation Committee conducted the thorough review of executive compensation discussed above. Our Compensation Committee engaged in extensive discussions with, and considered with great weight the recommendations of, the Chief Executive Officer as to compensation for executive and management team members other than for the Chief Executive Officer.

Our Compensation Committee expects to perform an annual review of executive compensation, generally in the first quarter of the year following the year in review, with a presentation by the Chief Executive Officer regarding each element of the executive compensation arrangements. At our Compensation Committee's direction, our Chief Executive Officer prepared an executive compensation review for each executive officer (other than the Chief Executive Officer), as well as the full executive team, which included recommendations for:

- 2016 Base Salary
- A proposed year-end short -term incentive in the form of a target cash bonus based on the achievement of certain objectives; and
- A long-term incentive in the form of stock options and restricted stock units for the year under review.

As part of the compensation review, our Chief Executive Officer may also recommend other changes to an executive's compensation arrangements such as a change in the executive's responsibilities. Our Compensation Committee will evaluate the Chief Executive Officer's recommendations and, in its discretion, may accept or reject the recommendations, subject to the terms of any written employment agreements.

Our Compensation Committee met in executive session without our Chief Executive Officer to consider the Chief Executive Officer's compensation, including base salary, cash bonus and equity award, if any. Prior to such executive sessions, our Compensation Committee interviewed our Chief Executive Officer to obtain a better understanding of factors contributing to the Chief Executive Officer's compensation. With the exception of these

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executive sessions of our Compensation Committee, as a rule, our Chief Executive Officer participated in all deliberations of the Compensation Committee relating to executive compensation. However, our Compensation Committee also asked our Chief Executive Officer to be excused for certain deliberations with respect to the compensation recommended for Margaret Cotter, the sister of our Chief Executive Officer.

In conjunction with the year-end annual compensation review, or as soon as practicable after the year-end, our Chief Executive Officer will recommend to our Compensation Committee our objectives and other criteria to be utilized for purposes of determining cash bonuses for certain senior executive officers. Our Compensation Committee, in its discretion, may revise the Chief Executive Officer's recommendations. At the end of the year, our Compensation Committee, in consultation with our Chief Executive Officer, will review each performance goal and determine the extent to which the officer achieved such goals. In establishing performance goals, our Compensation Committee expects to consider whether the goals could possibly result in an incentive for any executives to take unwarranted risks in our Company's business and intend to seek to avoid creating any such incentives.

Base Salaries

Our Compensation Committee reviewed the executive pay assessment prepared by Willis Towers Watson and other factors and engaged in extensive deliberation and then recommended the following 2016 base salaries (the 2015 base salaries are shown for comparison purposes) for the following officers. Our Board approved the recommendations of our Compensation Committee on March 10, 2016 for the President and Chief Executive Officer, Chief Financial Officer and our named executive officers, other than William D. Ellis and our prior Chief Executive Officers James J. Cotter, Sr. and James Cotter, Jr.

Name	Title	2015 Base Salary	2016 Base Salary
Ellen Cotter [1]	President and Chief Executive Officer	$402,000	$450,000
Dev Ghose [2]	EVP, Chief Financial Officer, Treasurer and Corporate Secretary	400,000	400,000
Andrzej J. Matyczynski [3]	EVP-Global Operations	324,000	336,000
Robert F. Smerling	President, US Cinemas	350,000	375,000
Wayne Smith[4]	Managing Director, Australia and New Zealand	274,897[4]	282,491[4]

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(1) Ellen M. Cotter was appointed Interim President and Chief Executive Officer on June 12, 2015 and President and Chief Executive Officer on January 8, 2016.

(2) Dev Ghose was appointed Chief Financial Officer and Treasurer on May 11, 2015. For 2015, Mr. Ghose earned a prorated base salary of $257,692.

(3) Andrzej J. Matyczynski was the Company's Chief Financial Officer and Treasurer until May 11, 2015 and thereafter he acted as Strategic Corporate Advisor to the Company. He was appointed EVP-Global Operations on March 10, 2016.

(4) Mr. Smith was paid in Australian dollars in the amount of AUD$365,360 (shown in U.S. Dollars in the table above, using the conversion rate of 0.7524). In 2016, Mr. Smith will be paid in Australian dollars in the amount of AUD$370,000 (shown abovein U.S. Dollars using the exchange rate of 0.76349).

Short Term Incentives

The Short Term Incentives authorized by our Compensation Committee and our Board provides our executive officers and other management team members, who are selected to participate, with an opportunity to earn an annual cash bonus based upon the achievement of certain company financial goals, division goals and individual goals, established by our Chief Executive Officer and approved by our Compensation Committee and our Board (in future

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years, under the Compensation Committee Charter approved by our Board on March 10, 2016, our Compensation Committee will have full authority to approve these matters). Specifically, a participant in the short-term incentive plan will be advised of his or her annual potential target bonus expressed as a percentage of the participant's base salary and by dollar amount. The participant will be eligible for a short-term incentive bonus once the participant achieves goals identified at the beginning of the year for a threshold target, the potential target or potential maximum target bonus opportunity. The bonus will vary depending upon the achievements made by the individual participants, the division and the corporation. Corporate goals for 2016 will include levels of earnings before interest, depreciation, taxes and amortization ("non-GAAP Operating Income") and property development milestones. Division goals for 2016 will include levels of division cash flow and division milestones and individual goals will include specific unique performance goals specific to the individual's position with us. Each of the corporate, division and individual goals carries a different percentage weight in determining the officer's or other team member's bonus for the year.

Ms. Ellen M. Cotter, our President and Chief Executive Officer, has a potential target bonus opportunity of 95% of Base Salary, or $427,500 at target based on Ms. Cotter's achievement of her performance goals and over achievement of corporate goals discussed above. Of that potential target bonus opportunity, a threshold bonus of $213,750 may be achieved based upon Ms. Cotter's achievement of certain performance goals and our achievement of certain corporate goals, and a potential maximum target of $641,250 is based on achieving additional performance goals. Ms. Cotter's aggregate annual bonus opportunity can range from $0 to $641,250. Mr. Dev Ghose, our EVP, Chief Financial Officer, Treasurer and Corporate Secretary, has a potential target bonus opportunity of 50% of Base Salary, or $200,000 at target, which is based on achievement of his performance goals and our achievement of corporate goals, as discussed above. Mr. Ghose's aggregate annual bonus opportunity can range from $0 to $300,000 (the maximum potential target if additional performance goals are met by Mr. Ghose). Mr. Andrzej J. Matyczynski, our EVP - Global Operations, has a target bonus opportunity of 50% of Base Salary, or $168,000 at target, which is based on achievement of his performance goals, our achievement of corporate goals and certain divisional goals. Mr. Matyczynski's aggregate annual bonus opportunity can range from $0 to $252,000 (the maximum potential target if additional performance goals are met by Mr. Matyczynski). Mr. Robert Smerling, President, US Cinemas, has a target bonus opportunity of 30% of base pay, or $112,500 at target, which is based on achievement of his performance goals, our achievement of corporate goals and certain divisional goals. Mr. Smerling's aggregate annual bonus opportunity can range from $0 to $168,750 (the maximum potential target if additional performance goals are met by Mr. Smerling). Mr. Wayne Smith, Managing Director, Australia and New Zealand, has a target bonus opportunity of 40% of Base Salary, or A$148,000 at target, which is based on achievement of his performance goals, our achievement of corporate goals and certain divisional goals. Mr. Smith's aggregate annual bonus opportunity can range from A$0 to A$222,000 (the maximum potential target if additional performance goals are met by Mr. Smith). The positions of other management team members have target bonus opportunities ranging from 20% to 30% of Base Salary based on achievement certain goals. The highest level of achievement, participants may be eligible to receive up to a maximum of 150% of his or her target bonus amount.

Long-Term Incentives

Long-Term incentives will utilize the equity-based plan under our 2010 Incentive Stock Plan, as amended (the "2010 Plan"). For 2016, executive and management team participants will receive awards in the following forms: 50% time-based restricted stock units and 50% non-statutory stock options. The grants of restricted stock units and options will vest ratably over a four (4) year period with 1/4th vesting on each anniversary date of the grant date.

On March 10, 2016, the following grants were made:

Name	Title	Dollar Amount of Restricted Stock Units	Dollar Amount of Non-Statutory Stock Options[1]
Ellen M. Cotter	President and Chief Executive Officer	$150,000	$150,000
Dev Ghose [2]	EVP, Chief Financial Officer, Treasurer and Corporate Secretary	0	0
Andrzej J. Matyczynski	EVP Global Operations	37,500	37,500

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Robert F. Smerling	President, US Cinemas		50,000	50,000
Wayne Smith	Managing Director, Australia and New Zealand	27,000 (3)		27,000 (3)

(1) The number of shares of stock to be issued will be calculated using the Black Scholes pricing model as of the date of grant of the award.

(2) Mr. Dev Ghose was awarded 100,000 non-statutory stock options vesting over a 4-year period on commencing on Mr. Ghose's first day of employment or May 11, 2015.

(3) Although Mr. Smith was paid 50% of $75,000 in Australian Dollars, the amount shown above is quoted in U.S. Dollars.

All long-term incentive awards will be subject to other terms and conditions set forth in the 2010 Plan and award grant.

Other Elements of Compensation

Retirement Plans

We maintain a 401(k) retirement savings plan that allows eligible employees to defer a portion of their compensation, within limits prescribed by the Internal Revenue Code, on a pre-tax basis through contributions to the plan. Our named executive officers other than Mr. Smith, who is a non-resident of the U.S., are eligible to participate in the 401(k) plan on the same terms as other full-time employees generally. Currently, we match contributions made by participants in the 401(k) plan up to a specified percentage, and these matching contributions are fully vested as of the date on which the contribution is made. We believe that providing a vehicle for tax-deferred retirement savings though our 401(k) plan, and making fully vested matching contributions, adds to the overall desirability of our executive compensation package and further incentivizes our employees, including our named executive officers, in accordance with our compensation policies.

Other Retirement Plans

During 2012, Mr. Matyczynski was granted an unfunded, nonqualified deferred compensation plan ("DCP") that was partially vested and was to vest further so long as he remained in our continuous employ. The DCP allowed Mr. Matyczynski to defer part of the cash portion of his compensation, subject to annual limits set forth in the DCP. The funds held pursuant to the DCP are not segregated and do not accrue interest or other earnings. If Mr. Matyczynski were to be terminated for cause, then the total vested amount would be reduced to zero. The incremental amount vested each year was made subject to review and approval by our Board. Please see the "*Nonqualified Deferred Compensation*" table for additional information. In addition, Mr. Matyczynski is entitled to a lump-sum severance payment of $50,000, provided there has been no termination for cause and subject to certain offsets, upon his retirement.

Upon the termination of Mr. Matyczynski's employment, he will also be entitled under the DCP agreement to payment of the vested benefits under his DCP in annual installments following the later of (a) 30 days following Mr. Matyczynski's 65th birthday or (b) six months after his separation from service for reasons other than his death or termination for cause. The DCP was to vest over seven years and with full vesting to occur in 2019 at $1,000,000 in deferred compensation. However, in connection with his changed employment to EVP - Global Operations, the Company and Mr. Matyczynski agreed that the Company would cease making contributions to the DCP on April 15, 2016 and that the final contributions by the Company to the DCP would be $150,000 for 2015, and $21,875 for 2016, satisfying the Company's total contribution obligations under the DCP at an amount of $621,875.

The DCP is an unfunded contractual obligation of the Company. DCP benefits are paid from the general assets of the Company. However, the Company reserves the right to establish a grantor trust from which DCP benefits may be paid.

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In March 2016, the Compensation Committee approved a one-time retirement benefit for Robert Smerling, President, Cinema Operations, due to his significant long term service to the Company. The retirement benefit an amount equal to the average of the two highest total cash compensation (base salary plus cash bonus) years paid to Mr. Smerling in the then most recently completed five year period.

We currently maintain no other retirement plan for our named executive officers.

Key Person Insurance

We maintain life insurance on certain individuals who we believe to be key to our management. In 2015, these individuals included James Cotter, Jr. (through September 13, 2015), Ellen M. Cotter, Margaret Cotter, William Ellis, Dev Ghose, Andrzej Matyczynski, Robert Smerling, Craig Tompkins and Wayne Smith. If such individual ceases to be our employee, Director or independent contractor, as the case may be, she or he is permitted, by assuming responsibility for all future premium payments, to replace our Company as the beneficiary under such policy. These policies allow each such individual to purchase up to an equal amount of insurance for such individual's own benefit. In the case of our employees, the premium for both the insurance as to which we are the beneficiary and the insurance as to which our employee is the beneficiary, is paid by us. In the case of named executive officers, the premium paid by us for the benefit of such individual is reflected in the Compensation Table in the column captioned "All Other Compensation."

Employee Benefits and Perquisites

Our named executive officers are eligible to participate in our health and welfare plans to the same extent as all full-time employees generally. We do not generally provide our named executive officers with perquisites or other personal benefits. Historically, many of our other named executive officers also received an automobile allowance. The table below shows car allowances granted to certain officers under their employment agreements or arrangements. From time to time, we may provide other perquisites to one or more of our other named executive officers.

Officer	Annual Allowance ($)
Dev Ghose	12,000
William Ellis [1]	15,000
Andrzej J. Matyczynski	12,000
Ellen M. Cotter	13,800
James Cotter, Jr. [1]	15,000
Robert F. Smerling	18,000

(1) Mr. Ellis and Mr. Cotter, Jr. are no longer employees of the Company.

Tax and Accounting Considerations

Deductibility of Executive Compensation

Subject to an exception for "performance-based compensation," Section 162(m) of the Internal Revenue Code generally prohibits publicly held corporations from deducting for federal income tax purposes annual compensation paid to any senior executive officer to the extent that such annual compensation exceeds $1.0 million. Our Compensation Committee and our Board consider the limits on deductibility under Section 162(m) in establishing executive compensation, but retain the discretion to authorize the payment of compensation that exceeds the limit on deductibility under this Section.

Nonqualified Deferred Compensation

We believe we are operating, where applicable, in compliance with the tax rules applicable to nonqualified deferred compensation arrangements.

Say on Pay

At our Annual Meeting of Stockholders held on May 15, 2014, we held an advisory vote on executive compensation. Our stockholders voted in favor of our Company's executive compensation. The Compensation

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Committee reviewed the results of the advisory vote on executive compensation in 2014 and did not make any changes to our compensation based on the results of the vote. We expect that our next advisory vote of our stockholders on executive compensation will be at our 2017 Annual Meeting of Stockholders.

Compensation Committee Interlocks and Insider Participation

Our Compensation Committee is currently composed of Mr. Kane, who serves as Chair, Dr. Codding, and Mr. McEachern. Mr. Storey, who served on our Board until October 11, 2015, served on our Compensation Committee until that date. Mr. Adams served until May 14, 2016, and was succeeded by Mr. McEachern. None of the members of the Compensation Committee was an officer or employee of the Company at any time during 2015. None of our executive officers serves as a member of the board of directors or compensation committee of any entity that has or had one or more executive officers serving as a member of our Boardor Compensation Committee.

REPORT OF THE COMPENSATION COMMITTEE

The Compensation Committee has reviewed and discussed with management the "Compensation Discussion and Analysis" required by Item 401(b) of Regulation S-K and, based on such review and discussions, has recommended to our Board that the foregoing "Compensation Discussion and Analysis" be included in this Proxy Statement.

Respectfully submitted,

Edward L. Kane, Chair
Guy W. Adams
Judy Codding

Executive Compensation

This section discusses the material components of the compensation program for our executive officers named in the 2015 Summary Compensation Table below. In 2015, our named executive officers and their positions were as follows:

- Ellen M. Cotter, Chair of the Board, President and Chief Executive Officer, interim President and Chief Executive Officer, Chief Operating Officer – Domestic Cinemas and Chief Executive Officer of Consolidated Entertainment, LLC.
- Dev Ghose, Chief Financial Officer and Treasurer.
- William D. Ellis, General Counsel and Corporate Secretary
- Robert F. Smerling, President – Domestic Cinema Operations.
- Wayne Smith, Managing Director – Australia and New Zealand.
- James Cotter, Jr., former Vice Chair, President and Chief Executive Officer.
- Andrzej J. Matyczynski, former Chief Financial Officer, Treasurer and Corporate Secretary.

Summary Compensation Table

The following table shows the compensation paid or accrued during the last three fiscal years ended December 31, 2015 to (i) Mr. James Cotter, Jr., who served as our principal executive officer until June 12, 2015, (ii) Ellen M. Cotter, who served as our interim principal executive officer from June 12, 2015 through December 31, 2015, (iii) Mr. Andrzej J. Matyczynski, who served as our Chief Financial Officer and Treasurer until May 11, 2015, and (iv) Mr. Dev Ghose, who served as our Chief Financial Officer starting May 11, 2015, and (v) the other three most highly compensated persons who served as executive officers in 2015. The following executives are herein referred to as our "named executive officers."

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	Year	Salary ($)	Bonus ($)	Stock Awards ($)(1)	Option Awards ($)(1)	Change in Pension Value and Nonqualified Deferred Compensation Earning ($)	All Other Compensation ($)	Total ($)
Ellen M. Cotter [2] Interim President and Chief Executive Officer, Chief Operating Officer - Domestic Cinemas	2015	402,000	250,000	--	--	--	25,465 [3]	677,465
	2014	335,000	--	--	--	--	75,190 [3][4]	410,190
	2013	335,000	--	--	--	--	24,915 [3]	359,915
James Cotter, Jr. [5] [9] Former President and Chief Executive Officer	2015	195,417	--	--	50,027- -	--	16,161 [3]	261,605
	2014	335,000	--	--	50,027- -	--	26,051 [3]	411,078
	2013	195,417	--	--	29,182- -	--	9,346 [3]	233,945
Dev Ghose [6] Chief Financial Officer and Treasurer	2015	257,692	75,000		382,334	--	15,730 [3]	407,005
	2014	--	--	--	--	--	--	--
	2013	--	--	--	--	--	--	--
Andrzej J. Matyczynski [7] Former Chief Financial Officer and Treasurer	2015	324,000			33,010	150,000 (8)	27,140 [3]	534,150
	2014	308,640			33,010	150,000 (8)	26,380 [3]	518,030
	2013	308,640	35,000	--	33,010	50,000 (8)	25,755 [3]	452,405
William Ellis General Counsel [10]	2015	350,000	60,000		57,194		28,330 [3]	495,524
	2014	71,795	10,000		9,532		2,500 [3]	93,827
	2013	--	--	--	--	--	--	--
Robert F. Smerling President – Domestic Cinema Operations	2015	350,000	75,000	--	--	--	22,899 [3]	447,899
	2014	350,000	65,000	--	--	--	22,421 [3]	437,421
	2013	350,000	25,000	--	--	--	21,981 [3]	396,981
Wayne Smith [11] Managing Director -Australia and New Zealand	2015	274,897	71,478	--	--	--	2,600 [3]	348,975
	2014	324,295	72,216	--	--	--	2,340 [3]	398,851
	2013	340,393	48,420	--	--	--	2,075 [3]	390,888

(1) Amounts represent the aggregate grant date fair value of awards computed in accordance with ASC Topic 718, excluding the effects of any estimated forfeitures. The assumptions used in the valuation of these awards are discussed in the Notes to our consolidated financial statements. Amounts do not include the value of restricted stock units that will not vest within 60 days following the date of which this information is provided.

(2) Ms. Ellen M. Cotter was appointed our interim President and Chief Executive Officer on June 12, 2015.

(3) Includes our matching employer contributions under our 401(k) plan, the imputed tax of key person insurance, and any automobile allowances. Aside from the car allowances only the employer contributions for the 401(k) plan exceeded $10,000, see table below. See the table in the section entitled "*Employee Benefits and Perquisites*" for the

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amount of each individual's car allowance.

Employer Contribution for 401(k) Plan

Name	2015	2014	2013
Ellen M. Cotter	$10,600	$10,400	$10,200
James Cotter, Jr.	6,700	10,400	0
Dev Ghose	4,000	0	0
Andrzej J. Matyczynski	10,600	10,400	10,200
William Ellis	10,500	0	0
Robert F. Smerling	0	0	0
Wayne Smith	0	0	0

(4) Includes a $50,000 tax gross-up for taxes incurred as a result of the exercise of nonqualified stock options that were intended to be issued as incentive stock options.

(5) Mr. Cotter, Jr., served as our Chief Executive Officer until June 12, 2015. In the case of Mr. Cotter Jr., the "All Other Compensation" column includes $43,750 in severance payments paid pursuant to Mr. Cotter Jr.'s employment agreement. Of this amount, the Company has a claim against Mr. Cotter Jr. for approximately $18,000, which, if the Company is successful in this claim, may be recovered from Mr. Cotter Jr.

(6) Mr. Ghose became Chief Financial Officer and Treasurer on May 11, 2015, as such, he was paid a prorated amount of his $400,000 salary for 2015.

(7) Mr. Matyczynski resigned as our Chief Financial Officer and Treasurer on May 11, 2015, and acted as our Strategic Corporate Advisor until March 10, 2016.

(8) Represents the increase in the vested benefit of the DCP for Mr. Matyczynski. Payment of the vested benefit under his DCP will be made in accordance with the terms of the DCP.

(9) Mr. Cotter, Jr. had an annual base salary of $335,000 for 2015. As his employment ended in June 2015, Mr. Cotter, Jr. earned a prorated base salary of $195,417 for 2015, which includes his severance payment paid through the end of July 2015.

(10) Mr. Ellis became General Counsel and Corporate Secretary on October 20, 2014 as such he was paid a prorated amount of his $350,000 salary in 2014. Mr. Ellis submitted his resignation on February 18, 2016.

(11) Mr. Smith is paid in Australian Dollars. Amounts in the table above are shown in U.S. Dollars, using the conversion rates of 0.9684 for 2013, 0.9027 for 2014 and 0.7524 for 2015.

Grants of Plan-Based Awards

The following table contains information concerning the stock grants made to our named executive officers for the year ended December 31, 2015:

		Estimated Future Payouts Under Non-Equity Incentive Plan Awards			Estimated Futures Payouts Under Equity Incentive Plan Awards			All Other Stock Awards: Number of Shares of Stock or Units (#)	All Other Option Awards: Number of Securities Underlying Options	Exercise or Base Price of Option Award	Grant Date Fair Value of Stock and Option Awards ($)
Name	Grant Date	Threshold ($)	Target ($)	Maximum ($)	Threshold (#)	Target (#)	Maximum (#)	(1)	(#)(2)	($/share) (3)	(4)
Ellen M. Cotter	-	-	-	--	-	-	-	-	-	-	
James Cotter, Jr.	-	-		--	-	-	-	-	-	-	

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Dev Ghose	5-11-2015	-	-	--	-	-	-	100,000	13.42	$382,334	
Andrzej J. Matyczynski	-	-	-	--	-	-	-	-	-	-	
William Ellis	-	-	-	--	-	-	-	-	-	-	
Robert F. Smerling	-	-	-	---	-	-	-	-	-	-	
Wayne Smith (1)	7-16-2015	-	-	-	-	-	6,000	-	-	$84,000	

(1) Mr. Wayne Smith was issued an award of restricted Class A Common Stock, which vests in equal installments on May 13, 2015 and May 13, 2016. The closing price per share for the Class A Common Stock on the date of grant was $14.00. The awards issued to Mr. Wayne Smith are related to his prior-year performance.

(2) Mr. Dev Ghose was issued an option to purchase 100,000 shares of Class A Common Stock at the commencement of his employment, which award vests in four equal installments.

(3) Options are granted with an exercise price equal to the closing price per share on the date of grant.

(4) Represents the total option value estimated as per ASC 718.

Nonqualified Deferred Compensation

Name	Executive contributions in 2015 ($)	Registrant contributions in 2015 ($)	Aggregate earnings in 2015 ($)	Aggregate withdrawals/distributions ($)	Aggregate balance at December 31, 2015 ($)
Andrzej J. Matyczynski	0	150,000	0	0	600,000

See "*Potential Payments upon Termination of Employment or Change in Control*".

On May 13, 2010, our stockholders approved the Plan at the annual meeting of stockholders in accordance with the recommendation of the Board of the Company. The Plan provides for awards of stock options, restricted stock, bonus stock, and stock appreciation rights to eligible employees, Directors, and consultants. The Board approved an amendment to the Plan to permit the award of restricted stock units on March 10, 2016. The Plan permits issuance of a maximum of 1,250,000 shares of Class A Stock. The Plan expires automatically on March 11, 2020.

Equity incentive bonuses may be awarded to align our executives' long-term compensation to appreciation in stockholder value over time and, so long as such grants are within the parameters of the Plan, historically were entirely discretionary on the part of Mr. Cotter, Sr. Other stock grants are subject to Board approval. Equity awards may include stock options, restricted stock, bonus stock, or stock appreciation rights.

If awarded, it is generally our policy to value stock options and restricted stock at the closing price of our common stock as reported on the NASDAQ Stock Market on the date the award is approved or on the date of hire, if the stock is granted as a recruitment incentive. When stock is granted as bonus compensation for a particular transaction, the award may be based on the market price on a date calculated from the closing date of the relevant transaction. Awards may also be subject to vesting and limitations on voting or other rights.

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Outstanding Equity Awards

The following table sets forth outstanding equity awards held by our named executive officers as of December 31, 2015 under the Plan:

Outstanding Equity Awards at Year Ended December 31, 2015

	Option Awards					Stock Awards	
	Class	Number of Shares Underlying Unexercised Options Exercisable	Number of Shares Underlying Unexercised Options Unexercisable	Option Exercise Price ($)	Option Expiration Date	Number of Shares or Units of Stock that Have Not Vested	Market Value of Shares or Units that Have Not Vested ($)
James Cotter, Jr. [1]	A	25,000	20,000	6.31	06/02/2018	0	0
Ellen M. Cotter	A	20,000	--	5.55	03/06/2018	0	0
William Ellis[2]	A	8,815	40,000	8.94	12/31/2016	0	0
Dev Ghose	A	25,000[3]	75,000	13.42	05/10/2020	0	0
Andrzej J. Matyczynski	A	25,000	--	6.02	08/22/2022	0	0
Robert F. Smerling	A	43,750	--	10.24	05/08/2017	0	0
Wayne Smith	A	--	--	--	--	3,000[4]	42,000

(1) Mr. Cotter, Jr. has stated that he has unvested options to acquire 50,000 shares of Class A Stock at an exercise price of $6.31 per share, expiring February 6, 2018, of an original stock option grant of 100,000 Class A Stock. Mr. Cotter, Jr. exercised 50,000 stock options in June 2015. The Company's position is that all unvested options expired upon the termination of Mr. Cotter, Jr.'s employment. The matter is under review by the Compensation Committee.

(2) Mr. Ellis submitted his resignation on February 18, 2016, effective March 11, 2016. As part of his separation agreement, 20,000 of the 40,000 remaining unvested shares will vest on October 20, 2016. Thereafter, no additional options will vest.

(3) 25,000 of Mr. Ghose's options vested on May 11, 2016.

(4) Mr. Smith was granted 6,000 restricted shares of Class A stock on July 16, 2015, which vest over two years in annual installments.

Option Exercises and Stock Vested

The following table contains information for our named executive officers concerning the option awards that were exercised and stock awards that vested during the year ended December 31, 2015:

		Option Awards		Stock Awards	
Name	Class	Number of Shares Acquired on Exercise	Value Realized on Exercise ($)	Number of Shares Acquired on Vesting	Value Realized on Vesting ($)
James J. Cotter, Sr.	B	100,000	1,024,000	--	--
James Cotter, Jr. [1]	A	50,000	315,500	--	--
James Cotter, Jr.	A	12,500	48,375	--	--
James Cotter, Jr.	A	10,000	83,500	--	--
Ellen M. Cotter	B	50,000	512,000	--	--

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Andrzej J. Matyczynski	A	35,100	180,063	--	--

(1) Mr. Cotter, Jr. has stated that he has unvested options to acquire 50,000 shares of Class A Stock at an exercise price of $6.31 per share, expiring February 6, 2018, of an original stock option grant of 100,000 Class A Stock. Mr. Cotter, Jr. exercised 50,000 stock options in June 2015. The Company's position is that all unvested options expired upon the termination of Mr. Cotter, Jr.'s employment. The matter is under review by the Compensation Committee.

Equity Compensation Plan Information

The following table sets forth, as of December 31, 2015, a summary of certain information related to our equity incentive plans under which our equity securities are authorized for issuance:

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders [1]	486,565 (2)	$ 8.68	551,800
Equity compensation plans not approved by security holders			
Total	486,565		

(1) These plans are the Company's 1999 Stock Option Plan and 2010 Stock Incentive Plan.

(2) Represents outstanding options only.

Pension Benefits

The following table contains information concerning pension plans for each of the named executive officers for the year ended December 31, 2015:

Name	Plan Name	Number of Years of Credited Service	Present Value of Accumulated Benefit as of 12/31/2015 ($)	Payments During Last Fiscal Year ($)
Andrzej J. Matyczynski	DCP	6	600,000	$ --

Potential Payments upon Termination of Employment or Change in Control

The following paragraphs provide information regarding potential payments to each of our named executive officers in connection with certain termination events, including a termination related to a change of control of the Company, as of December 31, 2015:

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Mr. Dev Ghose – Termination without Cause. Under his employment agreement, we may terminate Mr. Ghose's employment with or without cause (as defined) at any time. If we terminate his employment without cause or fail to renew his employment agreement upon expiration without cause, Mr. Ghose will be entitled to receive severance in an amount equal to the salary and benefits he was receiving for a period of 12 months following such termination or non-renewal. If the termination is in connection with a "change of control" (as defined), Mr. Ghose would be entitled to severance in an amount equal to the compensation he would have received for a period two years from such termination.

Mr. William Ellis – Termination without Cause. Mr. Ellis resigned his employment effective March 11, 2016. We have entered into a separation agreement with Mr. Ellis which provides, among other things, that, in consideration of the payment to Mr. Ellis of $205,010 (to be paid in 19 equal semi-monthly installments of $10,790) and the vesting of options to acquire 20,000 shares of our Class A Common Stock on October 15, 2016, Mr. Ellis has agreed to be available to advise us on matters on which he previously worked until December 31, 2016. Mr. Ellis' employment agreement contained a noncompetition clause that did not extend beyond his termination.

Mr. Wayne Smith — Termination of Employment for Failing to Meet Performance Standards. If Mr. Smith's employment is terminated by the Board for failing to meet the standards of his anticipated performance, Mr. Smith will be entitled to a severance payment of six months' base salary.

Mr. Andrzej J. Matyczynski – Deferred Compensation Benefits. During 2012, Mr. Matyczynski was granted an unfunded, nonqualified deferred compensation plan ("DCP") that was partially vested and was to vest further so long as he remained in our continuous employ. If Mr. Matyczynski were to be terminated for cause, then the total vested amount would be reduced to zero. The incremental amount vested each year was made subject to review and approval by our Board. Please see the "*Nonqualified Deferred Compensation*" table for additional information.

Upon the termination of Mr. Matyczynski's employment, he will be entitled under the DCP agreement to payment of the vested benefits under his DCP in annual installments following the later of (a) 30 days following Mr. Matyczynski's 65th birthday or (b) six months after his separation from service for reasons other than his death or termination for cause. The DCP was to vest over seven years and with full vesting to occur in 2019 at $1,000,000 in deferred compensation. However, in connection with his employment as EVP Global Operations, the Company and Mr. Matyczynski agreed that the Company would cease making contributions to the DCP on April 15, 2016 and that the final contributions by the Company to the DCP would be $150,000 for 2015 and $21,875 for 2016, satisfying the Company's obligations under the DCP. Mr. Matyczynski's agreement contains nonsolicitation provisions that extend for one year after his retirement.

Under Mr. Matyczynski's agreement, on his retirement date and provided there has not been a termination for cause, Mr. Matyczynski will be entitled to a lump sum severance payment in an amount equal to $50,000, less certain offsets.

Robert F. Smerling – Retirement Benefit. In March 2016, the Compensation Committee approved a one-time retirement benefit for Robert Smerling, President, Cinema Operations, due to his significant long-term service to the Company. The retirement benefit is the average of the two highest total cash compensation (base salary plus cash bonus) years paid to Mr. Smerling in the then most recently completed five year period.

No other named executive officers currently have employment agreements or other arrangements providing benefits upon termination or a change of control. The table below shows the maximum benefits that would be payable to each person listed above in the event of such person's termination without cause or termination in connection with a change in control, if such events had occurred on December 31, 2015, at price equal to the closing price of the Class A stock on that date, which was of $13.11.

Mr. Ellis' agreement terminated when his employment ended as of March 11, 2016. As such, his information is excluded from the table below.

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	Payable on upon Termination without Cause ($)			Payable upon Termination in Connection with a Change in Control ($)			Payable upon Retirement ($)
	Severance Payments	*Value of Vested Stock Options*	*Value of Health Benefits*	*Severance Payments*	*Value of Vested Stock Options*	*Value of Unvested Stock Options Accelerated*	*Benefits Payable under Retirement Plans or the DCP*
Ellen Cotter	0	151,200	0	0	151,200	0	0
Dev Ghose	400,000	0	23,040	800,000	0	0	0
Wayne Smith	175,000	39,330[1]	0	0	39,330[1]	39,330[1]	0
Andrzej J. Matyczynski	50,000[2]	177,250	0	0	177,250	0	600,000
Robert F. Smerling	0	125,562	0	0	125,562	0	415,000[3]

(1) Represents value of restricted stock award rather than stock option.

(2) Mr. Matyczynski's severance payment is payable upon his retirement, and is subject to certain offsets as set forth in his agreement, and is subject to certain offsets.

(3) Mr. Smerling's one-time retirement benefit is based on the average of the two highest total cash compensation years paid to Mr. Smerling in the most recently completed five-year period. The figure quoted in the table represents the average of total compensation paid for years 2015 and 2014.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

The members of our Audit Committee are Douglas McEachern, who serves as Chair, Edward Kane, and Michael Wrotniak. Management presents all potential related party transactions to the Audit Committee for review. Our Audit Committee reviews whether a given related party transaction is beneficial to our Company, and approves or bars the transaction after a thorough analysis. Only Committee members disinterested in the transaction in question participate in the determination of whether the transaction may proceed. See the discussion entitled "*Review, Approval or Ratification of Transactions with Related Persons*" for additional information regarding the review process.

Sutton Hill Capital

In 2001, we entered into a transaction with Sutton Hill Capital, LLC ("SHC") regarding the master leasing, with an option to purchase, of certain cinemas located in Manhattan including our Village East and Cinemas 1, 2, 3 theaters. In connection with that transaction, we also agreed (i) to lend certain amounts to SHC, to provide liquidity in its investment, pending our determination whether or not to exercise our option to purchase and (ii) to manage the 86th Street Cinema on a fee basis. SHC is a limited liability company owned in equal shares by the Cotter Estate and/or the Cotter Trust and a third party.

As previously reported, over the years, two of the cinemas subject to the master leasing agreement have been redeveloped and one (the Cinemas 1, 2, 3 discussed below) has been acquired. The Village East is the only cinema that remains subject to this master lease. We paid an annual rent of $590,000 for this cinema to SHC in each of 2015, 2014, and 2013. During this same period, we received management fees from the 86th Street Cinema of $151,000, $123,000 and $183,000.

In 2005, we acquired (i) from a third party the fee interest underlying the Cinemas 1, 2, 3, and (ii) from SHC its interest in the ground lease estate underlying and the improvements constituting the Cinemas 1, 2, 3. The ground lease estate and the improvements acquired from SHC were originally a part of the master lease transaction, discussed above.

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In connection with that transaction, we granted to SHC an option to acquire at cost a 25% interest in the special purpose entity (Sutton Hill Properties, LLC ("SHP") formed to acquire these fee, leasehold and improvements interests. On June 28, 2007, SHC exercised this option, paying $3.0 million and assuming a proportionate share of SHP's liabilities. At the time of the option exercise and the closing of the acquisition of the 25% interest, SHP had debt of $26.9 million, including a $2.9 million, non-interest bearing intercompany loan from the Company. As of December 31, 2015, SHP had debt of $19.4 million (again, including the intercompany loan). Since the acquisition by SHC of its 25% interest, SHP has covered its operating costs and debt service through cash flow from the Cinemas 1, 2, 3, (ii) borrowings from third parties, and (iii) pro-rata contributions from the members. We receive an annual management fee equal to 5% of SHP's gross income for managing the cinema and the property, amounting to $153,000, $123,000 and $183,000 in 2015, 2014, and 2013, respectively. This management fee was modified in 2015, as discussed below, retroactive to December 1, 2014.

On June 29, 2010, we agreed to extend our existing lease from SHC of the Village East Cinema by 10 years, with a new termination date of June 30, 2020. This amendment was reviewed and approved by our Audit Committee. The Village East lease includes a sub-lease of the ground underlying the cinema that is subject to a longer-term ground lease between SHC and an unrelated third party that expires in June 2031 (the "cinema ground lease"). The extended lease provides for a call option pursuant to which Reading may purchase the cinema ground lease for $5.9 million at the end of the lease term. Additionally, the lease has a put option pursuant to which SHC may require Reading to purchase all or a portion of SHC's interest in the existing cinema lease and the cinema ground lease at any time between July 1, 2013 and December 4, 2019. SHC's put option may be exercised on one or more occasions in increments of not less than $100,000 each. We recorded the Village East Cinema building as a property asset of $4.7 million on our balance sheet based on the cost carry-over basis from an entity under common control with a corresponding capital lease liability of $5.9 million.

In February 2015, SHP and we entered into an amendment to the management agreement dated as of June 27, 2007 between SHP and us. The amendment, which was retroactive to December 1, 2014, memorialized our undertaking to SHP with respect to $750,000 (the "Renovation Funding Amount") of renovations to Cinemas 1, 2, 3 funded or to be funded by us. In consideration of our funding of the renovations, our annual management fee under the management agreement was increased commencing January 1, 2015 by an amount equivalent to 100% of any incremental positive cash flow of Cinemas 1, 2, 3 over the average annual positive cash flow of the Cinemas 1, 2, 3 over the three-year period ended December 31, 2014 (not to exceed a cumulative aggregate amount equal to the Renovation Funding Amount), plus a 15% annual cash-on-cash return on the balance outstanding from time to time of the Renovation Funding Amount, payable at the time of the payment of the annual management fee. Under the amended management agreement, we are entitled to retain ownership of (and any right to depreciate) any furniture, fixtures and equipment purchased by us in connection with such renovation and have the right (but not the obligation) to remove all such furniture, fixtures and equipment (at our own cost and expense) from the Cinemas upon the termination of the management agreement. The amendment also provides that, during the term of the management agreement, SHP will be responsible for the cost of repair and maintenance of the renovations. In 2015, we received a management fee of $153,000. This amendment was approved by SHC and by the Audit Committee of our Board.

OBI Management Agreement

Pursuant to a Theater Management Agreement (the "Management Agreement"), our live theater operations were, until recently, managed by Off-Broadway Investments, LLC ("OBI Management"), which is wholly owned by Ms. Margaret Cotter, the daughter of the late Mr. James J. Cotter, Sr., the sister of Ellen M. Cotter and James Cotter, Jr., and a member of our Board. The Management Agreement was terminated effective March 10, 2016 in connection with the retention by our Company of Margaret Cotter as a full time employee. The Theater Management Agreement generally provided for the payment of a combination of fixed and incentive fees for the management of our four live theaters. Historically, these fees have equated to approximately 21% of the net cash flow generated by these properties. OBI was paid $589,000 with respect to 2015. This includes $389,000 for theater management services performed in 2015 and $200,000 for property development services with respect to our Company's Union Square and Cinemas 1,2,3 properties, some of which property development services were provided in periods prior to 2015 and during the period ended March 10, 2016. We paid $397,000 and $401,000 in fees for theater management services with respect to 2014, and 2013, respectively. No fees were paid in these periods for property development services. We also reimbursed OBI for certain travel expenses, shared the cost of an administrative assistant, and provided office space at our New York offices. The fees payable to OBI for the period January 1, 2016 through and including March 9, 2016, will be prorated.

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OBI Management historically conducted its operations from our office facilities on a rent-free basis, and we shared the cost of one administrative employee of OBI Management. We reimbursed travel related expenses for OBI Management personnel with respect to travel between New York City and Chicago in connection with the management of the Royal George complex. Other than these expenses, OBI Management was responsible for all of its costs and expenses related to the performance of its management functions. The Management Agreement renewed automatically each year unless either party gave at least six months' prior notice of its determination to allow the Management Agreement to expire. In addition, we could terminate the Management Agreement at any time for cause.

Effective March 10, 2016, Margaret Cotter became a full time employee of the Company and the Management Agreement was terminated. As Executive Vice-President Real Estate Management and Development - NYC, Ms. Cotter will continue to be responsible for the management of our live theater assets, will continue her role heading up the pre-redevelopment of our New York properties and will be our senior executive responsible for the actual redevelopment of our New York properties. Pursuant to the termination agreement, Ms. Cotter has given up any right she might otherwise have, through OBI, to income from STOMP.

Ms. Cotter's compensation as Executive Vice-President was set as part of an extensive executive compensation process. For 2016, Ms. Cotter's base salary will be $350,000, she will have a short term incentive target bonus opportunity of $105,000 (30% of her base salary), and she was granted a long term incentive of a stock option for 19,921 shares of Class A common stock and 4,184 restricted stock units under the Company's 2010 Stock Incentive Plan, as amended, which long term incentives vest over a four year period.

Live Theater Play Investment

From time to time, our officers and Directors may invest in plays that lease our live theaters. The play STOMP has been playing in our Orpheum Theatre since prior to the time we acquired the theater in 2001. The Cotter Estate and/or the Cotter Trust and Mr. Michael Forman own an approximately 5% interest in that play, an interest that they have held since prior to our acquisition of the theater.

Shadow View Land and Farming, LLC

Director Guy Adams has performed consulting services for James J. Cotter, Sr., with respect to certain holdings that are now controlled by the Cotter Estate and/or the Cotter Trust (collectively the "Cotter Interests"). These holdings include a 50% non-controlling membership interest in Shadow View Land and Farming, LLC (the "Shadow View Investment" and "Shadow View" respectively), certain agricultural interests in Northern California (the "Cotter Farms"), and certain land interests in Texas (the "Texas Properties"). In addition, Mr. Adams is the CFO of certain captive insurance entities, owned by a certain trust for the benefit of Ellen M. Cotter, James Cotter, Jr., and Margaret Cotter (the "captive insurance entities").

Shadow View is a consolidated subsidiary of the Company. The Company has from time to time made capital contributions to Shadow View. The Company has also, from time to time, as the managing member, funded on an interim basis certain costs incurred by Shadow View, ultimately billing such costs through to the two members. The Company has never paid any remuneration to Shadow View. Mr. Adams' consulting fees with respect to the Shadow View Interest were to have been measured by the profit, if any, derived by the Cotter Interests from the Shadow View Investment. He has no beneficial interest in Shadow View or the Shadow View Investment. His consulting fees with respect to Shadow View were equal to 5% of the profit, if any, derived by the Cotter Interests from the Shadow View Investment after recoupment of its investment plus a return of 100%. To date, no profits have been generated by Shadow View and Mr. Adams has never received any compensation with respect to these consulting services. His consulting fee would have been calculated only after the Cotter Interests had received back their costs and expenses and two times their investment in Shadow View. Mr. Adams' consulting fees would have been 2.5% of the then-profit, if any, recognized by Shadow View, considered as a whole.

The Company and its subsidiaries (i) do not have any interest in, (ii) have never conducted any business with, and (iii) have not made any payments to, the Cotter Family Farms, the Texas Properties and/or the captive insurance entities.

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Document Storage Agreement

In consideration of the payment of $100 per month, our Company has agreed to allow Ellen M. Cotter and Margaret Cotter to keep certain files related to the Cotter Estate and/or the Cotter Trust at our Los Angeles Corporate Headquarters. This arrangement, however, has not been implemented.

Review, Approval or Ratification of Transactions with Related Persons

The Audit Committee has adopted a written charter, which includes responsibility for approval of "Related Party Transactions." Under its charter, the Audit Committee performs the functions of the "Conflicts Committee" of the Board and is delegated responsibility and authority by the Board to review, consider and negotiate, and to approve or disapprove on behalf of the Company the terms and conditions of any and all Related Party Transactions (defined below) with the same effect as though such actions had been taken by the full Board. Any such matter requires no further action by the Board in order to be binding upon the Company, except in the case of matters that, under applicable Nevada Law, cannot be delegated to a committee of the Board and must be determined by the full Board. In those cases where the authority of the Board cannot be delegated, the Audit Committee nevertheless provides its recommendation to the full Board.

As used in the Audit Committee's Charter, the term "Related Party Transaction" means any transaction or arrangement between the Company on one hand, and on the other hand (i) any one or more directors, executive officers or stockholders holding more than 10% of the voting power of the Company (or any spouse, parent, sibling or heir of any such individual), or (ii) any one or more entities under common control with any one of such persons, or (iii) any entity in which one or more such persons holds more than a 10% interest. Related Party Transactions do not include matters related to employment or employee compensation related issues.

The charter provides that the Audit Committee reviews transactions subject to the policy and determines whether or not to approve or ratify those transactions. In doing so, the Audit Committee takes into account, among other factors it deems appropriate:

- the approximate dollar value of the amount involved in the transaction and whether the transaction is material to us;
- whether the terms are fair to us, have resulted from arm's length negotiations and are on terms at least as favorable as would apply if the transaction did not involve a Related Person;
- the purpose of, and the potential benefits to us of, the transaction;
- whether the transaction was undertaken in our ordinary course of business;
- the Related Person's interest in the transaction, including the approximate dollar value of the amount of the Related Person's interest in the transaction without regard to the amount of any profit or loss;
- required public disclosure, if any; and
- any other information regarding the transaction or the Related Person in the context of the proposed transaction that would be material to investors in light of the circumstances of the particular transaction.

INDEPENDENT PUBLIC ACCOUNTANTS

Summary of Principal Accounting Fees for Professional Services Rendered

Our independent public accountants, Grant Thornton LLP, have audited our financial statements for the fiscal year ended December 31, 2015, and are expected to have a representative present at the Annual Meeting, who will have the opportunity to make a statement if he or she desires to do so and is expected to be available to respond to appropriate questions.

Audit Fees

The aggregate fees for professional services for the audit of our financial statements, audit of internal controls related to the Sarbanes-Oxley Act, and the reviews of the financial statements included in our Forms 10-K and 10-Q provided by Grant Thornton LLP for 2015 and 2014 were approximately $931,500 and $661,700, respectively.

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Audit-Related Fees

Grant Thornton LLP did not provide us any audit related services for 2015 or 2014.

Tax Fees

Grant Thornton LLP did not provide us any products or any services for tax compliance, tax advice, or tax planning for 2015 or 2014.

All Other Fees

Grant Thornton LLP did not provide us any services for 2015 or 2014, other than as set forth above.

Pre-Approval Policies and Procedures

Our Audit Committee must pre-approve, to the extent required by applicable law, all audit services and permissible non-audit services provided by our independent registered public accounting firm, except for any *de minimis* non-audit services. Non-audit services are considered *de minimis* if (i) the aggregate amount of all such non-audit services constitutes less than 5% of the total amount of revenues we paid to our independent registered public accounting firm during the fiscal year in which they are provided; (ii) we did not recognize such services at the time of the engagement to be non-audit services; and (iii) such services are promptly submitted to our Audit Committee for approval prior to the completion of the audit by our Audit Committee or any of its members who has authority to give such approval. Our Audit Committee pre-approved all services provided to us by Grant Thornton LLP for 2015 and 2014.

STOCKHOLDER COMMUNICATIONS

Annual Report

A copy of our Annual Report on Form 10-K for the fiscal year ended December 31, 2015 is being provided with this Proxy Statement.

Stockholder Communications with Directors

It is the policy of our Board that any communications sent to the attention of any one or more of our Directors in care of our executive offices will be promptly forwarded to such Directors. Such communications will not be opened or reviewed by any of our officers or employees, or by any other Director, unless they are requested to do so by the addressee of any such communication. Likewise, the content of any telephone messages left for any one or more of our Directors (including call-back number, if any) will be promptly forwarded to that Director.

Stockholder Proposals and Director Nominations

Any stockholder who, in accordance with and subject to the provisions of the proxy rules of the SEC, wishes to submit a proposal for inclusion in our Proxy Statement for our 2017 Annual Meeting of Stockholders, must deliver such proposal in writing to the Annual Meeting Secretary at the address of our Company's principal executive offices at 6100 Center Drive, Suite 900, Los Angeles, California 90045. Unless we change the date of our 2017 annual meeting by more than 30 days from the anniversary of the prior year's meeting, such written proposal must be delivered to us no later than December 23, 2016 to be considered timely. If our 2017 Annual Meeting is not held within 30 days of the anniversary of our 2016 Annual Meeting, to be considered timely, stockholder proposals must be received no later than ten days after the earlier of (a) the date on which notice of the 2017 Annual Meeting is mailed, or (b) the date on which the Company publicly discloses the date of the 2017 Annual Meeting, including disclosure in an SEC filing or through a press release. If we do not receive notice of a stockholder proposal on or before March 8, 2017, the proxies that we hold may confer discretionary authority to vote against such stockholder proposal, even though such proposal is not discussed in our Proxy Statement for that meeting.

Our Boards will consider written nominations for Directors from stockholders. Nominations for the election of Directors made by our stockholders must be made by written notice delivered to our Secretary at our principal executive offices not less than 120 days prior to the first anniversary of the date that this Proxy Statement is first sent to stockholders. Such written notice must set forth the name, age, address, and principal occupation or employment of such

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nominee, the number of shares of our Company's common stock that is beneficially owned by such nominee and such other information required by the proxy rules of the SEC with respect to a nominee of the Board.

Under our governing documents and applicable Nevada law, our stockholders may also directly nominate candidates from the floor at any meeting of our stockholders held at which Directors are to be elected.

OTHER MATTERS

We do not know of any other matters to be presented for consideration other than the proposals described above, but if any matters are properly presented, it is the intention of the persons named in the accompanying proxy to vote on such matters in accordance with their judgment.

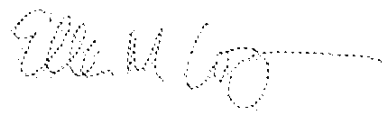
DELIVERY OF PROXY MATERIALS TO HOUSEHOLDS

As permitted by the Securities Exchange Act of 1934, only one copy of the proxy materials are being delivered to our stockholders residing at the same address, unless such stockholders have notified us of their desire to receive multiple copies of the proxy materials.

We will promptly deliver without charge, upon oral or written request, a separate copy of the proxy materials to any stockholder residing at an address to which only one copy was mailed. Requests for additional copies should be directed to our Corporate Secretary by telephone at (213) 235-2240 or by mail to Corporate Secretary, Reading International, Inc., 6100 Center Drive, Suite 900, Los Angeles, California 90045.

Stockholders residing at the same address and currently receiving only one copy of the proxy materials may contact the Corporate Secretary as described above to request multiple copies of the proxy materials in the future.

By Order of the Board of Directors,



Ellen M. Cotter
Chair of the Board

May 19, 2016

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PROXY VOTING INSTRUCTIONS

YOUR VOTE IS IMPORTANT. PLEASE VOTE TODAY.
We encourage you to take advantage of Internet or telephone voting.
Both are available 24 hours a day, 7 days a week.
Internet and telephone voting is available through 11:59 p.m., PT, on June 1, 2016.

VOTE BY INTERNET	WWW.FCRVOTE.COM/RDI

Use the Internet to transmit your voting instructions and for electronic delivery of information up until 11:59 p.m., PT, on June 1, 2016. Have your proxy card in hand when you access the web site and follow the instructions to obtain your records and to create an electronic voting instruction form.

OR

VOTE BY TELEPHONE	1-800-353-7885

Use any touch-tone telephone to transmit your voting instructions up until 11:59 p.m., PT, on June 1, 2016. Have your proxy card in hand when you call and then follow the instructions.

OR

VOTE BY MAIL

Mark, sign and date your proxy card and return it in the postage-paid envelope we have provided to: First Coast Results, Inc., P.O. Box 3672, Ponte Vedra Beach, FL 32004-9911.

If you vote your proxy by Internet or by telephone, you do NOT need to mail back your proxy card. Your Internet or telephone vote authorizes the named proxies to vote your shares in the same manner as if you marked, signed and returned your proxy card.

CONTROL NUMBER

△ If submitting a proxy by mail, please sign and date the card below and fold and detach card at perforation before mailing. ↙

READING INTERNATIONAL ANNUAL MEETING PROXY CARD

BOARD OF DIRECTORS - The Board of Directors recommends a vote FOR all nominees listed.

Proposal 1

(01) Ellen M. Cotter (02) Guy W. Adams (03) Judy Codding (04) James J. Cotter, Jr. (05) Margaret Cotter
(06) William D. Gould (07) Edward L. Kane (08) Douglas J. McEachern (09) Michael Wrotniak

☐ FOR ALL ☐ WITHHOLD ALL ☐ FOR ALL EXCEPT

To withhold your vote for any individual nominee(s), mark "For All Except" box and write the number(s) of the nominees(s) on the line below.

Proposal 2, Other Business. In their discretion, the proxies are authorized to vote upon such other business as may properly come before the meeting and at and with respect to any and all adjournments or postponements thereof. The Board of Directors at present knows of no other business to be presented by or on behalf of the Company or the Board of Directors at the meeting.

THIS PROXY CARD IS VALID ONLY WHEN SIGNED AND DATED.

Signature

Signature (Capacity)

Date

NOTE: Please sign exactly as your name appears hereon. Joint owners should each sign. When signing as attorney, executor, administrator, trustee or guardian, please give full title as such. If shareholder is a corporation, please sign full corporate name by authorized officer, giving full title as such. If a partnership, please sign in partnership name by authorized person, giving full title as such.

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SIGN, DATE AND MAIL YOUR PROXY TODAY,
UNLESS YOU HAVE VOTED BY INTERNET OR TELEPHONE.

IF YOU HAVE NOT VOTED BY INTERNET OR TELEPHONE, PLEASE DATE, MARK, SIGN AND RETURN THIS PROXY PROMPTLY. YOUR VOTE, WHETHER BY INTERNET, TELEPHONE OR MAIL, MUST BE RECEIVED NO LATER THAN 11:59 P.M. PACIFIC TIME, JUNE 1, 2016.
TO BE INCLUDED IN THE VOTING RESULTS, ALL VALID PROXIES RECEIVED PRIOR TO 11:59 P.M. PACIFIC TIME, JUNE 1, 2016 WILL BE VOTED.

SEE REVERSE SIDE

△ If submitting a proxy by mail, please sign and date the card on reverse and fold and detach card at perforation before mailing. △

READING INTERNATIONAL

ANNUAL MEETING OF STOCKHOLDERS

June 2, 2016, 11:00 a.m.

THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS

The undersigned hereby appoints Ellen M. Cotter and Andrzej Matyczynski, and each of them, the attorneys, agents, and proxies of the undersigned, with full powers of substitution to each, to attend and act as proxy or proxies of the undersigned at the Annual Meeting of Stockholders of Reading International, Inc. to be held at the Courtyard by Marriott Los Angeles Westside, located at 6333 Bristol Parkway, Culver City, California 90230 on Thursday, June 2, 2016 at 11:00 a.m., local time, and at and with respect to any and all adjournments or postponements thereof, and to vote as specified herein the number of shares which the undersigned, if personally present, would be entitled to vote.

The undersigned hereby ratifies and confirms all that the attorneys and proxies, or any of them, or their substitutes, shall lawfully do or cause to be done by virtue hereof, and hereby revokes any and all proxies heretofore given by the undersigned to vote at the Annual Meeting. The undersigned acknowledges receipt of the Notice of Annual Meeting and the Proxy Statement accompanying such notice.

THE PROXY, WHEN PROPERLY EXECUTED AND RETURNED PRIOR TO THE ANNUAL MEETING, WILL BE VOTED AS DIRECTED. IF NO DIRECTION IS GIVEN, IT WILL BE VOTED "FOR" PROPOSAL 1, AND IN THE PROXY HOLDERS' DISCRETION AS TO ANY OTHER MATTER THAT MAY PROPERLY COME BEFORE THE ANNUAL MEETING OR ANY POSTPONEMENT OR ADJOURNMENT THEREOF.

SEE REVERSE SIDE

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EXHIBIT 13

ELECTRONICALLY SERVED
07/27/2016 05:28:10 PM

Mark G. Krum (SBN 10913)
Lewis Roca Rothgerber Christie LLP
3993 Howard Hughes Pkwy, Suite 600
Las Vegas, NV 89169-5996
Tel: 702-949-8200
Fax: 702-949-8398
E-mail:mkrum@lrrc.com

Attorneys for Plaintiff
James J. Cotter, Jr.

DISTRICT COURT

CLARK COUNTY, NEVADA

JAMES J. COTTER, JR., derivatively on behalf of Reading International, Inc., Plaintiff, vs. MARGARET COTTER, ELLEN COTTER, GUY ADAMS, EDWARD KANE, DOUGLAS McEACHERN, TIMOTHY STOREY, WILLIAM GOULD, and DOES 1 through 100, inclusive, Defendants. and READING INTERNATIONAL, INC., a Nevada corporation, Nominal Defendant.	CASE NO.: A-15-719860-B DEPT. NO. XI Coordinated with: Case No. P-14-082942-E Dept. No. XI Case No. A-16-735305-B Dept. No. XI Jointly Administered **Business Court**
T2 PARTNERS MANAGEMENT, LP, a Delaware limited partnership, doing business as KASE CAPITAL MANAGEMENT, et al., Plaintiffs, vs. MARGARET COTTER, ELLEN COTTER, GUY ADAMS, EDWARD KANE, DOUGLAS McEACHERN, WILLIAM GOULD, JUDY CODDING, MICHAEL WROTNIAK, CRAIG TOMPKINS, and DOES 1 through 100, inclusive, Defendants.	**JAMES J. COTTER, JR.'S AMENDED RESPONSES TO EDWARD KANE'S FIRST SET OF REQUESTS FOR ADMISSION**

Lewis Roca ROTHGERBER CHRISTIE
3993 Howard Hughes Pkwy, Suite 600
Las Vegas, NV 89169-5996

and

READING INTERNATIONAL, INC., a Nevada corporation,

Nominal Defendant.

COMES NOW, James J. Cotter, Jr. ("Plaintiff" or "Responding Party") and hereby serves his responses to Edward Kane's ("Defendant" or "Propounding Party") First Set of Requests for Admission (the "Requests").

GENERAL OBJECTIONS

Responding Party incorporates the following general objections into each specific response and objection set forth below:

(1) Responding Party objects to the Requests to the extent they seek documents or information which is protected by (or which cannot be provided without disclosing) attorney client privilege, the attorney-work product doctrine and/or otherwise is privileged or protected from disclosure, including in particular communications of counsel of record for Plaintiff in this action, which communications will not be produced or logged;

(2) Responding Party objects to the Requests to the extent they seek documents or information the production or disclosure of which violates any person or entity's right to privacy;

(3) Responding Party objects to the Requests to the extent they seek documents or information not in Responding Party's possession, custody, or control;

(4) Responding Party objects to the Requests to the extent they seek documents or information within the possession or control of the Propounding Party, or seeks documents or information which is publicly available and/or which otherwise is uniquely or equally available to the Propounding Party;

(5) Responding Party objects to the Requests to the extent they seek information or documents that constitute or disclose confidential,

Lewis Roca ROTHGERBER CHRISTIE
3993 Howard Hughes Pkwy, Suite 600
Las Vegas, NV 89169-5996

proprietary, or developmental commercial or business information or research, or seeks documents or information otherwise protected from disclosure;

(6) Responding Party objects to the Requests to the extent they attempt or purport to impose obligations exceeding those authorized or imposed by the Nevada Rules of Civil Procedure;

(7) Responding Party objects to the Requests insofar as they seek documents or information beyond the time and scope of matters at issue in the captioned action and/or which are neither relevant nor reasonably calculated to lead to the discovery of admissible evidence; and

(8) Responding Party objects to the Requests because they generally are unlimited as to time, meaning that they generally provide no time frame or date range to limit the scope of documents or information requested.

(9) Responding Party is conducting discovery and an ongoing investigation of the facts and law relating to this action, including certain of the Requests. Responding Party's objections and responses are based on the present knowledge, information and belief of Responding Party, as well as the documents in Responding Party's possession, custody or control. For these reasons, among others, the objections and responses provided are made without prejudice to Responding Party's right to produce evidence of subsequently discovered facts or to supplement, modify or otherwise change or amend the objections and responses or to rely on additional evidence in pretrial proceedings and trial. Responding Party expressly reserves the right to amend, supplement, or modify these objections and responses.

Lewis Roca
ROTHGERBER CHRISTIE
3993 Howard Hughes Pkwy, Suite 600
Las Vegas, NV 89169-5996

REQUESTS FOR ADMISSION

REQUEST NO. 1

Admit that, prior to June 12, 2015, you referred to Edward Kane as "Uncle Ed" on one or more occasions.

RESPONSE TO REQUEST NO. 1

Responding Party admits that, over the course of his life prior to June 12, 2015, he addressed Edward Kane as "Uncle Ed" on one or more occasions in interactions between Edward Kane and Responding Party.

REQUEST NO. 2

Admit that, on or about May 15, 2014, you agreed as a member of RDI's Board of Directors to put Edward Kane on the Board's Executive Committee.

RESPONSE TO REQUEST NO. 2

Responding Party has made reasonable inquiry and the information known or readily obtainable by Responding Party, including purported minutes of a May 15, 2014 RDI Board of Directors meeting, does not refresh Responding Party's memory regarding whether he agreed as a member of RDI's Board of Directors to put Edward Kane on the Board's Executive Committee, and Responding Party therefore lacks information sufficient to admit or deny Request No. 2, and on that basis denies Request No. 2.

REQUEST NO. 3

Admit that, on or about May 15, 2014, you agreed as a member of RDI's Board of Directors to put Edward Kane on the Board's Audit and Conflicts Committee.

RESPONSE TO REQUEST NO. 3

Responding Party has made reasonable inquiry and the information known or readily obtainable by Responding Party, including purported minutes of a May 15, 2014 RDI Board of Directors meeting, does not refresh Responding Party's memory regarding whether he agreed as a member of RDI's Board of Directors to put Edward Kane on the Board's Audit and Conflicts Committee, and Responding Party therefore lacks information sufficient to admit or deny Request No. 3, and on that basis denies Request No. 3.

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Las Vegas, NV 89169-5996

REQUEST NO. 4

Admit that, on or about May 15, 2014, you agreed as a member of RDI's Board of Directors to put Edward Kane on the Board's Compensation and Stock Options Committee.

RESPONSE TO REQUEST NO. 4

Responding Party has made reasonable inquiry and the information known or readily obtainable by Responding Party, including purported minutes of a May 15, 2014 RDI Board of Directors meeting, does not refresh Responding Party's memory regarding whether he agreed as a member of RDI's Board of Directors to put Edward Kane on the Board's Compensation and Stock Options Committee, and Responding Party therefore lacks information sufficient to admit or deny Request No. 4, and on that basis denies Request No. 4.

REQUEST NO. 5

Admit that, on or about May 15, 2014, you agreed as a member of RDI's Board of Directors to put Edward Kane on the Board's Tax Oversight Committee.

RESPONSE TO REQUEST NO. 5

Responding Party has made reasonable inquiry and the information known or readily obtainable by Responding Party, including purported minutes of a May 15, 2014 RDI Board of Directors meeting, does not refresh Responding Party's memory regarding whether he agreed as a member of RDI's Board of Directors to put Edward Kane on the Board's Tax Oversight Committee, and Responding Party therefore lacks information sufficient to admit or deny Request No. 5, and on that basis denies Request No. 5.

REQUEST NO. 6

Admit that, on about May 15, 2014, you agreed as a member of RDI's Board of Directors to put Guy Adams on the Board's Executive Committee.

RESPONSE TO REQUEST NO. 6

Responding Party has made reasonable inquiry and the information known or readily obtainable by Responding Party, including purported minutes of a May 15, 2014 RDI Board of Directors meeting, does not refresh Responding Party's memory regarding whether he agreed as a member of RDI's Board of Directors to put Guy Adams on the Board's Executive Committee, and

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Responding Party therefore lacks information sufficient to admit or deny Request No. 6, and on that basis denies Request No. 6.

REQUEST NO. 7

Admit that, on or about May 15, 2014, you agreed as a member of RDI's Board of Directors to put Guy Adams on the Board's Compensation and Stock Options Committee.

RESPONSE TO REQUEST NO. 7

Responding Party has made reasonable inquiry and the information known or readily obtainable by Responding Party, including purported minutes of a May 15, 2014 RDI Board of Directors meeting, does not refresh Responding Party's memory regarding whether he agreed as a member of RDI's Board of Directors to put Guy Adams on the Board's Compensation and Stock Options Committee, and Responding Party therefore lacks information sufficient to admit or deny Request No. 7, and on that basis denies Request No. 7.

REQUEST NO. 8

Admit that, on or about May 15, 2014, you agreed as a member of RDI's Board of Directors to put Douglas McEachern on the Board's Audit and Conflicts Committee.

RESPONSE TO REQUEST NO. 8

Responding Party has made reasonable inquiry and the information known or readily obtainable by Responding Party, including purported minutes of a May 15, 2014 RDI Board of Directors meeting, does not refresh Responding Party's memory regarding whether he agreed as a member of RDI's Board of Directors to put Douglas McEachern on the Board's Audit and Conflicts Committee, and Responding Party therefore lacks information sufficient to admit or deny Request No. 8, and on that basis denies Request No. 8.

REQUEST NO. 9

Admit that, prior to your termination as CEO of RDI, you served as Chairman of the Executive Committee of RDI's Board of Directors.

RESPONSE TO REQUEST NO. 9

Responding Party admits that he "served" as Chairman of the Executive Committee only in that he was appointed by the Board as Chairman of the Executive Committee of RDI's Board of

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Directors, but not that he took any action in any capacity, including Chairman, as a member of such committee, which took no action.

REQUEST NO. 10

Admit that, as a member of RDI's Board of Directors, you did not vote against the $50,000 "bonus" to Ellen Cotter referenced in paragraph 40 of your FAC.

RESPONSE TO REQUEST NO. 10

Responding Party admits that he abstained from voting on the $50,000 "bonus" to Ellen Cotter at the Board meeting at which it was approved, and admits that he otherwise did not vote against the $50,000 "bonus" to Ellen Cotter referenced in paragraph 40 of the FAC.

REQUEST NO. 11

Admit that, as a member of RDI's Board of Directors, on or about November 13, 2014 you approved a 20% base salary increase for Ellen Cotter effective January 1, 2015.

RESPONSE TO REQUEST NO. 11

Responding Party has made reasonable inquiry and the information known or readily obtainable by Responding Party, including purported Board minutes, does not refresh Responding Party's memory regarding whether on or about November 13, 2014 he approved a 20% base salary increase for Ellen Cotter effective January 1, 2015, and Responding Party therefore lacks information sufficient to admit or deny Request No. 11, and on that basis denies Request No. 11.

REQUEST NO. 12

Admit that, as a member of RDI's Board of Directors, you voted in favor of the increased director compensation referenced in paragraph 42 of your FAC.

RESPONSE TO REQUEST NO. 12

Responding Party admits that he voted in favor of the increased director compensation.

REQUEST NO. 13

Admit that, as a member of RDI's Board of Directors, you did not oppose a resolution in January 2015 that you could not be "terminated [as CEO] without the approval of the majority of the independent directors."

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RESPONSE TO REQUEST NO. 13

Responding Party admits that he abstained on voting on such resolution and that he did not otherwise oppose it.

REQUEST NO. 14

Admit that the term "independent directors," as used in the January 2015 Board resolution regarding termination of Cotter family members, referred to Edward Kane, Guy Adams, Douglas McEachern, Tim Storey, and Bill Gould.

RESPONSE TO REQUEST NO. 14

Responding Party admits Request No. 14.

REQUEST NO. 15

Admit that RDI's full Board of Directors discussed the possibility of your termination on May 21, 2015.

RESPONSE TO REQUEST NO. 15

Responding Party admits that his termination was discussed on May 21, 2015 in the presence (in person and/or telephonic) of all members of the RDI Board of Directors.

REQUEST NO. 16

Admit that RDI's full Board of Directors discussed the possibility of your termination on May 29, 2015.

RESPONSE TO REQUEST NO. 16

Responding Party admits that his termination was discussed on May 29, 2015 in the presence (in person and/or telephonic) of all members of the RDI Board of Directors.

REQUEST NO. 17

Admit that RDI's full Board of Directors discussed the possibility of your termination on June 12, 2015.

RESPONSE TO REQUEST NO. 17

Responding Party admits that his termination was discussed on June 12, 2015 in the presence (in person and/or telephonic) of all members of the RDI Board of Directors.

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REQUEST NO. 18

Admit that, on or about December 9, 2015, you requested at a meeting of the RDI's Board of Directors that the recorded Board minutes contain less detail going forward than had generally been contained in previous sets of minutes.

RESPONSE TO REQUEST NO. 18

Responding Party admits that, in response to Ellen and Craig Tompkins' stated unwillingness to add his suggested comments to RDI's Board minutes which included certain statements made at board meetings by certain directors, he stated that RDI's board minutes should then not contain statements made by other directors if such statements included in the minutes were selectively used to support a particular point of view of the drafter of the minutes to support certain actions taken by the Board.

REQUEST NO. 19

Admit that, as a member of RDI's Board of Directors, on or about October 5, 2015, you voted in favor of approving First Coast Results as the Inspector of Elections for the 2015 Annual Shareholder's Meeting.

RESPONSE TO REQUEST NO. 19

Responding Party admits that he voted in favor of approving First Coast Results as the Inspector of Elections for the 2015 Annual Shareholder's Meeting.

REQUEST NO. 20

Admit that, prior to your termination as CEO of RDI, you did not state an objection at any meeting of the Board of Directors regarding any purported delay in circulation of minutes of Board meetings.

RESPONSE TO REQUEST NO. 20

Responding Party denies Request No. 20.

REQUEST NO. 21

Admit that, prior to May 21, 2015, you never stated at any Board of Directors meeting that you believed Edward Kane lacked sufficient disinterestedness to serve on RDI's Board.

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RESPONSE TO REQUEST NO. 21

Responding Party admits Request No. 21.

REQUEST NO. 22

Admit that, prior to May 21, 2015, you never stated at any Board of Directors meeting that you believed Guy Adams lacked sufficient disinterestedness to serve on RDI's Board.

RESPONSE TO REQUEST NO. 22

Responding Party admits Request No. 22.

REQUEST NO. 23

Admit that, prior to May 21, 2015, you never stated at any Board of Directors meeting that you believed Douglas McEachern lacked sufficient disinterestedness to serve on RDI's Board.

RESPONSE TO REQUEST NO. 23

Responding Party admits Request No. 23.

REQUEST NO. 24

Admit that you authorized RDI's May 11, 2015, 10-K/A filing to be submitted to the Securities and Exchange Commission bearing your signature.

RESPONSE TO REQUEST NO. 24

Responding Party admits that he authorized RDI's May 11, 2015, 10-K/A filing to be submitted to the Securities and Exchange Commission bearing his signature in the form that he last reviewed and approved on May 8, 2015.

REQUEST NO. 25

Admit that, on or about May 8, 2015, you authorized your signature be appended to a certification pursuant to the Sarbanes-Oxley Act of 2002 stating the following with respect to RDI's Form 10-K/A: "Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report."

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RESPONSE TO REQUEST NO. 25

Responding Party admits that on May 8, 2015, with respect to the 10-K/A filing in the form that he last reviewed and approved on May 8, 2015, he authorized his signature to be appended to a certification pursuant to the Sarbanes-Oxley Act of 2002 stating the following with respect to RDI's Form 10-K/A: "Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report."

REQUEST NO. 26

Admit that, on or about May 8, 2015, you authorized your signature be appended to a certification that certified pursuant to the Sarbanes-Oxley Act of 2002 that you reviewed the Annual Report on Form 10-K/A of RDI.

RESPONSE TO REQUEST NO. 26

Responding Party admits that on May 8, 2015, with respect to the 10-K/A filing in the form that he last reviewed and approved on May 8, 2015, he authorized his signature to be appended to a certification that certified pursuant to the Sarbanes-Oxley Act of 2002 that he reviewed the 10-K/A Annual Report on Form.

REQUEST NO. 27

Admit that the document attached hereto as Exhibit 1, bates stamped GA00005636 through GA 00005666, is a true and correct copy of the 10-K/A filing made by RDI with the Securities and Exchange Commission on or about May 11, 2015.

RESPONSE TO REQUEST NO. 27

Responding Party has made reasonable inquiry and the information known or readily obtainable by Responding Party, including Exhibit 1, bates stamped GA00005636 through GA 00005666, is insufficient to enable Responding Party to admit or deny this request. Responding Party therefore presently lacks information sufficient to admit or deny Request No. 27, and on that basis denies request No. 27.

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REQUEST NO. 28

Admit that, upon learning that you were potentially going to be terminated as CEO of RDI, you caused numerous emails relating to RDI to be sent from the RDI servers to your personal email account for litigation purposes.

RESPONSE TO REQUEST NO. 28

Responding Party has made reasonable inquiry and the information known or readily obtainable by Responding Party, including emails, is insufficient to enable Responding Party to admit or deny this request. Responding Party therefore lacks information sufficient to admit or deny Request No. 28, and on that basis denies request No. 28.

REQUEST NO. 29

Admit that it is not in the best interests of RDI's stockholders to reinstate you as CEO of RDI.

RESPONSE TO REQUEST NO. 29

Responding Party denies Request No. 29.

DATED this 27th day of July, 2016.

LEWIS ROCA ROTHGERBER CHRISTIE LLP

/s/ Mark G. Krum
Mark G. Krum (Nevada Bar No. 10913)
3993 Howard Hughes Pkwy, Suite 600
Las Vegas, NV 89169-5958
(702) 949-8200
Attorneys for Plaintiff James J. Cotter, Jr.

Lewis Roca ROTHGERBER CHRISTIE
3993 Howard Hughes Pkwy, Suite 600
Las Vegas, NV 89169-5996

CERTIFICATE OF SERVICE

I hereby certify that on this 27th day of July, 2016, I caused a true and correct copy of the foregoing **JAMES J. COTTER, JR.'S AMENDED RESPONSES TO EDWARD KANE'S FIRST SET OF REQUESTS FOR ADMISSION** was electronically served to all parties of record via this Court's electronic filing system to all parties listed on the E-Service Master List.

DATED this 27th day of July, 2016.

/s/ Jessie M. Helm
An employee of Lewis Roca Rothgerber Christie LLP

Lewis Roca ROTHGERBER CHRISTIE
3993 Howard Hughes Pkwy, Suite 600
Las Vegas, NV 89169-5996

RDI-A04246

EXHIBIT 14

Confidential – Filed Under Seal

EXHIBIT 15

EIGHTH JUDICIAL DISTRICT COURT

CLARK COUNTY, NEVADA

JAMES J. COTTER, JR., derivatively on behalf of Reading International, Inc., Plaintiff, vs. MARGARET COTTER, ELLEN COTTER, GUY ADAMS, EDWARD KANE, DOUGLAS McEACHERN, TIMOTHY STOREY, WILLIAM GOULD, and DOES 1 through 100, inclusive, Defendants, and READING INTERNATIONAL, INC., a Nevada corporation, Nominal Defendant.	)	Case No. A-15-719860-B Case No. P-14-082942-E Related and Coordinated Cases

Complete caption, next page.

VIDEOTAPED DEPOSITION OF GUY ADAMS

LOS ANGELES, CALIFORNIA

THURSDAY, APRIL 28, 2016

VOLUME I

REPORTED BY: LORI RAYE, CSR NO. 7052

JOB NUMBER: 305144

EIGHTH JUDICIAL DISTRICT COURT

CLARK COUNTY, NEVADA

JAMES J. COTTER, JR., derivatively on behalf of Reading International, Inc., Plaintiff, vs. MARGARET COTTER, ELLEN COTTER, GUY ADAMS, EDWARD KANE, DOUGLAS McEACHERN, TIMOTHY STOREY, WILLIAM GOULD, and DOES 1 through 100, inclusive, Defendants. and READING INTERNATIONAL, INC., a Nevada corporation, Nominal Defendant.	Case No. A-15-719860-B P-14-082942-E
T2 PARTNERS MANAGEMENT, LP, a Delaware limited partnership, doing business as KASE CAPITAL MANAGEMENT, et al., Plaintiffs, vs. MARGARET COTTER, ELLEN COTTER, GUY WILLIAMS, EDWARD KANE, DOUGLAS McEACHERN, WILLIAM GOULD, JUDY CODDING, MICHAEL WROTNIAK, CRAIG TOMPKINS, and DOES 1 through 100, inclusive, Defendants, and READING INTERNATIONAL, INC., a Nevada corporation, Nominal Defendant.	

A. That Ellen -- excuse me. That Margaret was not qualified to run a development project in New York City.

Q. As you sit here today, have you ever heard anyone offer the opinion that she is qualified to supervise real estate development activities with respect to those two New York City properties?

A. At -- at any time?

Q. Right.

A. Yes.

Q. Who and when?

A. Well, one person is myself. I went to New York, December, and I wanted to see these properties myself. And Mike Wrotniak came up to New York and Ed Kane was on the phone.

Q. December of --

A. '15.

Q. Okay. Please go ahead.

A. And we had -- what we have for a developer is a -- that's not the right term. We've employed a company that does development in New York. That's their job. I can't think of their name right now. And we -- Margaret also had -- the architect was there. He -- she had the

construction people there. And she also had the -- the head leasing agent that was going to rent the place. She may have had maybe a space planner. One other person was there. It was a big meeting.

And before the meeting, the construction people took us all through the building and talked about what they were going to do to start the construction process. And I noticed Margaret would intervene and say, Well, show them this down in the corner over there. You can actually go to the wall and see where the city street is. And he says, Oh, yeah, we have to shore all this up. The construction guy said that.

And Ellen would say, Now, tell him about this. And she's just -- her command of all the problems in the building that have to be overcome were -- were impressive to me. And then we went up to the meeting and they had the overhead slides and stuff showing it with the turtle top.

Q. I'm sorry. Who is the "they"?

A. I'm sorry. The people I named, the contractors, the developers, the head leasing broker. And they all got a moment to talk about -- the architect people got to talk about building the building. The construction people got to talk

about the intricacies of building in the city -- building in the city of New York, and the most interesting part was the leasing guy that we have hired to lease this property was like the biggest leasing guy in that area of New York. And he was in there and he would rattle off problems he would have leasing it, the good and the bad, to inform us.

I'm giving you a very brief synopsis, but what I learned from that meeting was the level of her involvement. And while I said earlier in my testimony, she doesn't have experience developing, she's hired a development -- a company that that's what they do, they develop. And her knowledge and command of the facts, and while everybody was giving their presentation, she would make comments about it. And I was very impressed.

And after the meeting, I asked Michael Wrotniak what he thought, and he, too, was favorably impressed with her work in that field and what she was doing.

Q. Wrotniak has no real estate development experience either; correct?

MR. TAYBACK: Objection; foundation.

THE WITNESS: Can I answer that?

EXHIBIT 16

8-K 1 rdi-20151113x8k.htm 8-K

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 OR 15(d) of the Securities Exchange Act of 1934

Date of report (Date of earliest event reported): November 13, 2015

Reading International, Inc.
(Exact Name of Registrant as Specified in its Charter)

Nevada	**1-8625**	**95-3885184**
(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(IRS Employer Identification No.)

6100 Center Drive, Suite 900, Los Angeles, California	**90045**
(Address of Principal Executive Offices)	(Zip Code)

Registrant's telephone number, including area code: **(213) 235-2240**

N/A
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 5.07. Submission of Matters to a Vote of Security Holders.

The Company held its Annual Meeting of Stockholders on November 10, 2015. The stockholders considered two proposals which are included in its proxy statement on Form DEF 14A filed with the Securities and Exchange Commission on October 20, 2015. The proposals voted upon and the results of the vote were the following:

Proposal 1: To elect nine Directors to serve until the Company's 2016 Annual Meeting of Stockholders and thereafter until their successors are duly elected and qualified

	FOR	WITHHOLD
Ellen M. Cotter	1,294,544	138,968
Guy W. Adams	1,324,103	109,409
Judy Codding	1,325,103	108,409
James J. Cotter, Jr.	1,291,860	141,652
Margaret Cotter	1,294,544	138,968
William D. Gould	1,294,792	138,720
Edward L. Kane	1,324,103	109,409
Douglas J. McEachern	1,331,094	102,418
Michael Wrotniak	1,325,103	108,409

Proposal 2: To ratify the appointment of Grant Thornton LLP as the Company's independent auditors for the fiscal year ended December 31, 2015

FOR	AGAINST	ABSTAIN
1,649,828	3,135	1,048

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

READING INTERNATIONAL, INC.

Date: November 13, 2015

By: /s/ Ellen M. Cotter
Name: Ellen M. Cotter
Title: Chief Executive Officer

EXHIBIT 17

EIGHTH JUDICIAL DISTRICT COURT
CLARK COUNTY, NEVADA

JAMES COTTER, JR., derivatively on behalf of Reading International, Inc.,
Plaintiff,

vs. Case No.

MARGARET COTTER, ELLEN COTTER, Guy Adams, EDWARD KANE, DOUGLAS McEACHERN, TIMOTHY STOREY, WILLIAM GOULD, JUDY CODDING, MICHAEL WROTNIAK, and DOES 1 through 100, inclusive,
Defendants. A-15-719860-B

and

READING INTERNATIONAL, INC., a Nevada corporation,
Nominal Defendant.

(CAPTION CONTINUED ON NEXT PAGE.)

VIDEOTAPED DEPOSITION OF JAMES COTTER, JR.
Los Angeles, California
Tuesday, May 17, 2016
Volume II

Reported by:
JANICE SCHUTZMAN, CSR No. 9509
Job No. 2312191
Pages 298 - 567

T2 PARTNERS MANAGEMENT, LP, a Delaware limited partnership, doing business as KASE CAPITAL MANAGEMENT, et al.,

Plaintiffs,

vs.

MARGARET COTTER, ELLEN COTTER, Guy Adams, EDWARD KANE, DOUGLAS McEACHERN, WILLIAM GOULD, JUDY CODDING, MICHAEL WROTNIAK, CRAIG TOMPKINS, and DOES 1 through 100, inclusive,

Defendants.

and

READING INTERNATIONAL, INC., a Nevada corporation,

Nominal Defendant.

Videotaped Deposition of JAMES COTTER, JR., Volume II, taken at 865 South Figueroa Street, 10th Floor, Los Angeles, California, commencing at 9:38 a.m. and ending at 4:37 p.m., Tuesday, May 17, 2016, before Janice Schutzman, CSR No. 9509.

PAGES 298 - 567

characterization of your testimony. I made my objections. You can respond.

THE WITNESS: I agree.

BY MR. TAYBACK:

Q. As a board member, have you followed Margaret Cotter's performance as director of real estate? 04:23PM

MR. KRUM: Objection, assumes facts not in evidence.

THE WITNESS: As a board member? 04:24PM

BY MR. TAYBACK:

Q. Yes.

MR. KRUM: Same objection.

THE WITNESS: To the extent I've been given the information, yes. 04:24PM

BY MR. TAYBACK:

Q. Do you feel like you haven't been given information on her performance?

MR. KRUM: Same objection.

THE WITNESS: I haven't been given enough information to assess her performance. 04:24PM

BY MR. TAYBACK:

Q. What information do you feel like you need that you haven't been given?

A. Reports on the current status of those 04:24PM

RDI-A04262-4792
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CLERK OF THE COURT

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Attorneys for Defendant William Gould

EIGHTH JUDICIAL DISTRICT COURT

CLARK COUNTY, NEVADA

JAMES J. COTTER. JR, Plaintiff, vs. MARGARET COTTER, et al., Defendant. READING INTERNATIONAL, INC., Nominal Defendant.	CASE NO. A-15-719860-B **DEFENDANT WILLIAM GOULD'S MOTION FOR SUMMARY JUDGMENT** Assigned to Hon. Elizabeth Gonzalez, Dept. XI Trial Date: November 14, 2016

TO ALL PARTIES, COUNSEL, AND THE COURT:

Pursuant to Nevada Rule of Civil Procedure 56, Defendant William Gould, by and through his counsel of record, hereby submits this Motion for Summary Judgment as to the First, Second, and Third Causes of Action in Plaintiff's Second Amended Complaint.

This Motion is based upon the following Memorandum of Points and Authorities, the accompanying Declaration of Shoshana E. Bannett and exhibits thereto, the Declaration of William Gould, the Individual Defendants' Motion for Partial Summary Judgment (No. 3) on Plaintiff's Claims Related to the Purported Unsolicited Offer, the pleadings and papers on file, and any oral argument at the time of a hearing on this motion.

September 23, 2016

BIRD, MARELLA, BOXER, WOLPERT, NESSIM, DROOKS, LINCENBERG & RHOW, P.C.

By _____

Ekwan E. Rhow (*admitted pro hac vice*)
Hernán D. Vera (*admitted pro hac vice*)
Shoshana E. Bannett (*admitted pro hac vice*)
1875 Century Park East, 23rd Floor
Los Angeles, California 90067-2561

MAUPIN, COX & LeGOY
Donald A. Lattin (SBN 693)
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4785 Caughlin Parkway
Reno, NV 89519
Telephone: (775) 827-2000
Facsimile: (775) 827-2185

Attorneys for Defendant William Gould

NOTICE OF MOTION

TO: LEWIS ROCA ROTHGERBER CHRISTIE LLP, Attorneys for Plaintiff:

PLEASE TAKE NOTICE that the above Motion will be heard the 25 day of OCTOBER, 2016, at 8:30A in Department XI of the above-designated Court, or as soon thereafter as counsel can be heard.

September 23, 2016

BIRD, MARELLA, BOXER, WOLPERT, NESSIM, DROOKS, LINCENBERG & RHOW, P.C.

By _____

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MEMORANDUM OF POINTS AND AUTHORITIES

I. INTRODUCTION

Defendant William Gould should be a stranger to this lawsuit. As the only defendant director who both voted against the termination of Plaintiff James Cotter Jr. ("Plaintiff" or "Cotter, Jr.") as CEO and then, upon Plaintiff's termination as approved by the rest of the Board, voted to appoint Co-Defendant Ellen Cotter as CEO, he has been stuck in the middle of a longstanding turf war. That war has pitted Plaintiff against his sisters Ellen Cotter and Margaret Cotter, as they have battled over control of Reading International ("Reading"). In the midst of this never-ending family dispute, Gould did what any independent director would have to do in this situation: take positions that he believed were in the best interests of Reading, while attempting to ignore whether they favored one side or the other.

The relevant facts that support this conclusion are not in dispute. Gould is a nationally recognized corporate lawyer who focuses his practice on advising boards of directors on how to fulfill the fiduciary duties they owe to their shareholders. Gould was appointed to Reading's Board of Directors in 2004 and, after several intervening years away, was recruited by James Cotter, Sr. ("Cotter, Sr.") to rejoin. He has served Reading with distinction and, on a board composed of family members with competing agendas, has been a sober voice of reason advocating consistently for what he believed to be in the best interests of the company and its investors. Indeed, if there is ***one*** thing upon which Reading, the Cotter siblings, the activist investors, and the rest of the Board all agree, it is on Gould's ***independence***—a position exemplified by his unpopular "no" vote on Plaintiff's termination.

Despite Gould's sterling record of service to Reading, Plaintiff nonetheless persists in holding Gould hostage in this family tug-of-war. Plaintiff's Second Amended Complaint ("SAC") alleges a noxious brew of outright falsehoods against Gould, including the over-the-top claim that the directors began "looting the company" by approving compensation (SAC, p. 42) and that Gould "effectively abdicated his responsibilities as a director" (SAC ¶ 23) by approving a litany of corporate acts.

Plaintiffs' apparent theory of the case is that if Gould did not agree with Plaintiff's

particular views or disagree with the other Defendants' positions—regardless of his independent thoughts—he has breached his fiduciary duties. This theory is, on its face, nonsensical. As a legal matter, Nevada law is absolutely clear that directors are protected against personal liability for erroneous (or even bad) decisions ***so long as they do not involve fraud, intentional misconduct, or a knowing violation of the law.*** Here, after dozens of depositions and tens of thousands of pages of discovery, there is not even one ***iota*** of evidence that Gould acted with this culpable *mens rea*. To the contrary, even the activist shareholders who intervened in this case and the Korn Ferry search firm admitted in deposition that Gould took his role seriously and acted in what he believed to be the best interests of the company. There is simply no evidence to create a genuine material issue on this foundational requirement, and for this reason alone, the claims against Gould should be summarily adjudicated.

On the factual merits of whether there was a breach of duty in the first instance, Plaintiff's claims against Gould fare no better. With respect to each and every one of Gould's seven alleged predicate violations (*see* SAC ¶ 179), there is no evidence whatsoever that Gould was unduly influenced, acted pursuant to a conflict or acted in bad faith in any way. Rather, again, Plaintiff simply imputes bad faith based solely on the ultimate position that Gould took on the issues that were before the Board. This manner of proof is insufficient to prove Plaintiffs' claim under Nevada law—and common sense. As a result, Gould should be released from this case and summary judgment should be entered.

II. STATEMENT OF UNDISPUTED FACTS

A. The Cotter Siblings Become Embroiled in Conflict Following the Death of Their Father, Reading CEO and Chairman, James Cotter, Sr.

Cotter, Sr. was the dominant figure at Reading up until his death. As the controlling shareholder of Reading, he served as its CEO for nearly 15 years and as Chairman of the Board for more than 20 years. Exh. 27 at 285.[1] Given his ownership, Cotter, Sr. hand-selected all board

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[1] All references to "Exh." are to the exhibits attached to the Declaration of Shoshana E. Bannett in Support of Defendant William Gould's Motion for Summary Judgment, filed concurrently herewith in the Appendix of Exhibits, Exhibit B.

members. *Id.* at 290-291. He operated Reading in a "wheel and spoke" style, in which all Reading employees reported to him, and it "was his show." Exh. 36 at 166:13-18; 169:17-19.[2]

After presiding over Reading for well over a decade, Cotter, Sr. resigned from all of his positions at Reading on August 7, 2014, and passed away on September 13, 2014, throwing Reading into a time of transition and uncertainty. Exh. 28 at 325. Cotter, Sr.'s son, Cotter, Jr., was appointed CEO following his father's resignation. *Id.* In deciding to appoint Cotter, Jr., Reading's Board of Directors did not conduct any search or consider any other candidates. Exh. 36 at 191:22-192:14. Nor did they consider or review any materials regarding selecting a CEO. *Id.* at 177:1-4. The Board never debated his qualifications or whether he was the best person for the job.[3] Instead, the Board appointed Cotter, Jr. CEO based on the Board's understanding that Cotter, Sr., the controlling shareholder, wanted his son to succeed him as CEO. *Id.* at 162:3-7.

The Board members who appointed Cotter, Jr. were the same Board members who later voted to terminate him—with the exception of Gould. *Id.* at 177:5-8. Although Cotter, Jr. claims to have had concerns about the independence of certain directors at the time of his appointment, he never voiced any such concerns. *Id.* at 177:9-16. Despite this lack of process and purported lack of independence, Cotter, Jr. admits that his appointment as CEO was consistent with the fiduciary duty that the directors owed to the Reading shareholders. *Id.* at 191:8-13.

Following the death of Cotter, Sr., the Cotter siblings—Cotter, Jr., Chairman of the Reading Board Ellen Cotter, and Board Member and Reading Consultant Margaret Cotter—became embroiled in a dispute over Cotter, Sr.'s estate, which would determine control over Reading. *See* Exh. 41 at 65:8-66:6. As a result, the issues between the siblings relating to the estate matters "permeated the company" and "spread to employees." Exh. 37 at 321:23-24.

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[2] Citations to exhibits containing excerpts of deposition transcripts refer to the original deposition transcript page.

[3] Cotter, Jr.'s only relevant experience consisted of having been a director, being familiar with the assets and businesses of Reading, and having done (in his opinion) a good job in his year as president. Exh. 38 at 584:2-19. Cotter, Jr. believed his appointment to CEO was appropriate, because he had been "working under the expectation" that he would be his father's successor. Exh. 36 at 193:9-15.

Cotter, Jr. raised complaints against his two sisters, and his two sisters reported complaints about Cotter, Jr. *Id.* at 316:22-25.

As a result of this dysfunction, Reading's Board stepped in to mediate.[4] In March 2015, Gould and the other non-Cotter directors appointed Director Tim Storey to serve as an "ombudsman" to work with and coach Cotter, Jr. and help mediate disputes between Cotter, Jr, and Ellen and Margaret Cotter, and to report back to the Board regarding the progress. Exh. 1 at 3; Exh. 41 at 118:1-119:6; 119:17-120:2.

B. Cotter, Jr. Is Terminated as CEO Over the Objection and No Vote of Gould.

In May 2015, after several months of attempted mediation by Storey, Ellen Cotter circulated an agenda for a Board meeting with the first item reading "Status of President and C.E.O." Exh. 6 at 30; Exh. 35 at 171:22-172:25. The agenda was meant to serve as a predicate for a motion to terminate Cotter, Jr. as the president and CEO. Exh. 41 at 136:21-137:7. At the time the agenda was circulated, Ellen Cotter had discussed terminating Cotter, Jr. with Guy Adams, Ed Kane, Douglas McEachern and Margaret Cotter—but not with Gould. Exh. 35 at 176:1-8. In fact, this agenda item was the first time that Gould was informed that any of the Board was considering terminating Cotter, Jr. as CEO. Exh. 41 at 109:22-110:8.

Upon further discussion at the Board Meeting that took place on May 21, 2015, Ellen and Margaret Cotter, Adams, Kane, and McEachern made clear that they believed they had given Cotter, Jr. enough time to improve his management and that they intended to terminate him. *Id.* at 123:6-21. Despite the strongly expressed feelings of the majority of the Board, Gould spoke out against terminating Cotter, Jr. Gould told the Board that he believed that they should give Cotter, Jr. more time and that the ombudsman process and Storey's final report should be completed before any vote. *Id.* at 123:6-21; Exh. 2 at 7. Ultimately, Cotter, Jr. was not terminated at that Board meeting.

The Board then reconvened on two subsequent occasions to further discuss his

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[4] At that time, in addition to the Cotter siblings, the Board consisted of Ed Kane, Douglas McEachern, Guy Adams, Tim Storey, and William Gould. Gould was the lead independent director. Exh. 28 at 328-31; Exh. 41 at 12:11-15.

termination: first on May 29, 2015, and then on June 12, 2015. Exhs. 3; 7 at 31-33. After extensive discussions at the June 12 meeting, the issue was finally put to a vote and Cotter, Jr. was terminated as CEO and president by a vote of five to three. ***Gould voted against terminating Cotter, Jr.*** Exh. 7 at 33; Exh. 32 at 510:19-23. Immediately thereafter, the Board considered and voted to appoint Ellen Cotter, Jr. to the position of interim CEO. ***Gould voted in favor of Ellen Cotter's appointment***. Ex. 7 at 33-34.

C. After Gould Declines an Offer to Serve on Reading's Executive Committee, the Board Approves a Reconstituted Committee.

After voting to terminate Cotter, Jr., the Reading Board also voted to reconstitute the existing Executive Committee and issue a new charter. Exh. 7 at 34. Ellen Cotter asked Gould to be on the Executive Committee, but Gould declined. Exh. 41 at 25:15-20. The Board then approved a new Executive Committee, consisting of Margaret Cotter, Ellen Cotter, Ed Kane and Guy Adams, and delegated to the Executive Committee "the authority to take any and all actions that the Board may take (other than as restricted by Nevada law and the Bylaws of the Company) between the regular and special meetings of the Board of Directors." Exh. 7 at 34. The Board voted 7-1 in favor of the new Executive Committee, with Ellen and Margaret Cotter, Adams, Kane, McEachern, Storey, and Gould all supporting the measure. *Id.* Only Cotter, Jr. voted against. *Id.*

Gould had no concerns that reconstituting the Executive Committee would shuttle board decisions over to a smaller group. Exh. 41 at 28:3-12. Gould knew that many corporations have executive committees, and he recognized that any major decisions of the Executive Committee would still have to be reported to the full Board. *Id.* Gould believed that, just as a CEO cannot make major decisions without approval from the Board, the Executive Committee would not be able to make major decisions without having them vetted by the Board. Exh. 41 at 28:22-29:7.

D. After Gould Disagrees with Decision to Force Out Storey, the Board Nominates Codding and Wrotniak for Open Board Seats.

Several months after Ellen Cotter was appointed Interim CEO, Director Storey resigned from the Reading Board after being informed that he would not be re-nominated. The other

directors on the Board, with the exception of Gould, had lost confidence in Storey. Exh. 41 at 175:14-24. For example, Adams and Kane felt that Storey, while well-intentioned, increased divisiveness among the Cotters through his role as ombudsman. Exh. 33 at 274:17-277:20. Gould, however, still had confidence in Storey. Exh. 41 at 175:14-24. Gould did not play any role in Storey's departure; he was informed after-the-fact. Exh. 42 at 442:15-443:3.

Because the Board had not yet nominated anyone to fill the gap left by a former director, Storey's resignation meant that there were two open slots on the Board. Exh. 15 at 144. As a "Controlled Company" under SEC rules, Reading was not required to have a nominating committee, given that the controlling shareholder could determine the Board composition unilaterally. *Id.* at 324. Historically, Reading had not maintained a nominating committee and the directors were identified and recommended by Cotter, Sr., then approved by the Board. Exh. 27 at 290-291.

Despite the fact that a nominating committee was not required, in October 2015, Reading established a Special Nominating Committee and delegated to it the authority to interview, review the backgrounds of potential candidates, and make recommendations regarding nominees. Exh. 15 at 145. Directors Adams, Kane, and McEachern served as the members of the Special Nominating Committee. *Id.*

Ellen Cotter initially recommended Judy Codding to serve as a director. Adams, Kane and McEachern all met with Codding, believed she would be a good addition to the Board based on her business background and general demeanor, and recommended her appointment. *Id.* at 144; Exh. 46 at 349:18-24, 350:16-25; Exh. 34 at 311:15-312:24. Codding, who has a doctorate in education, was an entrepreneur who helmed a successful education company. Exh. 28 at 329. She also had experience serving on boards.[5] *Id.* Although Codding did not have experience in real estate or cinema, Reading had never had any formal criteria requiring particular qualifications or

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[5] Codding came to Ellen Cotter's attention because Codding was friends with Mary Cotter, the Cotter siblings' mother. Ellen Cotter herself was not close to Codding and had met Codding between 5 and 10 times over 15 years. Exh. 34 at 307:19-308:7. The friendship between Codding and Mary Cotter was disclosed to the other Board members. Exh. 42. at 454:24-455:5. Codding also had a pre-existing relationship with Cotter, Jr. Cotter, Jr. had asked Codding for her help getting his child admitted to a private school. Exh. 46 at 353:3-10.

skills that needed to be represented on the Board.[6] Exh. 27 at 291; Exh. 38 at 808:7-15. The Board approved the recommendation and elected Codding to the Board with a vote of 6-1 with Ellen and Margaret Cotter, Adams, Kane, McEachern, and Gould voting in favor, Storey abstaining, and Cotter, Jr. voting against.

After Codding was elected, a shareholder emailed the Board and indicated that Codding had been involved in a scandal involving iPads at the LAUSD. Exh. 46 at 354:11-355:11. Although the Special Nominating Committee had conducted a background check on Codding, this information was not known to the Directors at the time Codding was elected. *Id.* at 354:11-55:11; 357:18-58:13; Exh. 41 at 177:13-78:12. The Special Nominating Committee followed up by instructing in-house counsel Craig Tompkins to investigate the allegations, and he found additional information that had not been communicated by the shareholder. Exh. 46 at 365:5-14.

After reviewing this new information, the Special Nominating Committee then had a lengthy interview with Judy Codding. In his role as lead director, Gould participated in the interview. *Id.* at 364:15-21; 365; Ex. 41 at 178:15-179:1. During the interview, Codding explained the iPad situation to the satisfaction of the Board. *Id.* at 374:5-11; Exh. 41 at 178:15-179:23 (testifying that he concluded that it was a "political thing" with no substance to the allegations). After further discussion and consideration, the Board then supported her nomination for re-election to the Board. *Id.*

The Special Nominating Committee then considered Michael Wrotniak who had been proposed by Margaret Cotter. The Special Nominating Committee had been considering and interviewed a candidate recommended by Cotter, Jr., but that candidate withdrew himself from consideration. Exh. 33 at 296:23-301:6. Margaret Cotter knew Wrotniak through a mutual friend. Exh. 39 at 320:16-321:9. This relationship was disclosed to the Board and Wrotniak informed

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[6] This has always been the case. For example, at the time that Cotter, Jr. was appointed to the Board in 2002, Reading's principal business was real estate. Exh. 36 at 137:20-25. Cotter, Jr. did not have any business experience with real estate when he was appointed to the Board. *Id.* at 138:3-16. Even though he did not have any experience with Reading's business, Cotter, Jr. believes that his appointment to the Reading Board was appropriate. *Id.* at 138:20-139:4. Cotter, Jr. agrees that in some circumstances it is appropriate for the Board to conclude that someone is suitable for a board position even though they do not have all of the preferred characteristics of a board member. *Id.* at 139:5-16.

Adams that he was independent and would always vote his mind. Exh. 33 at 268:19-23; Exh. 42 at 454:18-455:5.

The Special Nominating Committee interviewed Wrotniak before recommending him. Exh. 43 at 64:8-20; Exh. 46 at 382:1-10; Exh. 33 at 267:7-24. Although Wrotniak did not have a background in real estate or cinema, he had experience in finance and was CEO of a privately held commodities trading company. Exh. 33 at 265:8-266:14; Exh. 28 at 330. His finance background was important to the directors and he was later put on the Audit Committee. Exh. 35 at 69:6-10. The Special Nominating Committee also conducted a background check on Wrotniak. Exh. 46 at 384:4-385:1. After the Special Nominating Committee recommended Wrotniak, the Board voted to elect him to the Board by a vote of 7-1, with Cotter, Jr. voting against. Exh. 16 at 148.

Gould's involvement was not remarkable, except that he did express a concern that the Board was given a limited amount of time to consider their nominations. In response, Ellen Cotter explained to him that the compressed time period was necessary because of the impending Proxy Statement deadline and because the Special Nominating Committee had waited to involve the full Board until it was clear they would be going forward with a candidate. Exh. 41 at 171:16-22; 174:16-23. Gould was satisfied by that response. *See id.* Gould thereafter supported both Codding and Wrotniak for a variety of reasons but, in part, because there had been a conflict among the directors and he wanted to prevent the conflict from further festering. Exh. 42 at 488:18-489:23. He also supported Codding and Wrotniak because it was important that the Board be constituted in a way that would enhance cooperation and have the confidence of the CEO going forward. *Id.* As Gould explained, "at this point, the Company had been involved in dispute after dispute after dispute ... and there was also the factor of trying to get this company back on track. And I think that's what I was concerned with in approving the two new directors." *Id.*

E. After a Thorough Search, Ellen Cotter Is Appointed Permanent CEO.

After Cotter, Jr.'s termination in June 2015, Reading also immediately began the process of looking for a permanent CEO. The Board authorized Ellen Cotter to select an external search firm, and Korn Ferry was engaged. Exhs. 5 at 25; 12 at 132; 35 at 74:6-19. The CEO Search

Committee was then constituted, consisting of Ellen Cotter, Margaret Cotter, McEachern, and Gould. Exh. 12 at 132. At the time, Ellen Cotter had not indicated that she was seeking to be appointed permanent CEO. *See* Exh. 35 at 84:3-85:4.

The search process began in earnest with Korn Ferry interviewing each of the committee members in order to draft a position specification based on the characteristics the committee members were seeking in a CEO. Exh. 44 at 36:20-37:13; Exh. 35 at 78:5-10. Gould took this process seriously: before the call he reviewed an interview preparation questionnaire, considered the questions and prepared notes. Exh. 42 at 317:14-23; Exh. 8 at 37. Gould's interview with Korn Ferry lasted over an hour. Exh. 42 at 318:10-21. Korn Ferry's Robert Mayes testified that he had "sophisticated" conversations with Gould, in which Gould expressed the desire to secure a patient leader, who could deal well with activist investors. Exh. 44 at 72:21-73:14.

The position specification Korn Ferry subsequently drafted heavily emphasized real estate development experience. Exh. 9 at 53-56. However, during the selection process, Gould and the other committee members became convinced that the position specification overemphasized real estate experience. Exh. 42 at 321:7-15. Cotter, Jr. agreed that the position specification focused too much on real estate experience, stating that "[t]his is not a CEO specification. That is a CEO specification for a glorified director of real estate position." Exh. 17 at 150.

Based on the original position specification, Korn Ferry selected five candidates for the Committee to interview and circulated candidate profiles. Exh. 10 at 58-59. The interviews were scheduled to commence in November 2015. Exh. 4 at 15; Exh. 10 at 58-59. Before the first interview took place, Ellen Cotter realized that she wanted to be considered for the position. Exh. 35 at 84:3-85:4. As she reviewed the candidate profiles circulated by Korn Ferry, she thought that she compared favorably to the people Korn Ferry had found. *Id.* As soon as realized that she wanted to be considered, she called Korn Ferry and told them of her intention and also that she would be withdrawing from the CEO Search Committee. *Id.* at 91:18-92:12; *see* Exh. 42 at 357:18-24. Ellen Cotter then withdrew from the Committee before any interviews took place. Exh. 35 at 113:11-18; Exh. 42 at 356:1-12. Gould was subsequently appointed chair of the search committee. Exh. 42 at 431:4-14; Exh. 4 at 16; Exh. 11 at 123.

In November 2015, the search committee interviewed four candidates. Exh. 42 at 360:8-22. Gould was impressed with the candidates. *Id.* at 348:23-355:25. The search committee subsequently interviewed three additional candidates, including Ellen Cotter and a new candidate identified by Korn Ferry. *Id.* at 360:8-22. Ellen Cotter was the last candidate interviewed. *Id.* at 361:23-24. Gould and McEachern led the interview of Ellen Cotter, which lasted about 45 minutes and focused on her thoughts about the future of Reading. *Id.* at 363:3-23. Following Ellen Cotter's interview, Gould told the Committee that in his view, even though all the candidates had been good, he thought that Ellen Cotter made the most sense for the company. As Gould explained,

> [S]he had a great reputation, the people liked her at the company. We all enjoyed our own -- we all thought highly of her, every one of us. She is intelligent. She had the kind of a personality that could help get through some of these difficulties dealing with other people. And she had theatrical experience. She was willing to bring in real estate help. And that this was a very tough time to bring in somebody from the outside given the fact that no one knew who would actually control this company a year down the line. And for all those reasons, you know, it became apparent to me, my -- I just said, 'This makes the most sense for the company.'

Id. at 368:8-24; *see also* Exh. 41 at 55:14-21 ("Ellen was the type of person who would continue the continuity."). McEachern agreed. Exh. 42 at 368:25-369:1.

Given these conclusions, the CEO Search Committee told Korn Ferry not to perform the proprietary assessment. *Id.* at 306:9-17; Exh. 46 at 471:13-20. The Committee members did not believe they needed Korn Ferry's assessment of Ellen Cotter, since they knew her so well. Exh. 42 at 406:10-21. Indeed, Korn Ferry admitted that their assessment would not be useful as an evaluation tool for Ellen Cotter, but only as an onboarding tool. Exh. 44 at 67:3-9, The Committee subsequently instructed Korn Ferry to stop work until the Board discussed the recommendation of Ellen Cotter, in order to avoid further costs. Exh. 42 at 405:2-14; Exh. 44 at 67:10-18. . Ultimately, Reading saved $35,000 by avoiding the assessment process. Exh. 19.

On December 29, 2015, the Committee members met again to discuss recommending Ellen Cotter for permanent CEO. Exh. 11; Exh. 4 at 17-20. Among the reasons they discussed for recommending her was the scope and extent of her knowledge of Reading and her performance to date as interim CEO. *Id.* Exh. 42 at 432:7-24 (summary of discussion in Exh. 4 is accurate).

Following the discussion, the Committee held a formal vote. Exh. 11; Exh. 4 at 18. Margaret Cotter abstained, and Gould and McEachern voted in favor of recommending Ellen Cotter. Exhs. 4 at 20; 11 at 125.

The full Board subsequently met, and after a discussion about the CEO search process, Ellen Cotter, and the other candidates, the Board voted to approve Ellen Cotter as permanent CEO. Exh. 14 at 141; Exh. 42 at 423:24-424:19. The vote was 7-1, with Ellen Cotter not participating and Cotter, Jr. voting no. *Id.*

F. In Consultation with an Expert Firm and the Compensation Committee, the Board Approves Executive Compensation and Other Payments.

In March 2016, the Board approved a new schedule for executive compensation, which was recommended by the Compensation Committee. Exh. 18 at 161-162. The Compensation Committee, which at that time consisted of Kane, Codding, and Adams, evaluated compensation considerations with the assistance of an expert firm in the field of executive compensation, Willis Tower Watson, and Reading's outside lawyers at Greenberg Traurig. Exh. 25 at 209. The Compensation Committee engaged in extensive discussions with Willis Tower Watson regarding executive pay arrangements. *Id.* The Willis Tower Watson analysis indicated that the total compensation that had been paid to Ellen Cotter was below the 25th percentile in comparison to similar companies. *Id.* at 211. As a result, the Compensation Committee recommended certain increases in the pay of Ellen Cotter and other executives. *Id.* at 214. Gould relied on the work of the Compensation Committee and experts Willis Tower Watson in approving Ellen and Margaret Cotter's pay. Gould Decl. ¶ 2.[7] Notably, no one voted against Ellen and Margaret Cotter's compensation, including Cotter, Jr. Exh. 18 at 162.

In addition, both the Audit Committee (Kane, Wrotniak, and McEachern) and the Compensation Committee reviewed, considered, and recommended a one-time payment of $200,000 to Margaret Cotter to compensate her for work undertaken beyond her consulting agreement and in consideration for certain releases and waivers granted by her company as part of

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[7] "Gould Decl." refers to the Declaration of William Gould in Support of Gould's Motion for Summary Judgment, filed concurrently herewith in the Appendix of Exhibits, Exhibit A.

the termination agreement between Reading and her company. Exh. 25 at 208. Gould relied on the assessment of both the Audit Committee and the Compensation Committee in approving this one-time payment. Gould Decl. ¶ 3.

Finally, in March 2016, Ellen Cotter recommended a one-time $50,000 bonus to Guy Adams because Adams had rendered extraordinary services and devoted significant amounts of time beyond what was typical for a board member. Exh. 18 at 163. His services included assisting Ellen Cotter during her transition to interim and then permanent CEO, advising on investor relations, traveling to New York to assist in the evaluation of the Union Square Project, assisting with other potential transactions, and significant time spent on the Compensation Committee and the Executive Committee. *Id.* Reading had previously issued one-time payments when a Board member spent an unusually large amount of time on Reading business. Exh. 28 at 331. The $50,000 bonus to Adams was in the range of such prior payments. *Id.* The Board approved the payment by a vote of 7-1 with Adams not participating and Cotter, Jr. voting against. Exh. 18 at 163.

G. Gould Opines that Adams Should Not Serve on the Compensation Committee, and Reading Follows His Opinion.

Before Cotter, Jr. was appointed CEO of Reading, he admits that he was concerned that Adams' finances meant that he was not independent. Exh. 36 at 177:9-12; 177: 21-23; 178:20-180:4. However, he did not express his concerns to anyone when the Board met to appoint him as CEO. Exh. 36 at 181:2-8. And despite these purported concerns, Cotter, Jr. did nothing to investigate Adams' independence for the next ***eight months***. Exh. 38 at 643:15-644:2; 647-648. Only when Cotter, Jr. realized that Adams intended to vote to terminate him as CEO did he begin investigating Adams' finances. At that time, Cotter, Jr. purportedly learned that the money Adams was receiving from Cotter-controlled entities represented a significant portion of his overall income. Exh. 36 at 182:6-18; Exh. 38 at 644:3-645:25.

At the May 21, 2015 Board meeting (the first meeting where the directors discussed terminating Cotter, Jr.), Cotter, Jr. first raised the issue of Adams' independence. Exh. 2. He also asserted that Kane was not independent. *Id.* Cotter, Jr. did not provide details regarding Adams'

purported lack of independence, other than to summarily assert that a large portion of Adams' income derived from Cotter-controlled entities. *Id.;* Exh. 41 at 30:24-31:7. Gould had no direct knowledge regarding Adams' income or net worth. Exh. 41 at 31:10-17. All of the Board members filled out D&O questionnaires, which contained their financial disclosures, and turned them in to Reading counsel. Exh. 42 at 449:16-450:9. Gould believed that Reading counsel was vetting these questionnaires for issues such as financial dependence. *Id*. And so at that time he did not inquire into Adams further, given that the Board members had a practice of not inquiring into each other's finances and of allowing conflict issues to be resolved by counsel. *Id*.

Following Adams' deposition in this case, Gould directly learned that a great percentage of Adams' income came from Reading and the Cotter family. Exh. 41 at 31:18-32:8. Gould was then asked by Reading counsel Tompkins and Ellen Cotter whether, with this information, Gould considered Adams independent for the purpose of serving on the Compensation Committee. Exh. 41 at 32:9-15. Gould informed Tompkins and Ellen Cotter that he did not believe so because if Adams' livelihood depended on Reading and the Cotter family, he could not be independent in voting on the compensation of Cotter family members. Exh. 41 at 32:11-15; 33:14-34:7. Shortly thereafter, Adams resigned from the Compensation Committee. Exh. 41 at 36:8-10.

H. Reading's Management Is Responsible for Issuing SEC Filings.

In the approximately 15 months since Cotter, Jr. was terminated, Reading filed numerous filings with the SEC, including Form 8-K filings and Proxy Statements. *See*, *e.g.*, Exhs. 21-25; 28-29. Gould did not sign any of the challenged Form 8-K filings or Proxy Statements. *Id.* Reading's counsel submitted drafts of the Form 8-K filings and Proxy Statements to the Board before filing them. Exh. 42 at 269:24-271:11. Gould's practice was to review the drafts if there was sufficient time before the filing deadline and provide counsel with comments or corrections, if he had any. *Id*. Gould relied on Reading's lawyers to decide if and when a disclosure in an SEC filing was required. *Id*. at 402:12-403:18. When Gould reviewed proxy statements, he looked at and verified facts related to him and then the only the most important parts to the extent he had personal knowledge. Exh. 41 at 179:17-180:9; Exh. 42 at 460:11-461:2. Gould relied on Reading's lawyers and the directors and executives most directly involved to vet the information

in the SEC filings as to those matters that he did not have direct involvement or knowledge. Exh. 41 at 181:10-182:7; Exh. 42 at 449:16-450:9; 460:1-462:18; 467:2-13.

III. ARGUMENT

A. Standard Of Review

Rule 56(c) of the Nevada Rules of Civil Procedure specifically authorizes the granting of summary judgment when "there is no genuine issue as to any material fact and ... the moving party is entitled to a judgment as a matter of law." NRCP 56 (c); *Sustainable Growth Initiative Committee v. Jumpers, LLC,* 122 Nev. 53, 128 P.3d 452, 458 (2006). "[I]n order to defeat summary judgment, the nonmoving party must transcend the pleadings and, by affidavit or other admissible evidence, introduce specific facts that show a genuine issue of material fact." *Cuzze v. Univ. & Cmty. Coll. Sys. of Nevada,* 123 Nev. 598, 603, 172 P.3d 131, 134 (2007). "A factual dispute is genuine when the evidence is such that a rational trier of fact could return a verdict for the nonmoving Party." *Wood v. Safeway, Inc.*, 121 Nev. 724, 731, 121 P.3d 1026, 1031 (2005).

B. Plaintiff Must Meet an Extremely High Burden to Hold Gould Liable for Breach of Fiduciary Duty in Nevada.

A claim for breach of fiduciary duty has three elements: (1) the existence of a fiduciary duty; (2) the breach of the duty; and (3) damages proximately caused by the breach. *Klein v. Freedom Strategic Partners, LLC*, 595 F. Supp. 2d 1152, 1162 (D. Nev. 2009). Nevada recognizes two distinct types of fiduciary duties in the corporate context: (1) the duty of care; and (2) the duty of loyalty. *Shoen v. SAC Holding Corp.*, 122 Nev. 621, 632 (2006).

Directors are given broad protections when facing such claims. Under the business judgment rule, there is a presumption that a director is acting properly. *See id.* at 636; Nev. Rev. Stat. § 78.138 ("Directors and officers, in deciding upon matters of business, are presumed to act in good faith, on an informed basis and with a view to the interests of the corporation."). The business judgment rule protects the distinction between ordinary negligence—which is insulated from liability—and actionable gross negligence. *See F.D.I.C. v. Jacobs*, No. 3:13–CV–00084–RCJ, 2014 WL 5822873, at *4 (D. Nev. Nov. 10, 2014).

Accordingly, a board's "decisions will not be disturbed if they can be attributed to any

rational business purpose." *Sinclair Oil Corp. v. Levien*, 280 A.2d 717, 720 (Del. 1971). "[E]ven a bad decision is generally protected by the business judgment rule's presumption." *Shoen,* 122 Nev. at 636. "[O]vercoming the business judgment rules requires the articulation of facts that suggest a wide disparity between the processes the director used and that which would have been rational. In other words, the complaint must allege facts establishing a decision that is so unreasonable that it seems essentially inexplicable on any ground other than bad faith." *In re AgFeed USA, LLC*, 546 B.R. 318, 330 (Bankr. D. Del. 2016) (applying Nevada law).

Even if Cotter, Jr. is able to meet this high initial threshold, he must prove additional facts as to Gould's conduct as a director. This is because, under Nevada law, Gould still cannot be liable, unless the breach of fiduciary duty also involved intentional misconduct, fraud, or a knowing violation of the law. *Shoen,* 122 Nev. at 640; Nev. Rev. Stat. § 78.138(7).

Here, all the relevant evidence proves that Gould was operating safely within the business judgment rule and attempting to make the best decisions for Reading under extremely difficult circumstances—nothing more and nothing less. And there are no cognizable facts from which a fact-finder could infer that Gould acted with negligence, much less intentional misconduct, fraud, or a knowing violation of the law.

C. Gould's Conduct with Respect to Plaintiff's Termination Was Not a Breach of Fiduciary Duty Involving Intentional Misconduct, Fraud, or a Knowing Violation of the Law.

Cotter, Jr.'s primary claim in this case is that the Board acted improperly when they terminated him. Preposterously, he is still pursuing a claim against Gould for breach of fiduciary duty relating to the termination, even though there is no dispute that ***Gould voted against terminating Cotter, Jr.*** Exh. 32 at 510:19-23. Given this undisputed fact, Cotter, Jr. cannot establish that Gould breached any duty with respect to his termination, let alone that Gould's conduct involved intentional misconduct, fraud, or a knowing violation of law. Cotter Jr.'s claims against Gould relating to his termination should be summarily adjudicated.

D. Gould's Conduct in Approving a Reconstituted Executive Committee Was Not a Breach of Fiduciary Duty Involving Intentional Misconduct, Fraud, or a Knowing Violation of the Law.

Cotter, Jr. also alleges that Gould breached his fiduciary duty in approving the

reconstituted Executive Committee because the purpose in doing so was to limit the participation of Gould, Storey, and Plaintiff in Reading's corporate governance. SAC ¶¶ 99, 183(c). Setting aside the absurdity of assessing liability against Gould because he limited his own participation, Cotter Jr.'s theory is completely belied by the undisputed fact that Gould was asked to serve on the Executive Committee. Exh. 41 at 25:15-20. He chose not to serve simply because the time commitment was too extensive. *Id.* Because Gould was in fact asked to serve on the Executive Committee, it is clear that the purpose was not to exclude Gould, Storey, and Cotter, Jr.

At any rate, Cotter, Jr. cannot show that Gould's decision to approve a reconstituted Executive Committee was "so unreasonable that it seems essentially inexplicable on any ground other than bad faith," let alone that Gould's approval involved intentional misconduct, fraud, or a knowing violation of the law. Gould testified that he approved the Executive Committee because many corporations have executive committees. Exh. 41 at 28:3-12. Gould was not concerned about giving authority to a smaller group because the decisions would still be reported to the full Board, and he trusted the members of the committee not to make major decisions without Board input. Exh. 41 at 28:22-29:7. There is nothing unreasonable about approving a governance structure that is routinely used at corporations across the country. Cotter, Jr.'s claims regarding the Executive Committee must also be summarily adjudicated.

E. Gould's Conduct with Respect to the Appointment of Directors Codding and Wrotniak Was Not a Breach of Fiduciary Duty Involving Intentional Misconduct, Fraud, or a Knowing Violation of the Law.

Cotter, Jr. contends that Gould breached his fiduciary duty in appointing Codding and Wrotniak. He argues that Wrotniak did not possess any qualifications other than a personal relationship with a friend of Margaret Cotter, and that Codding did not possess any qualifications other than a personal relationship with the Cotter siblings' mother. SAC ¶ 121-133; 177(c). He also argues that Board members should be required to have real estate or cinema experience. *Id.* These claims are fatally flawed.

When Cotter, Jr. himself was appointed to the Board, he too lacked such experience and was appointed because he was the controlling shareholder's son. Exh. 36 at 137:20-139:4. Indeed, there is no dispute that Cotter, Sr. regularly and properly selected Reading's Board members based

on friendships and family relationships—not on business experience in Reading's industry. Exh. 43 at 29:4-23; Exh. 36 at 137:20-138:16. In more than 10 years on the Board, Cotter, Jr. never challenged any of his father's appointments, even if they were his father's friends and lacked experience in Reading's substantive areas of business. *See* Exh. 27 at 287-288.

Beyond the disingenuousness of his claims, the law does not require specific experience or background to serve on the Reading Board. Under Nevada law, the only requirements to serve on a board is that a director be at least 18 years of age and a natural person. Nev. Rev. Stat. § 78.115. And Cotter, Jr. knew that Reading did not require that its directors have any additional qualifications. Exh. 38 at 808:7-15; Exh. 27 at 291. Reading clearly disclosed the fact that it had no particular requirements for directors to its shareholders.[8] Exh. 27 at 291. Here, it is undisputed that Wrotniak and Codding are over the age of 18 and natural persons. Exh. 28 at 328. The appointment of Wrotniak and Codding therefore complied with both Nevada law and Reading's bylaws.

Reading's status as a "Controlled Company" under the NASDAQ Listing Rules reinforces the propriety of the Wrotniak and Codding appointments.[9] Exh. 28 at 326. In a "Controlled Company," ***the controlling shareholder has the right to select directors*** by virtue of their ownership rights. NASDAQ Listing Rule IM-5615-5. As such, the fact that Wrotniak and Codding, both experienced business people, had tangential personal relationships with Margaret and Ellen Cotter, or that they were recommended by Margaret and Ellen Cotter, does not somehow render them unqualified to serve on the Board. This is especially true here where the relationships are so limited that they do not even call into question Codding's and Wrotniak's independence. *Beam ex rel. Martha Stewart Living Omnimedia, Inc. v. Stewart,* 845 A.2d 1040,

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[8] Shareholders who were unhappy that there were no particular qualifications required for directors had a remedy – they could sell their stock. *Brehm v. Eisner,* 746 A.2d 244, 256 (Del. 2000) (Stockholders who disdain the composition of a board can "make[e] individual buy-sell decisions involving [the company's] securities").

[9] Although Cotter, Jr. appears to allege that despite numerous SEC filings, which all state that Reading is a "Controlled Company," Reading is not actually controlled, the undisputed facts establish that Reading has been and is controlled by the Cotter family. Indeed, Cotter, Jr's own expert witness opined that "[a] Delaware Court would likely consider EC and MC to be controlling stockholders." Exh. 31 at 494.

1050 (Del. 2004) (affinities between Directors and Officers, whether "they arise before board membership or later as a result of collegial relationships among the board of directors" do not, standing alone, impede independence). And even where the relationship between the director and the controlling shareholder is much more significant, "[t]here is no obligation to draw the conclusion that family ties and experience at non-profits are inadequate qualifications to serve as a director of a public company." *Friedman v. Dolan,* No. CV 9425-VCN, 2015 WL 4040806, at *11 & n.77 (Del. Ch. June 30, 2015) ("*Friedman*").[10] Stockholders should generally be given latitude to determine whether directors are qualified to serve. *Oberly v. Kirby,* 592 A.2d 445, 469 (Del. 1991). And because "judges are not equipped to evaluate whether an individual is qualified to serve on a given board," courts should be "reluctant to create a standard whereby any director related to a controller must prove her worth and qualifications in court." *Friedman,* 2015 WL 4040806 at *11 & n.77

Cotter, Jr.'s additional complaint as to these appointments is that the decision was made on a short timeframe. Setting aside the fact that Gould was the one who raised this concern, Cotter, Jr. further ignores the fact that there was a rational business reason to consider Codding and Wrotniak on an expedited basis. Ellen Cotter explained to Gould that the compressed time period was necessary because of the impending deadline to file a proxy statement. Exh. 41 at 171:16-22; 174:16-23. Gould understood and accepted this urgency and made a decision in the time available. *See id.* As corporate governance expert Dr. Alfred E. Osborne explained, making a decision on an expedited basis under these circumstances was consistent with good corporate governance because there is value to the stockholders in being able to vote on a full slate of directors. Exh. 30 at 448.

With respect to Codding only, Cotter, Jr. contends Gould breached his fiduciary duty because Gould did not cause a basic, competent public records search or other satisfactory diligence, which would have turned up the iPad scandal, before approving Codding. SAC ¶ 126. But here, Reading utilized a Special Nominating Committee to vet board candidates. Exh. 28 at

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[10] Delaware unreported cases have precedential value and may be cited. *See Aprahamian v. HBO & Co.,* 531 A.2d 1204, 1207 (Del. Ch. 1987)

326. Gould did not serve on the Special Nominating Committee. *Id*. The Special Nominating Committee consisted of Adams, Kane, and McEachern.[11] *Id*. Under Nevada law, Gould was entitled to and did rely on the recommendation of the Special Nominating Committee, who interviewed the candidates and believed they would be positive additions to the Board. Nev. Rev. Stat. § 78.138(2)(c) ("In performing their respective duties, directors and officers are entitled to rely on information, opinions, reports ... that are prepared or presented by ... [a] committee on which the director or officer relying thereon does not serve ... as to matters within the committee's designated authority and matters on which the committee is reasonably believed to merit confidence."); Exh. 46 at 349:18-24, 350:16-24, 382-83 (discussing candidates); Exh. 33 at 265:8-267:24 (discussing Wrotniak). Exh. 35 at 69:14-24; Exh. 34 at 311:15-312:24 (discussing candidates). While Gould did not specifically discuss background checks with the Special Nominating Committee, it was his understanding that the Special Nominating Committee had vetted the candidates. Exh. 41 at 177:13-178:14; 203:3-11 (Gould "blindsided" and "a little bit disappointed" when he learned that the Company had not done its own Google searches).[12]

When Gould learned that the background investigation into Codding was incomplete,

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[11] Plaintiff contends that Adams and Kane are not independent. To conserve space, Gould does not address the allegation as to Adams. That is because ***even if*** Adams was not independent, the Special Nominating Committee's recommendations were still made by an independent and disinterested majority. Cotter, Jr. concedes that McEachern is independent. Exh. 36 at 85:6-86:4. As for Kane, he does not receive any material income from the Company or the Cotters. *See* Exh. 43 at 51:19-53:3. Kane had a longstanding friendship with Cotter, Sr. *Id*. at 29:4-23. He has known all of the Cotter siblings since childhood, and his relationship was the same with all three. *Id*. at 36:5-15. Absent more, Kane's friendships with the Cotter siblings do not cast doubt on Kane's independence. *See Louisiana Mun. Police Employees Ret. Sys v. Wynn,* No. 2:12-CV-509 JCM GWF, 2013 WL 431339, at*8-*9 (D. Nev. Feb 1, 2013) (applying Nevada law and finding that allegations of a 40-year friendship and a 30-year friendship are insufficient to rebut a presumption of independence). Indeed, as the Delaware Supreme court explained, allegations of a close "friendship must be accompanied by substantially more in the nature of serious allegations" that would "support the inference that because of the nature of the relationship or additional circumstances," the "non-interested director would be more willing to risk his or her reputation than risk the relationship with the interested director." *Beam ex rel. Martha Stewart Living Omnimedia, Inc. v. Stewart*, 845 A.2d 1040, 1051 (Del. 2004) (allegation that directors "moved in the same social circles, attended the same weddings, developed business relationships before joining the board, and described each other as 'friends' ... are insufficient, without more, to rebut the presumption of independence."). There are no other such "serious allegations" against Kane here.

[12] The Special Nominating Committee had asked its usual firm to conduct a background check, although they apparently did not do a competent job. Exh. 46 at 354:55; 357-58; 358:5-13.

Gould took immediate steps to remedy the problem. Exh. 41 at 177:13-178:14. Gould took a more active role in following up with Codding to determine what had happened in the iPad situation. *Id*. at 177:17-178:12. Gould participated in a lengthy interview with Codding. *Id.* By the end of the interview, he was satisfied that the allegations had been a "political thing" and he supported Codding's nomination for re-election to the Board. *Id*. at 178:5-179:23. Gould acted reasonably in becoming more involved after the inadequacies of the background check became clear.

Finally, regardless of whether the appointment of Codding and/or Wrotniak followed best practices, there is simply no evidence that Gould acted with intentional misconduct, fraud, or a knowing violation of the law. To the contrary, the evidence shows that Gould supported Wrotniak and Codding because he believed it was important that "the board become constituted in a way that will help ... project the company into the future and have the confidence of the CEO of the company." Exh. 42 at 489:9-16. Gould explained that "at this point, the Company had been involved in dispute after dispute after dispute. and there was also the factor of trying to get this company back on track. And I think that is what I was concerned with in approving the new directors." Exh. 42 at 489:17-23. In other words, Gould was doing his best to make the decisions that he thought were in Reading's best interest. Given Gould's clear positive intent, there is no basis to hold him individually liable for any claims relating to the appointment of Codding and Wrotniak. Summary judgment on these claims should be granted Gould's favor.

F. Gould's Participation on the CEO Search Committee and Vote for Ellen Cotter Was Not a Breach of His Fiduciary Duty Involving Intentional Misconduct or Fraud or a Knowing Violation of Law.

Cotter, Jr. alleges that Gould breached his fiduciary duties with respect to the CEO search by allowing Ellen Cotter to direct the search for a permanent CEO and by firing Korn Ferry in order to assure the selection of Ellen Cotter and by selecting her as permanent CEO. SAC ¶ 183(d). Cotter, Jr.'s claim is based on nothing more substantive than his anger that the Board replaced him with his older sister. The undisputed evidence demonstrates that Reading's CEO search was adequately conducted, more thorough than previous CEO searches, and led to the selection of a competent CEO that independent shareholders have not objected to. There was no

breach of duty here.

1. The CEO search was conducted appropriately.

The evidence shows a CEO search that was reasonable and appropriate under the circumstances. Reading retained a professional search firm, Korn Ferry. Exh. 5. Although Cotter, Jr. complains that Ellen Cotter was in charge of the selection, he does not contend that Korn Ferry was not qualified to assist with an executive search.[13] The Board then selected a search committee consisting of Ellen Cotter, Margaret Cotter, McEachern, and Gould. It is undisputed that McEachern and Gould are independent. Exh. 36 at 79:12-80:8; 85:6-86:4.[14] And the search process was reasonably thorough and appropriate. It consisted of:

- Meeting with Korn Ferry to help put together a position specification. Exh. 44 at 37:7-18; Exh. 35 at 78:5-10.

- Interviewing all of the candidates recommended by Korn Ferry. Exh. 42 at 348:23-355:25; 360:8-22.

- Interviewing Ellen Cotter after she decided that she wanted to be considered. Exh. 42 at 361:15-24.

- Causing Ellen Cotter to withdraw from the Search Committee when she announced she wanted to be considered. Ellen Cotter did not take part in any candidate interviews or deliberations about particular candidates. Exh. 35 at 91:19-92:12; 96:5-17.

- Discussing the relative merits of the external candidates against Ellen Cotter. Exhs. 4 at 16; 11 at 123-124.

- Selecting Ellen Cotter based on her job performance to date, her personality, knowledge of the Company and the stability she offered, among other factors. Exh. 42 at 368:4-369:10; Exhs. 4; 11. Gould and McEachern were unanimous in favor of Ellen Cotter. Out of an abundance of caution, Margaret Cotter did not participate in the vote. *Id.*

- Circulating a report to the full Board and presenting the Search Committee's recommendation. Exh. 14 at 139; Exh. 42 at 423:24–424:15 A majority of the independent and disinterested directors then voted to appoint Ellen Cotter as permanent CEO. *Id.*[15]

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[13] Indeed, when Cotter, Jr. was CEO, he retained Korn Ferry to help with his search for a senior real estate executive. Exh. 44 at 20:16-19.

[14] According to Korn Ferry, there is also nothing unusual about having an interim CEO, such as Ellen Cotter, participate on a CEO Search Committee. Exh. 44 at 50:13-17.

[15] The vote was 7-1 with Cotter, Jr. voting no, and Ellen Cotter not participating. Exh. 14 at 141.

While there are no rules or regulations that govern how CEO searches should be conducted, corporate governance expert Dr. Alfred E. Osborne, Senior Associate Dean at UCLA Anderson School of Management, who teaches best practices for directors and has participated in numerous CEO searches, opined that the above-described search was "appropriate and consistent with good governance practices in the search for a CEO. Exh. 30 at 436-441.

Cotter, Jr.'s criticisms of the CEO search process are really nothing more than his unsubstantiated speculation that the search would have been better if Ellen Cotter had not initially been involved and if Korn Ferry had completed their work. But even if that were true, it is legally irrelevant:

> [T]he law of corporate fiduciary duties and remedies for violation of those duties are distinct from the aspirational goals of ideal corporate governance practices. Aspirational ideals of good corporate governance practices for boards of directors that go beyond the minimal legal requirements of the corporation law are highly desirable, often tend to benefit stockholders, sometimes reduce litigation and can usually help directors avoid liability. But they are not required by the corporation law and do not define the standards of liability.

Brehm v. Eisner, 746 A.2d 244, 256 (Del. 2000).

The relevant inquiry here is not whether the Board conducted a perfect or even a successful search. The only question is whether Gould breached his fiduciary duties by engaging in intentionally wrongful conduct. The undisputed facts here do not show much of a disparity at all between an "ideal" search process and the actual process used by the CEO Search Committee (to select Ellen Cotter. To the contrary, the facts suggest that the Board's process was eminently rational, and therefore there was no breach of duty.

2. Gould did not allow Ellen Cotter to direct the CEO search.

The undisputed evidence does not support Cotter, Jr.'s contention that Gould allowed Ellen Cotter to direct the CEO search in order to assure that she was selected. If Gould had let Ellen Cotter direct the CEO search to ensure that she was selected, then one would expect Gould and Ellen Cotter to have worked to create a position specification that was more closely-tailored to her precise skill set, rather than one overemphasizing the need for real estate experience.

Nor does the evidence support a claim that her efforts to direct the CEO search began later, when she decided to become a candidate. Ellen Cotter withdrew from the Search Committee and

did not participate in the Committee's subsequent decision to ask Korn Ferry to look for candidates with more operating experience. Exh. 35 at 113:3-18; Exh. 42 at 356:1-12. The mere fact that the Search Committee decided to look at candidates with more operating experience does not suggest that the Committee was acting at Ellen Cotter's direction to ease the path for her selection. To the contrary, the undisputed evidence shows that during the process of conducting the search, Gould became convinced that the specification overemphasized real estate development experience. Exh. 42 at 321:7-15. Cotter, Jr. cannot contend that there was anything nefarious about such an opinion. After all, Cotter, Jr. agreed with Gould that the position specification overemphasized real estate experience. Exh. 17 at 150. There are simply no facts to support Cotter, Jr's theory that Gould let Ellen Cotter direct the search to assure she was selected.

3. There were rational business reasons to select Ellen Cotter as CEO.

Gould decided to recommend Ellen Cotter to be the CEO because she was intelligent, had a great reputation, was well-liked at Reading, and had the kind of personality that could help Reading get through some of the difficulties they had been having. Exh. 42 at 368:8-24. She had experience in operations and theater and was willing to bring in help to deal with real estate issues. *Id.* She had also performed well as interim CEO. Exh. 4 at 18-20. Gould also took into account that it was a difficult time to bring someone in from the outside. *Id.* In short, Gould thought she was the best person for the job. And McEachern agreed. Exh. 42 at 368:25-369:1.

All of the factors that Gould took into account in selecting Ellen Cotter are common considerations in selecting a CEO. Korn Ferry's Bob Mayes testified that internal candidates are sometimes preferred because there is less disruption internally. Exh. 44 at 57:16-20. Mayes also testified that cultural fit, motivation, drivers, personality traits, and style are all commonly considered and that a strength in these areas can outweigh a weakness in the other. *Id.* at 58:14-24. As Mayes explained, it is common to hire a candidate that does not exactly match the position specification because he's "never met a perfect candidate." *Id.* at 58:25-59:7.

Given that Gould took into account rational, commonly-considered business considerations in selecting Cotter like stability, personality, culture fit, and her success to date in the role, Plaintiff cannot show that Gould's recommendation of Ellen Cotter was "so unreasonable that it

seems essentially inexplicable on any ground other than bad faith." *See AgFeed,* 546 B.R. at 330. This is corroborated by the fact that a sophisticated independent shareholder is satisfied with Ellen Cotter's selection and does not believe there is a much better CEO for the company out there. Exh. 40 at 259:15-18. Plaintiff therefore cannot show that Gould breached his fiduciary duty in recommending Ellen Cotter for CEO.

4. There was a rational business reason to ask Korn Ferry to stop working once the CEO Search Committee selected Ellen Cotter.

Cotter, Jr. also contends that Gould breached his duty by effectively firing Korn Ferry to ensure that EC was selected. There are absolutely no facts to support Cotter, Jr.'s conspiracy theory. The undisputed evidence shows that the Search Committee used Korn Ferry's work extensively. They interviewed every external candidate suggested by Korn Ferry. Once the Search Committee was fairly certain it would recommend Ellen Cotter, it made sense to ask Korn Ferry to not to do any further work, especially since the last remaining step was an expensive close look at candidates. Exh. 42 at 405:2-14. The Committee members had known and worked with Ellen Cotter for years. *Id*. at 406:19-21. They had watched her navigate and execute the role of interim CEO. They had no need for Korn Ferry's deeper psychological assessment on Ellen Cotter's "makeup." *Id*. at 405:2-14; 406:19-21; Exh. 44 at 67:10-18. Ultimately, Reading saved $35,000 (nearly 20% of the cost of the CEO search) by asking Korn Ferry not to go forward with its proprietary assessment. Exh. 5 at 24; Exh. 19. Simply put, it was a reasonable and a rational business decision to ask Korn Ferry to stop work once a well-known internal candidate was selected, in order to save money. Plaintiff cannot show that the decision to ask Korn Ferry to stop working is "so unreasonable that it seems essentially inexplicable on any ground other than bad faith." *See AgFeed,* 546 B.R. at 330.

5. The undisputed evidence demonstrates that Gould did his best to select the most qualified CEO.

Even if there were a factual dispute as to whether Gould breached his fiduciary duties with respect to the CEO search (and there is not), there is absolutely no evidence that could support a finding that Gould acted with intentional misconduct, fraud, or a knowing violation of the law.

That is especially true because there are no Nevada or Delaware statutes governing the selection of a CEO. Nor are there any Nevada or Delaware cases that clearly establish the responsibilities of a board in connection with a CEO search, from which one could conclude that Gould knew or should have known that he was conducting a search inappropriately. In addition, all of the evidence shows that Gould was simply trying to find the best person to fill the CEO position. The Korn Ferry partner who worked most closely with the Search Committee recognized this. He testified that Gould took the process seriously, attended all search committee calls, that he was not absent and that he never said or did anything that made him think that Gould was doing anything other than trying to find the right person for the job. Exh. 44 at 70:16-74:24.[16] Because there are no facts to suggest that Gould acted with intentional misconduct, fraud, or a knowing violation of the law, summary judgment should be granted in Gould's favor on the CEO search claims.

G. Gould's Approval of Payments Was Not a Breach of his Fiduciary Duty Involving Intentional Misconduct, Fraud, or a Knowing Violation of the Law.

Next, Cotter, Jr. contends that Gould breached his fiduciary duty in approving a salary raise for Ellen Cotter, a one-time payment to Margaret Cotter upon the windup of her consulting agreement, and a $50,000 additional payment to Adams because these were all gifts. SAC ¶¶ 151, 152, 153. Beyond Cotter, Jr.'s conjecture, there is no evidence to support the fact that these payments are gifts. As discussed below, the payments all served legitimate business purposes, and Gould appropriately relied on the work of committees and experts to determine whether and in what amount to make the payments.

1. Gould did not breach his duties in approving Ellen and Margaret Cotter's executive pay.

The undisputed facts prove that the Compensation Committee (Kane, Codding, and

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[16] In fact, the CEO Search Committee here went through a much more thorough process than was used to select Cotter, Jr., who was equally as inexperienced with real estate development as Ellen Cotter. *See infra* at p. 3. This fact proves the hypocrisy of Cotter's claim that his selection as CEO was appropriate, while Ellen Cotter's was a breach of duty, and makes Cotter Jr.'s allegation that Gould was intentionally violating even more improbable. Even if it were theoretically possible to conduct a more thorough search than the one at issue here, it defies belief that Gould intentionally violated his fiduciary duties by employing a ***more comprehensive*** practice than Reading had previously used for CEO selection.

Adams) used an expert firm, Willis Tower Watson to determine that Reading's total executive compensation was below the 25th percentile in comparison to similar companies. Based upon the expert's work, the Compensation Committee recommended an increase in total pay so that Reading's executives' total pay was comparable to similar companies. Exh. 25 at 211. Under Nevada law, Gould was entitled to rely on Willis Tower Watson and the work of the Compensation Committee because the recommendations were within Willis Tower Watson's expert competence and within the scope of the Compensation Committee's delegated authority. *See* NRS 78.138(2)(b),(c). Moreover, courts are "hesitant to scrutinize executive compensation decisions, recognizing that it is the essence of business judgment to determine if a particular individual warrants large amounts of money." *Friedman v. Dolan,* 2015 WL 4040806, at *5. It was reasonable and rational to vote for pay increases to bring Reading's executive compensation in line with the market, and there is no factual basis from which to infer that Gould breached his fiduciary duties, let alone that he acted with intentional misconduct, fraud, or a knowing violation of the law.

2. Gould did not breach his duty in approving Margaret Cotter's one-time payment.

It is undisputed that two separate committees approved the one-time payment of $200,000 to Margaret Cotter in March 2016—the Compensation Committee and the Audit Committee (Kane, Wrotniak, McEachern). There are no facts to support the contention that this payment was a gift. The committees reported that the payment was meant to compensate Margaret Cotter for additional work and in consideration for valuable releases and waivers granted by her company as part of the termination agreement between RDI and her company. Gould relied on these recommendations when he voted to approve this payment. Gould Decl. ¶ 3. It was reasonable and rational for Gould to rely on the recommendations of two separate independent and disinterested committees who had carefully considered the payment to Margaret Cotter, and it was reasonable and rational to approve payments for work that had not otherwise been paid for and valuable releases. *See* Nev. Rev. Stat. § 78.138(2)(c). Once again, there is no factual basis from which to infer that Gould breached his fiduciary duties, let alone that he acted with intentional misconduct,

fraud, or a knowing violation of the law.[17]

3. Gould did not breach any duties in approving Adams' bonus.

It is undisputed that the Reading Board had a history of approving one-time payments to directors who expended extraordinary time on the Company's behalf. Exh. 28 at 343. In fact, less than a year earlier, Cotter, Jr. himself had approved additional payments ranging from $25,000–$75,000 to non-Cotter Board members based on additional time spent on the management and personnel issues at the Company. *See* Exh. 2 at 8. Consistent with Reading's practice, in March 2016, Ellen Cotter recommended an additional one-time payment of $50,000 for Adams because he had spent a significant amount of time helping in her transition to CEO, significant committee work, and also assistance with a New York real estate development project. Exh. 18 at 163. Because Ellen Cotter had worked closely with Adams with respect to most of this additional work, she was in a position to know how much time he spent and what amount of compensation was reasonable. Under Nevada law, Gould was therefore entitled to rely on EC's recommendation regarding the $50,000 payment. Nev. Rev. Stat. § 78.138(2)(a) (Directors entitled to rely on information and opinions prepared or presented by "[o]ne of more directors, officers, or employees of the corporation reasonably believed to be reliable and competent in the matters prepared or presented."). There is no evidence that Gould breached his fiduciary duty when he approved a one-time payment to Adams for extra work, let alone that he acted with intentional misconduct, fraud, or a knowing violation of the law.

H. Gould's Failure to Take Action to Remove Adams from the Compensation Committee Before May 2016 Was Not a Breach of his Fiduciary Duty Involving Intentional Misconduct, Fraud, or a Knowing Violation of the Law.

Cotter, Jr. also contends that Gould failed to take and/or delayed taking action after having been informed of the financial dependence of Adams on Cotter family businesses for income. SAC ¶ 177(c). But again, Cotter, Jr.'s allegations are refuted by the undisputed facts themselves.

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[17] Similarly, it was reasonable for Gould to approve Ellen Cotter's recommendation that Margaret Cotter serve in a senior position in charge of New York real estate. Gould approved the recommendation because it is his view that a CEO should be able to build his or her own team. Gould Decl. ¶ 5. If Ellen Cotter's choice of Margaret Cotter was a poor one, the directors would hold her accountable.

Gould only learned that a great percentage of Adams' income came from Reading and the Cotter family after Gould's deposition in this case, which occurred on April 28-29, 2016. Exh. 41 at 31:18-32:8. Gould then conferred with Reading counsel and CEO Ellen Cotter and informed them that based on the information about Adams' finances, Gould did not believe that Adams was independent for the purpose of serving on the Compensation Committee. *Id*. at 32:11-15; 33:14-34:7. And shortly thereafter, Adams resigned from the Compensation Committee. *Id*. at 36:8-10. In sum, after learning about Adams' finances, he acted swiftly to inform management that Adams should not serve on the Compensation Committee.

Cotter, Jr. suggests that Gould breached his fiduciary duty by not immediately acting on the allegations that Cotter, Jr leveled about Adams' finances at the time of his termination. This is yet another example of 'the pot calling the kettle black.' After all, Cotter Jr. claimed he became suspicious about Adams' financial dependence eight months before he looked into it further, and (conveniently) he never raised it when Adams supported his election to CEO. Exh. 38 at 636:2-21; 643:15-644:2; 647:13-648:6 . Moreover, Gould did not have initial suspicions significant enough to act upon. The Directors all filled out D&O Questionnaires with the details of their finances and submitted them to Company counsel. And Gould reasonably relied on counsel to vet the questionnaires for issues such as financial independence—something he was ***entitled*** under Nevada law to do. Exh. 42 at 449:16-450:9; Nev. Rev. Stat. § 78.138(2)(a) (allowing directors to rely on officers reasonably believed to be competent in the matters presented). *See also* Exh. 2 at 6 (general counsel reported that he had consulted the Company's regular Nevada corporate counsel and had been advised that Adams had no conflict that would preclude them from voting on any matter with respect to Cotter, Jr.).

I. Gould's Actions with Respect to Reading SEC Filings and Press Releases Were Not a Breach of his Fiduciary Duties Involving Intentional Misconduct, Fraud, or a Knowing Violation of the Law.

Plaintiff further alleges that Gould caused or allowed Reading to disseminate untimely or materially misleading information in SEC filings and/or press releases. SAC ¶ 190. Plaintiff's various complaints about the filings and press releases mainly take issue with statements that were not erroneous factual assertions, but rather merely management positions, as well as information

that Plaintiff contends should have been included, but was not. For example, Plaintiff contends that the following information should have been included:

- Descriptions of directors Adams, Codding, Kane, and Wrotniak in the October 20, 2015, and May 18, 2016 Proxy Statement should have purportedly included their personal ties to Cotter, Sr. and/or the Cotter sisters.

- The June 15, 2015 RDI press release was allegedly misleading because it stated that Ellen Cotter succeeded Cotter, Jr. as president but did not discuss the details of Cotter, Jr.'s termination.

- The October 13, 2015 Form 8-K allegedly should have stated that Storey retired from the Board because he would not be re-nominated and was forced to resign.

Cotter, Jr.'s claims are completely specious and legally untenable.[18] The law is clear that one cannot state a claim for breach of fiduciary duty by alleging that public filings do not contain enough information. *In re Amerco Derivative Litigation,* 252 P.3d 681, 701 (Nev. 2011) ("*Amerco*"). In *Amerco,* for example, plaintiffs alleged that the directors had "knowingly signed misleading and incomplete public filings" that failed to include details of certain allegedly self-dealing transactions" even though the defendants knew were aware of the details of the transactions. *Id.* The Nevada Supreme Court held that "simply alleging that the public filings do not contain enough information does not demonstrate that respondents engaged in intentional misconduct or fraud." *Id.* As in *Amerco,* Cotter, Jr.'s allegations that the SEC filings and press releases did not contain enough information does not demonstrate that Gould engaged in intentional misconduct or fraud, and such claims must be summarily adjudicated in Gould's favor.

Cotter, Jr. also contends that:

- The June 18, 2015 Form 8-K should not have stated that Cotter, Jr. was required to tender his resignation as a director of Reading immediately upon the termination of his employment because Cotter, Jr. contends that is not true.

- The November 13, 2015 Form 8-K should not have described the voting results of the 2015 Annual Shareholder Meeting because Cotter, Jr. believes the results were erroneous.

- The January 11, 2016 Form 8-K should not have stated that the Company

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[18] Once again, Cotter, Jr. accuses Gould of breaching his fiduciary duty, even though Cotter, Jr. acted in the exact same manner for years. Specifically, Cotter, Jr. allowed the Company to file proxy statements, which failed to reveal Kane or Adams' personal friendships with Cotter, Sr. *See*, *e.g.*, Exhs. 26-27.

conducted a thorough search process for a new CEO.

- The March 15, 2016 Form 8-K should not have described the reasons that the Board approved payments to Margaret Cotter and Adams because Cotter, Jr. believes that the Board had other hidden motives for the payments that were not revealed.

First, it would have been unreasonable to include the statements that Cotter, Jr. suggests should be included in the SEC filings because such statements are inconsistent with management's positions. *See Michelson v. Duncan* 407 A.2d 211, 222 (Del. 1979) (not erroneous to fail to inform shareholders of statements which were inconsistent with management's positions).

Second, Plaintiff's contention ignores the undisputed facts regarding how such filings were made. Reading's counsel submitted drafts of the SEC filings to the directors before filing the documents. Exh. 42 at 269:24-271:11. As he was permitted to do under Nev. Rev. Stat. § 78.138, Gould relied on Reading's counsel and the directors and executives most directly involved to check the information with respect to matters Gould was not involved with. Exh. 41 at 181:10-182:7; Exh. 42 at 449:16-450:9, 460:1-462:18, 467:2-13. With respect to his own facts and any important parts of the filings that he had knowledge of, Gould reviewed and verified, and provided comments or corrections when he had them. Exh. 41 at 180:4-9; Exh. 42 at 269:24-271:11, 460:15-20. Gould's practice was reasonable and consistent with the obligations of an independent director. Exh. 30 at 451. Thus, even if the SEC filings were misleading (and they were not), there are simply no facts to demonstrate that Gould was *intentionally* trying to mislead anyone with these filings. Summary judgment on these claims should be granted.

IV. CONCLUSION

For the foregoing reasons, and the reasons stated in the Individual Defendants' Motion for Partial Summary Judgment (No. 3) on Plaintiff's Claims Related to the Purported Unsolicited Offer, all of Plaintiff's claims against Defendant Gould should be summarily adjudicated in favor of Gould.

September 23, 2016

BIRD, MARELLA, BOXER, WOLPERT, NESSIM, DROOKS, LINCENBERG & RHOW, P.C.

By

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CERTIFICATE OF SERVICE

Pursuant to Nev. R. Cir. P. 5(b)(2)(D) and E.D.C.R. 8.05, I certify that on this day, I caused a true and correct copy of the forgoing **Defendant William Gould's Motion for Summary Judgment** to be filed and served via the Court's Wiznet E-Filing system. The date and time of the electronic proof of service is in place of the date and place of deposit in the mail.

DATED this 23 day of September, 2016.

Kaitlin Arena
EMPLOYEE

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EIGHTH JUDICIAL DISTRICT COURT

CLARK COUNTY, NEVADA

JAMES J. COTTER. JR,

Plaintiff,

vs.

MARGARET COTTER, et al.,

Defendant.

READING INTERNATIONAL, INC.,

Nominal Defendant.

CASE NO. A-15-719860-B

APPENDIX OF EXHIBITS TO DEFENDANT WILLIAM GOULD'S MOTION FOR SUMMARY JUDGMENT

Assigned to Hon. Elizabeth Gonzalez,
Dept. XI

Trial Date: November 14, 2016

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15.	Document titled "Minutes of Special Telephonic Meeting of the Board of Directors of Reading International, Inc. October 5, 2015" Bates numbered JCOTTER011389-11393	143-147
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September 23, 2016

BIRD, MARELLA, BOXER, WOLPERT, NESSIM, DROOKS, LINCENBERG & RHOW, P.C.

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EIGHTH JUDICIAL DISTRICT COURT

CLARK COUNTY, NEVADA

JAMES J. COTTER, JR.,

Plaintiff,

vs.

MARGARET COTTER, et al.,

Defendant.

READING INTERNATIONAL, INC.,

Nominal Defendant.

CASE NO. A-15-719860-B

DECLARATION OF WILLIAM GOULD IN SUPPORT OF GOULD'S MOTION FOR SUMMARY JUDGMENT

Assigned to Hon. Elizabeth Gonzalez,
Dept. XI

Trial Date: November 14, 2016

DECLARATION OF WILLIAM GOULD

I, WILLIAM GOULD, declare as follows:

1. I am a party in the above-entitled action. I have personal knowledge of the facts set forth herein, which are known by me to be true and correct, and if called as a witness, I could and would competently testify thereto.

2. In March 2016, I voted to approve the executive compensation packages for Ellen Cotter and Margaret Cotter that had been recommended by the Compensation Committee. In approving Ellen and Margaret Cotter's pay, I relied on both the work of the Compensation Committee and the work of executive compensation experts Willis Tower Watson as described to me by the Compensation Committee.

3. In March 2016, I voted to approve a one-time payment of $200,000 to Margaret Cotter. This payment was recommended by Reading's Audit Committee and Compensation Committee. I relied on the assessment of both the Audit Committee and the Compensation Committee that the fact and amount of the payment were appropriate.

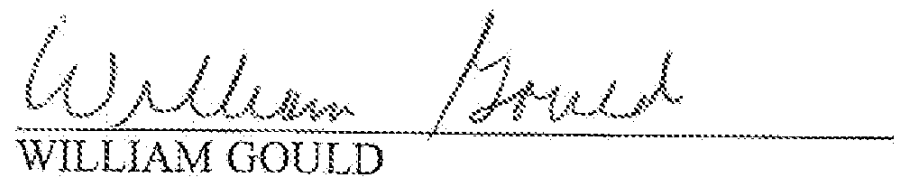
4. In March 2016, I voted to approve a one-time payment of $50,000 to Guy Adams based on Ellen Cotter's report of the extraordinary services he rendered and the significant amount of time he spent. I relied on Ellen Cotter's assessment that the fact and amount of the payment were appropriate because she worked closely with Adams on the additional work that he undertook and had the best knowledge of the time he spent.

5. In March 2016, I voted to approve Margaret Cotter's employment as an Executive Vice-President in charge of the New York real estate development projects. Reading's CEO, Ellen Cotter recommended Margaret Cotter for the role. In my view, a CEO should be able to select his or her own team to run the company. If Ellen Cotter's choice of Margaret Cotter turns

out to be a bad choice, the other directors and I could and would act to hold Ellen Cotter accountable.

I declare under penalty of perjury under the laws of the State of Nevada that the foregoing is true and correct.

Executed on September 23, 2016, at Los Angeles, California.



WILLIAM GOULD

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EIGHTH JUDICIAL DISTRICT COURT

CLARK COUNTY, NEVADA

JAMES J. COTTER, JR., Plaintiff, vs. MARGARET COTTER, et al., Defendant. READING INTERNATIONAL, INC., Nominal Defendant.	CASE NO. A-15-719860-B **DECLARATION OF SHOSHANA E. BANNETT IN SUPPORT OF DEFENDANT WILLIAM GOULD'S MOTION FOR SUMMARY JUDGMENT** Assigned to Hon. Elizabeth Gonzalez, Dept. XI Trial Date: November 14, 2016

DECLARATION OF SHOSHANA E. BANNETT

I, Shoshana E. Bannett, declare as follows:

1. I am an active member of the Bar of the State of California and an attorney with Bird, Marella, Boxer, Wolpert, Nessim, Drooks, Lincenberg & Rhow, P.C., attorneys of record for Defendant William Gould in this action. I make this declaration in support of Defendant William Gould's Motion for Summary Judgment. Except for those matters stated on information and belief, I make this declaration based upon personal knowledge and, if called upon to do so, I could and would so testify.

2. Attached hereto as **Exhibit 1** is a true and correct copy Deposition Exhibit 11 marked at the deposition of Timothy Storey, Vol. 1, taken February 12, 2016. .

3. Attached hereto as **Exhibit 2** is a true and correct copy Deposition Exhibit 199 marked at the deposition of James Cotter, Jr., Vol. 2, taken May 17, 2016.

4. Attached hereto as **Exhibit 3** is a true and correct copy Deposition Exhibit 200 marked at the deposition of James Cotter, Jr., Vol. 2, taken May 17, 2016.

5. Attached hereto as **Exhibit 4** is a true and correct copy Deposition Exhibit 313 marked at the deposition of Margaret Cotter, Vol. 3, taken June 15, 2016.

6. Attached hereto as **Exhibit 5** is a true and correct copy Deposition Exhibit 373 marked at the deposition of William Gould, taken June 29, 2016.

7. Attached hereto as **Exhibit 6** is a true and correct copy Deposition Exhibit 338 marked at the deposition of Ellen Cotter, Vol. 3, taken June 16, 2016.

8. Attached hereto as **Exhibit 7** is a true and correct copy Deposition Exhibit 348 marked at the deposition of William D. Ellis, taken June 28, 2016.

9. Attached hereto as **Exhibit 8** is a true and correct copy Deposition Exhibit 377 marked at the deposition of William Gould, Vol. 2, taken June 29, 2016.

10. Attached hereto as **Exhibit 9** is a true and correct copy Deposition Exhibit 381 marked at the deposition of William Gould, Vol. 2, taken June 29, 2016.

11. Attached hereto as **Exhibit 10** is a true and correct copy Deposition Exhibit 386 marked at the deposition of William Gould, Vol. 2, taken June 29, 2016.

12. Attached hereto as **Exhibit 11** is a true and correct copy Deposition Exhibit 389 marked at the deposition of William Gould, Vol. 2, taken June 29, 2016.

13. Attached hereto as **Exhibit 12** is a true and correct copy Deposition Exhibit 416 marked at the deposition of Timothy Storey, Vol. 2, taken August 3, 2016.

14. Attached hereto as **Exhibit 13** is a true and correct copy of a document titled "Minutes of the Meeting of the Board of Directors of Reading International, Inc. March 19, 2015," which was produced during the course of this litigation and Bates numbered GA00004638-4641.

15. Attached hereto as **Exhibit 14** is a true and correct copy of a document titled "Minutes of the Board of Directors of Reading International, Inc. January 8, 2016," which was produced during the course of this litigation and Bates numbered JCOTTER008369-8372.

16. Attached hereto as **Exhibit 15** is a true and correct copy of a document titled "Minutes of Special Telephonic Meeting of the Board of Directors of Reading International, Inc. October 5, 2015," which was produced during the course of this litigation and Bates numbered JCOTTER011389-11393.

17. Attached hereto as **Exhibit 16** is a true and correct copy of a document titled "Minutes of Special Telephonic Meeting of the Board of Directors of Reading International, Inc. October 12, 2015," which was produced during the course of this litigation and Bates numbered JCOTTER011394-11395.

18. Attached hereto as **Exhibit 17** is a true and correct copy of an e-mail, dated January 18, 2016, which was produced during the course of this litigation and Bates numbered JCOTTER016893-16895.

19. Attached hereto as **Exhibit 18** is a true and correct copy of a document titled "Minutes of the Board of Directors of Reading International, Inc. March 10, 2016," which was produced during the course of this litigation and Bates numbered RDI0054790-54807.

20. Attached hereto as **Exhibit 19** is a true and correct copy of a document titled "Vendor Ledger" and dated April 25, 2016, which was produced during the course of this litigation and Bates numbered RDI0058287-58297.

21. Attached hereto as **Exhibit 20** is a true and correct copy of a press release titled "Reading International Announces Appointment of Ellen Cotter as Interim Chief Executive Officer," issued by Reading International, dated June 15, 2015.

22. Attached hereto as **Exhibit 21** is a true and correct copy of Reading International's Form 8K filed with the SEC, dated June 18, 2015.

23. Attached hereto as **Exhibit 22** is a true and correct copy of Reading International's Form 8K filed with the SEC, dated October 13, 2015.

24. Attached hereto as **Exhibit 23** is a true and correct copy of Reading International's Form 8K filed with the SEC, dated November 13, 2015.

25. Attached hereto as **Exhibit 24** is a true and correct copy of Reading International's Form 8K filed with the SEC, dated January 11, 2016.

26. Attached hereto as **Exhibit 25** is a true and correct copy of Reading International's Form 8K filed with the SEC, dated March 15, 2016.

27. Attached hereto as **Exhibit 26** is a true and correct copy of Reading International's Schedule 14A Proxy Statement filed with the SEC, dated April 29, 2013.

28. Attached hereto as **Exhibit 27** is a true and correct copy of Reading International's Schedule 14A Proxy Statement filed with the SEC, dated April 25, 2014.

29. Attached hereto as **Exhibit 28** is a true and correct copy of Reading International's Schedule 14A Proxy Statement filed with the SEC, dated October 20, 2015.

30. Attached hereto as **Exhibit 29** is a true and correct copy of Reading International's Schedule 14A Proxy Statement filed with the SEC, dated May 18, 2016.

31. Attached hereto as **Exhibit 30** is a true and correct copy of expert witness Alfred E. Osborne, Jr., Ph.D.'s Expert Report dated August 25, 2016.

32. Attached hereto as **Exhibit 31** is a true and correct copy of excerpts of expert witness Myron T. Steele's Expert Report dated August 25, 2016.

33. Attached hereto as **Exhibit 32** is a true and correct copy of James J. Cotter, Jr.'s Responses to William Gould's First Set of Request for Admission, dated June 13, 2016.

34. Attached hereto as **Exhibit 33** is a true and correct copy of excerpts of the deposition of Guy Adams, Volume 2, taken April 29, 2016.

35. Attached hereto as **Exhibit 34** is a true and correct copy of excerpts of the deposition of Ellen Cotter, Volume 2, taken May 19, 2016.

36. Attached hereto as **Exhibit 35** is a true and correct copy of excerpts of the deposition of Ellen Cotter, Volume 3, taken June 16, 2016.

37. Attached hereto as **Exhibit 36** is a true and correct copy of excerpts of the deposition of James Cotter, Jr., Volume 1, taken May 16, 2016.

38. Attached hereto as **Exhibit 37** is a true and correct copy of excerpts of the deposition of James Cotter, Jr., Volume 2, taken May 17, 2016.

39. Attached hereto as **Exhibit 38** is a true and correct copy of excerpts of the deposition of James Cotter, Jr., Volume 3, taken July 6, 2016.

40. Attached hereto as **Exhibit 39** is a true and correct copy of excerpts of the deposition of Margaret Cotter, Volume 2, taken May 13, 2016.

41. Attached hereto as **Exhibit 40** is a true and correct copy of excerpts of the deposition of Jonathan Glaser, taken June 1, 2016.

42. Attached hereto as **Exhibit 41** is a true and correct copy of excerpts of the deposition of William Gould, Volume 1, taken June 8, 2016.

43. Attached hereto as **Exhibit 42** is a true and correct copy of excerpts of the deposition of William Gould, Volume 2, taken June 29, 2016.

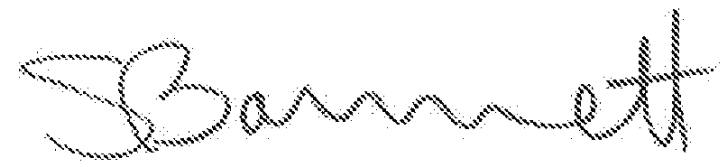
44. Attached hereto as **Exhibit 43** is a true and correct copy of excerpts of the deposition of Edward Kane, taken May 2, 2016.

45. Attached hereto as **Exhibit 44** is a true and correct copy of excerpts of the deposition of Robert Mayes, taken August 18, 2016.

46. Attached hereto as **Exhibit 45** is a true and correct copy of excerpts of the deposition of Douglas McEachern, taken May 6, 2016.

47. Attached hereto as **Exhibit 46** is a true and correct copy of excerpts of the deposition of Douglas McEachern, taken July 7, 2016.

I declare under penalty of perjury under the laws of the State of Nevada that the foregoing is true and correct, and that I executed this declaration on September 23, 2016, at Los Angeles, California.



Shoshana E. Bannett

EXHIBIT 1

Message

From:	Gould, William B. [WGould@troygould.com]
Sent:	3/7/2015 12:59:55 AM
To:	gadams@gwacap.com; Kane [elkane@san.rr.com]; dmceachern@deloitteretired.com; Tim Storey [/o=ExchangeLabs/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=5911866a2233249f7a9c6fe7476d1f818-tim.storey]
Subject:	Confidential Memo - Reading International
Attachments:	image001.gif; Reading Intl.doc; S4SC-2 troy150306165501.pdf
Flag:	Follow up

In preparation for our telephone meeting at 1:30 p.m. on March 12th, I am attaching a memorandum setting forth a proposed road map for considering the matters to be discussed at the meeting. Of course, if any of you have other matters you feel should be discussed, please let me know and I will revise the memorandum accordingly.

Bill

William D. Gould
(310) 789-3338 · Fax (310) 201-4746
wgould@troygould.com
TroyGould PC
1801 Century Park East, Suite 1600
Los Angeles, CA 90067-2367
www.troygould.com

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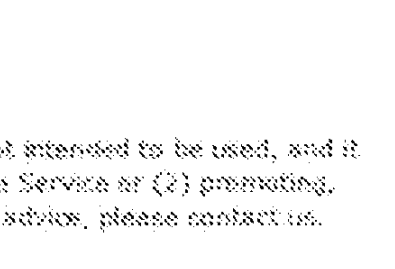

PRIVILEGED AND CONFIDENTIAL

TO: Independent Directors of Reading International, Inc.

FROM: William D. Gould

DATE: March 6, 2015

RE: Telephonic Meeting of Independent Directors of Reading International, Inc. to be held on Thursday, March 12, 2015 at 1:30 p.m. (PST)

There are at least three major matters to be considered at the upcoming telephonic meeting:

1. The Company's 10-K.
2. Response to Linda Pham's letter to Doug regarding a hostile work environment.
3. An overall plan to insure that the ongoing Cotter family litigation does not affect the Company's operations.

The first (and perhaps easiest) topic will be a discussion of the 10-K. Doug and Ed will explain the tax issue, a shift from a $4.9 million income tax expense in 2013 to a $9.8 million tax benefit in 2014.

[redacted]

C. The third matter is the most important one. The Independent Directors cannot allow the hostility engendered by the Cotter litigation to affect the Company. As Ed Kane has

often pointed out, our duty is to all the shareholders and not just to the Cotter family. We cannot accept a dysfunctional management team under any circumstances. Indeed, the Company has said in its public filings that the Cotters will work together notwithstanding the litigation and that they do not believe that the litigation will affect its Company's operations. But we must ask ourselves, how can we insure that the three Cotters will work together given the "thermonuclear" hostility currently existing?

My thinking is as follows:

At the Board Meeting on March 19th , we would tell (not suggest, but tell) the Cotters what our position is on this important issue.

We must be satisfied that the three of them are able to work together in a productive way. That means that they must deal with each other with professionalism and respect. For example, Jim Jr. can't go around Ellen and deal only with Bob Smerling or interview and hire a high level food and beverage executive in Ellen's area of responsibility without consulting with Ellen, and Ellen must comply with Jim, Jr.'s reasonable requests (such as providing a business plan for domestic cinemas), as would be the case with any other executive dealing with the CEO.

Here are the general directives we will lay out:

1. The lawsuit will in no way affect the Company's operations or management.

2. The Board stands behind and supports Jim, Jr. as CEO, however, the Board expects him to work respectfully and professionally with his sisters. The office environment and morale must return to normalcy. Independent Directors are investigating Linda's claims, and, if proven, the Independent Directors may require Jim, Jr. to take an anger management class. On the flip side, Margaret and Ellen must accept the fact that Jim Jr. is the CEO and must interact professionally with him as though the litigation were not pending.

3. Ellen will be given the title, President of Domestic Cinemas. Margaret will remain an independent contractor, and, at the request of the new Real Estate Director or the CEO, will provide consulting services on real estate matters.

4. Tim Storey will act as an ombudsman (and mentor to Jim, Jr.) and be the Board's point person to help make sure that the Cotters are properly interacting with each other, that the Company is functioning properly and that these general directives are being followed. In this capacity, Tim will be overseeing the operations

Confidential

of the Company to a certain extent in order insure that the Company is moving in the right direction. During our March 12th conference call, Tim will outline to us in greater detail how he sees his responsibilities in this regard.

5. The existing Board members will be nominated for election at the upcoming stockholders' meeting.

At the June Board meeting, we will make an assessment of how things are going and if there has not been sufficient improvement, we will take whatever actions we deem necessary or appropriate.

WDG:mew

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EXHIBIT 2

READING
INTERNATIONAL

Minutes of the
Meeting of the Board of Directors
of
Reading International, Inc.

May 21, 2015

A duly noticed meeting of the Board of Directors (the "Board") of Reading International, Inc. (the "Company") was held in the Company's offices in Los Angeles on May 21, 2015 at approximately 11:15 a.m. (Los Angeles time).

Present were Ellen M. Cotter, Chairperson of the Board, and Board members Margaret Cotter, Vice Chairperson, James J. Cotter, Jr., William D. Gould, Edward L. Kane, Doug McEachern, Tim Storey and Guy Adams.

In attendance at the invitation of the directors were William D. Ellis, Company Secretary and General Counsel, and Craig Tompkins. Also in attendance at the request of the Chairperson were Company counsel, Gary McLaughlin and Frank Reddick, of Akin Gump Strauss Hauer & Feld, LLP. On behalf of James J. Cotter, Jr., Mark Krum of Lewis Roca Rothgerber LLP was also present.

In advance of the meeting, the Chairperson had distributed to each of the directors a notice of the meeting and an agenda. In addition, Neal Brockmeyer, counsel for the independent directors, had reported to each of the independent directors as to a telephone conversation he had on May 20, 2015 with Mr. Krum, who had informed Mr. Brockmeyer that if the Board took action at its meeting on May 21, 2015 to terminate Mr. James Cotter's employment with the Company, he would file a lawsuit in Nevada court against the directors personally based on an alleged breach of fiduciary duty of care and duty of loyalty. Further, on May 19, 2015, Mr. James Cotter had requested the Chairperson to place on the agenda of this meeting the following matters: (x) a report by him on a Review of the Company's Operations and the search for a Director of Real Estate, (y) employment agreements for Ms. Ellen Cotter and Ms. Margaret Cotter and (z) his request that the Company repurchase 100,000 shares of Class A non-voting stock owned by him.

Call to Order

Ms. Ellen Cotter, Chairperson of the Board, called the meeting to order at approximately 11:15 a.m. (Los Angeles time) and did a roll call of the attendees. Ms. Ellen Cotter acted as recording secretary for the meeting and took these minutes.

Presence of Attorneys

Prior to moving to the agenda, the Board took up the question of whether counsel from Lewis Roca Rothgerber and Akin Gump Strauss Hauer & Feld should participate in the meeting. The Chairperson informed the board that non-board members are entitled to attend the meeting only at the invitation of the Board and that Mr. Krum did not represent the Company and had indicated an intention to file a lawsuit on behalf of Mr. James Cotter against each of the other directors. Following discussion, Mr. Adams made a motion, seconded by Mr. Kane, that Mr. Krum be requested to leave the meeting. Upon a vote of 7-1, with Mr. Cotter voting against, the motion was approved.

The Board then discussed whether it was appropriate for Messrs. Reddick and McLaughlin to be present at the Meeting. The Chairperson stated that Akin Gump Strauss Hauer & Feld had been engaged by the Company on employment and certain other matters for over ten years and Messrs. Reddick and McLaughlin were present at her request. Following discussion, Mr. McEachern made a motion, seconded by Mr. Kane, to invite Messrs. Reddick and McLaughlin to attend the meeting. By a vote of 5-3, with Messrs. Cotter, Storey and Gould voting against, the motion was adopted.

Mr. Krum then addressed the Board stating that, in his opinion, the Board had not engaged in an adequate process in order to make a determination to terminate Mr. Cotter as Chief Executive Officer and that Messrs. Adams and Kane were not disinterested directors. Mr. Ellis reported that he had consulted the Company's regular Nevada corporate counsel and had been advised that Messrs. Adams and Kane had no conflict that would preclude them as a matter of law in participating in the meeting and voting on any matter with respect to Mr. Cotter.

Review of Operations

Ms. Ellen Cotter then stated that she would like take up the last item on the agenda, Mr. Cotter's report on operations, out of order as the first order of business. Mr. Cotter stated that he was not prepared to make a presentation on the Company's operations but instead would like to address the Board on his performance as Chief Executive Officer and the reasons he believed it appropriate that he continue in that role. Mr. Cotter then proceeded to speak to the Board at length about his position of President and Chief Executive Officer of the Company. He told the Board that he firmly believed that his father, James J. Cotter, Sr., the Company's former Chairman and Chief Executive Officer, had intended for him to have this role and his continuation as Chief Executive Officer would be consistent with his father's wishes. He also took issue with the independence of Mr. Kane and Mr. Adams and repeated the statements his counsel had addressed to the Board urging that they be disqualified from voting with respect to any action to terminate him as Chief Executive Officer.

The Board then proceeded to discuss at length the performance of Mr. Cotter as Chief Executive Officer and President of the Company since he was appointed in August 7, 2014.

For over the next two hours the Board discussed Mr. James Cotter's performance as Chief Executive Officer. Messrs. Adams and Kane and Madams Ellen Cotter and Margaret Cotter each stated that it would be in the best interests of the Company and its shareholders that the Board conduct a search for a qualified chief executive officer and that Mr. Cotter be relieved of his positions as Chief Executive Officer and President of the Corporation and reviewed the reasons underlying this assessment. As part of that discussion, it was noted that the independent directors had met numerous times to discuss this matter and Mr. Cotter's progress in this role. Messrs. Adams and Kane and Madams Ellen Cotter and Margaret Cotter reviewed their assessment of deficiencies that they observed in Mr. Cotter's leadership, understanding of the Company's business, temperament, managerial skills, decision-making and other attributes in the role of Chief Executive Officer. Messrs. Gould and Storey expressed their views on Mr. Cotter's performance and their conclusion that a decision to make a change in this position would not be in the best interests of the Company at this time.

At approximately 2:00 p.m. (Los Angeles time), Messrs. Gould, Kane, McEachern, Storey and Adams suggested that they continue the discussion in executive session and Ms. Ellen Cotter, Ms. Margaret Cotter, and Messrs. James Cotter, Ellis, Tompkins, McLaughlin and Reddick left the meeting.

Independent Directors Session

Messrs. Gould, Kane, McEachern, Storey and Adams continued in executive session for the next two hours during which time they continued their review of Mr. James Cotter's performance and the course of action that would be in the best interests of the Company.

Resumption of the Meeting with the Full Board

At approximately 4:00 p.m. (Los Angeles time), Ms. Ellen Cotter, Ms. Margaret Cotter, and Mr. James Cotter rejoined the meeting.

After much further discussion amongst Board members, Mr. Gould suggested that Mr. Cotter continue as President of the Company and the Board commence a search for a new Chief Executive Officer. Mr. Cotter twice refused to continue in the role of President under a new Chief Executive Officer.

After much further discussion, the Board determined to take no action at this meeting with respect to Mr. Cotter's position as Chief Executive Officer and President of the Company and that the Board would reconvene the meeting on May 29, 2015 to continue its deliberations. In the interim, the Directors would be provided the opportunity to reflect on the discussion during the meeting and Mr. Cotter indicated that he would give further consideration to continuing in the role of President of the Company under the leadership of a new Chief Executive Officer. At the request of the Board, Mr. Cotter agreed to maintain during the upcoming week a "low profile," to not take any significant corporate action and take some time out of the office.

Independent Director Compensation

The Board then discussed the inordinate amount of director time that had been spent addressing the management and personnel issues at the Company.

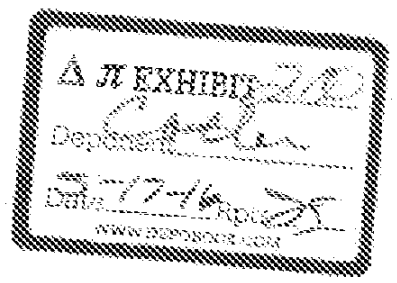
A motion was made by Mr. McEachern and seconded by Mr. Storey that each of the directors who are not employed by the Company or members of the Cotter family, receive a one-time bonus of $25,000 in recognition of the significant additional time required addressing these matters. Upon motion duly made, seconded and unanimously adopted, the Board approved such one-time bonus.

Ms. Ellen Cotter then adjourned the Meeting at approximately 5:00 p.m., to be reconvened on May 29, 2015 at 10:00 a.m. (Los Angeles time) at the Company's Los Angeles offices.

Ellen M. Cotter, Chairperson, Recording Secretary

EXHIBIT 3

READING
INTERNATIONAL



Minutes of the
Meeting of the Board of Directors
of
Reading International, Inc.

May 29, 2015

A duly noticed meeting of the Board of Directors (the "Board") of Reading International, Inc. (the "Company") was held in the Company's Los Angeles office on May 21, 2015 and ultimately adjourned to May 29, 2010 at 11:00 a.m. (Los Angeles time).

Present were Ellen M. Cotter, Chairperson of the Board, and Board members Margaret Cotter, Vice Chairperson, James J. Cotter, Jr., William D. Gould, Edward L. Kane, Doug McEachern, Tim Storey and Guy Adams. In attendance at the invitation of the directors was William D. Ellis, Corporation Secretary and General Counsel.

Prior to the meeting, Neal Brockmeyer, counsel for the independent directors, reported to each of the independent directors as to a telephone conversation he had on May 28, 2015 with Mr. Mark Krum of Lewis Roca Rothgerber, counsel for Mr. James Cotter, Jr. Mr. Brockmeyer reported that in his conversation, Mr. Krum asserted that Mr. Guy Adams was not a disinterested director and was disqualified from voting on any matter addressing Mr. Cotter's continued employment by the Company as Chief Executive Officer and President. He also asked Mr. Brockmeyer if Mr. Brockmeyer was authorized to accept service of process on behalf of the independent directors of the Company and asked Mr. Brockmeyer to respond by 10:00 am. on May 29, 2015. The substance of Mr. Brockmeyer's report was also shared with William Ellis, General Counsel of the Company.

Call to Order

Ms. Ellen Cotter, Chairperson of the Board, called the meeting to order at approximately 11:00 a.m. (Los Angeles time) and did a roll call of the attendees. Mr. William Ellis acted as recording secretary for the meeting and took these minutes.

Status of President and Chief Executive Officer

The Board continued its discussion of Mr. James Cotter, Jr.'s performance as Chief Executive Officer and President of the Company. Prior to adjournment on May 21, 2015, the Board discussed having Mr. Cotter continue as President of the Company and to immediately commence a search for a new Chief Executive Officer. At that time, Mr. Cotter twice informed the other directors that he found that arrangement to be unacceptable. Mr. Cotter informed

the Board that he had given further thought to a role as President and that he would not agree to remain employed as President of the Company under the leadership of a new Chief Executive Officer.

Mr. Adams explained his lack of confidence in Mr. Cotter's ability to "move the Company forward", principally based on Mr. Cotter's lack of leadership skills, understanding of the Company's business, temperament, managerial skills, decision-making and other attributes in the role of Chief Executive Officer and President.

Mr. Adams' then made the following Motion:

> *I move to remove James Cotter, Jr. from his position as President and Chief Executive Officer and all other positions he holds with the Company, its subsidiaries and affiliates. Mr. Cotter's employment agreement provides that if he is terminated without cause he is entitled to severance pay. While I personally believe we may have cause in this situation, it is my proposal that we take this action to remove him "without cause" under the terms of his contract, which will provide him the benefit of the contractual severance pay, assuming there is no further breach of the agreement.*

The above Motion was seconded by Mr. McEachern.

Before Ms. Ellen Cotter opened the floor to discussion on this Motion, she read the Board the following statement:

> *I want to disclose for the record, and as all of you know, Margaret Cotter and I have an interest in litigation that has been filed in California and we are now parties to a lawsuit filed in Nevada by our brother concerning shares of stock and options formerly held by our father. Our brother is also interested in this litigation.*

Ms. Margaret Cotter confirmed for the Board that this statement also applied to her as well.

Mr. Cotter began the discussion by questioning the independence of Mr. Adams to vote on the Motion. Mr. Ellis told the Board that he had reviewed with the Company's regular Nevada counsel the substance of Mr. Brockmeyer' s report on his conversation with Mr. Krum, including the stated reasons that Mr. Adams was allegedly not disinterested and disqualified from voting on the matter before the Board. He reported to the Board that counsel had advised him that, based on the facts outlined by Mr. Krum (which were the same as those asserted by Mr. Cotter at the meeting), Mr. Adams did not have a conflict that would prevent him from voting on the above motion.

Mr. Cotter further reiterated that it was the intention of his father, the former Chairman and CEO of the Company, that he run the Company and that the Board should observe his wishes.

The Board had a lengthy discussion of Mr. Cotter's performance as Chief Executive Officer and President of the Company. Mr. Cotter disputed these characterizations of his performance and stated his belief that he was competent to continue to run the Company.

The Board then discussed various options regarding how the Company's senior management team should be structured, including terminating Mr. Cotter and appointing an interim Chief Executive Officer to run the Company until Mr. Cotter's successor could be appointed, continuing Mr. Cotter in the role as President and commencing a search for a new Chief Executive Officer (which Mr. Cotter had on three different occasions rejected), and deferring any decision with respect to Mr. Cotter's status as an officer of the Company and maintaining the "status quo" until the pending litigation between the members of the Cotter family is resolved, recognizing that the litigation could impact the control of the Company. Directors Storey and Gould urged Mr. Cotter, Ms. Ellen Cotter and Ms. Margaret Cotter to attempt to negotiate a universal settlement that would resolve issues relating to the control of the Company and provide certainty to management and stockholders alike.

Ms. Ellen Cotter then informed the Board that legal counsel for Ms. Ellen Cotter and Ms. Margaret Cotter had contacted Mr. Cotter's counsel during the last week and proposed a settlement of the litigation existing between the three of them and related trusts and estates. It was noted that settlement of the litigation could be beneficial to the Company and its shareholders because it would remove any questions regarding the voting of the Company's common stock held by the trust and estate of Mr. James Cotter, Sr., which represents a control position in the Company and may reduce or eliminate the tension and obstacles to working collaboratively as a team that currently exists among the three litigants.

Ms. Ellen Cotter then reviewed the terms of the proposal made by her and Ms. Margaret Cotter's counsel to Mr. Cotter's counsel to resolve their litigation matters. It was noted that, to the extent the proposal addressed the terms of any settlement of litigation between the family members and their related trusts and estates, it was a matter personal to the Cotter family and not a matter on which the Board would have a view. To the extent that the proposal addressed the structure of the senior management of the Company, that was a matter for the Board of Directors and could not be dictated by the terms of any settlement. However, recognizing the potential benefits to the Company and its stockholders of a settlement of the existing litigation among the Cotter family members and their related trusts and estates, the meeting went into recess at approximately 2:00 p.m. to permit Mr. Cotter and Madams Ellen Cotter and Margaret Cotter to continue their discussion of settlement terms.

The Board meeting reconvened at approximately 6:00 p.m. at the Los Angeles offices of the Company. Present in the Los Angeles office of the Corporation were Ellen M. Cotter, Chairperson of the Board, and Board members Margaret Cotter, Vice Chairperson, James J.

Cotter, Jr. and Guy Adams. Present telephonically were William D. Gould, Edward L. Kane, Doug McEachern and Tim Storey. In attendance telephonically at the invitation of the directors was William D. Ellis, Company Secretary. Each of the persons in attendance confirmed that they could hear one another.

Ms. Ellen Cotter reported that she, Ms. Margaret Cotter and Mr. James Cotter, Jr. had reached an "agreement-in-principle" regarding their various disputed issues. Ms. Ellen Cotter then proceeded to read the "agreement-in-principle" to the Board. The agreement in principle addressed the terms of the settlement of the litigation matters existing between the three Cotters and related trusts and estates and also addressed Mr. Cotter's continued role as an officer of the Company. Ms. Ellen Cotter acknowledged that she and Ms. Margaret Cotter had no authority to bind the Company or the Board as to matters related to the Company's management structure that were part of the settlement, and the Cotter parties could only agree to vote for the settlement of those issues if the Board indeed approved such matters. She further noted that the "agreement-in-principle" still had to be reviewed by counsel and documented to the Cotters' mutual satisfaction.

Adjournment

It was then determined to adjourn the meeting and to permit the Cotters to move forward to document their settlement. No action was taken by the board with respect to the motion made earlier in the meeting and no action was taken on any element of the agreement in principle arrived at between the Cotter family members and related trusts and estates.

William D. Ellis, Recording Secretary

EXHIBIT 4

READING
INTERNATIONAL

COVER NOTE

DATE: January 5, 2016

TO: Board of Directors

CC: William D. Ellis

FROM: Craig Tompkins – Recording Secretary

RE: CEO Search Committee Memo

Attached for your reference is the draft Report of the CEO Search Committee. The draft Report has been reviewed and approved by all of the Members of the CEO Search Committee, but there has not been a formal vote of the CEO Search Committee officially adopting the Report. It is anticipated that the CEO Search Committee will meet immediately prior to the Board Meeting to officially adopt the Report.

Thank you for your time and cooperation.

CONFIDENTIAL

EXHIBIT
CASE NO.
DATE
WITNESS

ACOTE000360

Date: December 31, 2015 (DRAFT)

To: CEO Search Committee

Copy: William Ellis, Esq.

From: S. Craig Tompkins

Re: CEO Search Committee Report

Confidential
Privileged Attorney-Client
Communication

This is the Report and Recommendation of the CEO Search Committee (the "Committee"), formed by the Board of Directors of Reading International, Inc. (the "Company") to identify and recommend to the Board of Directors (the "Board") a candidate for the offices of President and Chief Executive Officer of the Company, to serve at the pleasure of the Board of Directors. The Committee recommends the appointment of Ellen Cotter for these positions.

Background:

One June 12, 2015, Ellen Cotter was appointed interim President and Chief Executive Officer, to serve until the next Board meeting, when the Board could more formally consider a course of action. At the following Board meeting, held June 30, 2015, Ellen Cotter's term as interim President and Chief Executive Officer was extended until the earlier of her resignation or her removal by the Board of Directors. At that same meeting, the Board delegated to Ellen Cotter responsibility and authority to select an executive search firm from among Korn Ferry, Russell Reynolds and Heidrick Struggles, pending formation of a CEO Search Committee. Ms. Cotter selected Korn Ferry (the same firm that previously had been retained to do an executive search for a director of real estate), and a contract with Korn Ferry was entered into on July 9, 2015.

Thereafter, the Committee was formed by the Board at its meeting held August 4, 2015. The initial members appointed to the Committee were Ellen Cotter, Margaret Cotter, William Gould and Doug McEachern.

CONFIDENTIAL JCOTTER006291

RDI-A04865

The Work of the Committee:

The Committee determined that it would consider both internal and external candidates, and directed Korn Ferry to gather information concerning the Company and its needs in terms of a President/CEO, to assist the Committee in formulating an appropriate position specification, and to seek to identify candidates who could in the view of Korn Ferry reasonably meet the Company's needs. A copy of the Company's agreement with Korn Ferry is attached as Attachment 1, hereto.

Korn Ferry prepared the position specification, a copy of which is attached as Attachment 2 hereto. The position description was used by Korn Ferry to identify outside candidates. It emphasized a real estate background, based on the assumption that if an outside candidate were identified and retained, Ellen Cotter and Robert Smerling would continue to be principally responsible for the operation of the Company's domestic cinema operations and Wayne Smith would continue to be principally responsible for the operation of the Company's Australia/NZ cinema operations. From the broad pool of candidates initially screened, Korn Ferry brought forward four candidates to be interviewed. On November 13, 2015, following the interviews of the four candidates, the Committee directed Korn Ferry to focus more on individuals with both operating company and real estate experience, ideally in a public company setting. Two additional candidates were subsequently identified by Korn Ferry and interviewed by the Committee.

Korn Ferry has advised the Committee that it researched over 200 prospective candidates, had contact with approximately 60, interviewed 11, and ultimately presented six external candidates to the Committee. The search was heavily focused within Southern California, due to likely candidate perception of risk associated with the Company's ongoing litigation and shareholder activism, and resultant reticence to relocate. Copies of the resumes for each of these six individuals are attached as Attachments 3A through 3F.

During this process, Ellen Cotter advised the Committee that she was a serious candidate for the President/CEO position and, accordingly, did not participate in the interviews of any of the candidates identified and presented by Korn Ferry and resigned from the Committee. The candidates identified and presented by Korn Ferry were interviewed by Directors Margaret Cotter, William Gould and Doug McEachern.

Following the interview of the initial five candidates by the Committee, Korn Ferry on December 17, 2015 recommended that three candidates (Candidates Dan Sheridan, Marty Caverly and Ellen Cotter) be selected to undergo further and more detailed assessment by Korn Ferry as a part of the selection process. Korn Ferry also identified on December 17, 2015 an additional candidate, David Duncan, for the Committee's consideration, for a total of six candidates.

The Committee scheduled a meeting for later that same day, December 17, 2015, at 4:00 p.m. Ms. Ellen Cotter, having resigned from the Committee, did not attend the meeting.

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At the meeting, the Committee elected William Gould to serve as the Committee's Chairman. The Committee discussed, among other things, and not necessarily in the precise order set forth below:

- the five candidates who had been interviewed by the Committee to date,
- the impact of the determination by Ellen Cotter to apply for the positions of President and CEO,
- the benefits and detriments of the selection of Ellen Cotter as the Committee's recommended candidate for the President and CEO positions (including, without limitation, the benefit of having stability in the leadership of the Company, her long experience with the Company, her material economic stake in the Company as the direct owner of more than 800,000 shares of Common Stock, the support she already has from the Directors and senior executives of the Company and the need, if she were to be appointed to these positions, to bring in or promote from within a senior executive to assume her prior duties and the Chief Operating Officer of the Company's Domestic Cinemas),
- Korn Ferry's recommendation that Korn Ferry move forward with the assessment process for Ellen Cotter, Dan Sheridan, and Marty Caverly,
- the fact that Korn Ferry had that day submitted an additional candidate, with whom Robert Mayer had been impressed, for consideration by the Committee, and
- the scope and extent of Company's contract with Korn Ferry and whether, if Ellen Cotter were to be the Committee's preferred candidate, it still made sense to incur the additional cost and expense of the Korn Ferry candidate assessment process (and to require one or more other candidates to go through such process), in light of the fact that the members of the Committee have had significant interaction with and significant opportunity to observe the skills of, Ellen Cotter including, without limitation, her actual performance of the duties of the President and CEO since her appointment by the Board as the Interim President and CEO on June 12, 2015.

The Committee also queried and received advice from Mr. Ferrario as to their fiduciary duties in connection with the selection of a President/CEO.

After discussion, it was determined that the Committee would, as soon as possible, interview both the new candidate and Ellen Cotter regarding the position. After these interviews, the Committee would meet again and determine whether it made sense to continue with the assessment process with respect to any one or more of the candidates. It was the Committee's preliminary consensus that, if, after the interview process, Ellen Cotter was the preferred candidate, then it likely would not make sense for the Company to incur the costs and expense of additional assessment activities by Korn Ferry given the Committee members' extensive past experience with Ellen Cotter.

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Mr. Tompkins was tasked with contacting Korn Ferry to set up interviews for the following week and to direct Korn Ferry not to incur any additional cost and expense assessing candidates until such time as these interviews were complete and the Committee has determined how it wished to proceed

On Friday, December 18, 2015, Mr Tompkins spoke with Robert Wagner and Robert Mayes of Korn Ferry and asked that they set up an interview with David Duncan. He also asked, on behalf of the Committee, that any further assessment work be suspended until a determination by the Committee was made as to the status of Ellen Cotter, explaining that if Ellen Cotter was selected as the candidate, the Committee did not want to incur the cost and expense of, or put the other candidates through, a further assessment process. Messrs. Wagner and Mayes both stated that they understood and that no further costs or expenses would be incurred until further instructions were received by Korn Ferry from the Committee.

On December 23, 2015 the Committee interviewed Mr. David Duncan and Ellen Cotter.

Following completion of the interviews of David Duncan and Ellen Cotter, the consensus of the Committee was that Ellen Cotter would likely be the Committee's recommended candidate. Thereafter, a further meeting of the Committee was set for December 29, 2015, to make a final review of the candidates, and determine how best to proceed.

On December 29, 2015, a meeting of the Committee was held commencing at approximately 2:30 p.m. Attending the meeting were Members William Gould (Chair), Margaret Cotter and Doug McEachern. Present at the invitation of the Committee were Craig Tompkins, Recording Secretary, and Mark Ferrario, outside counsel.

Before considering the recommendation of a candidate, the Committee discussed whether it was appropriate for Margaret Cotter to vote on the matter. In its considerations, the Committee discussed the facts that Margaret Cotter was the sister of Ellen Cotter, was part of a "group" with Ellen Cotter for SEC reporting purposes, was the President of Liberty Theaters and would thereby be reporting to Ellen Cotter (should Ellen Cotter be appointed as President and Chief Executive Officer) and held a variety of other fiduciary duties and obligations as a Co-Executor of the James J. Cotter, Sr. Estate and as a Co-Trustee of the James J. Cotter, Sr. Trust. The Committee concluded that, given her position as Co-Executor of the James J. Sr. Estate and as Co-Trustee of the Cotter Trust, as a practical matter, Margaret Cotter's support of any candidate was critical. This was one of the reasons that she had been selected to participate on the Committee in the first place and she had been elected to the Committee by the Board with full knowledge of these facts and relationships. The Committee concluded that, ultimately, whether or not Margaret Cotter should vote on the matter would be left for Margaret Cotter to determine.

The Committee next took up the recommendation to the Board of candidate for President and Chief Executive Officer of the Company to serve at the pleasure of the Board. The Committee noted that the candidates presented by Korn Ferry had varying backgrounds,

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skill sets and compensation requirements, but were all of the highest caliber, and that any of them would likely be competent to run a company such as Reading.

The Committee discussed, among other things, but not necessarily in the order set forth below (as the discussion took up a number of topics on more than one occasion during the discussion), and without attempting to assign any particular order of importance or significance, the following:

- The benefits of selecting a President/CEO who has the confidence of the existing senior management team;
- The benefits of selecting a President/CEO who knows the Company, its assets, personnel and operations and who could "hit the ground running;"
- The fact that it would be beneficial to the Company and to the interests of stockholders generally to have a period of management stability, so that management could focus on the implementation of the Company's mixed entertainment/real estate development business plan;
- The fact that the compensation demands of certain of the President/CEO candidates seemed to reflect the erroneous belief on their part that the Company was in extremis and needed to be turned around or redirected, when, in fact, the Company is doing well from an operating point of view and the Board is comfortable with the Company's mixed entertainment/real estate business plan;
- The fact that the bulk of the Company's cash flow is derived from its entertainment activities, and that the maintenance and growth of that cash flow is of primary importance for the Company to execute on its business plan;
- The fact that, as a practical matter, the nominee will need to be acceptable to Ellen Cotter and Margaret Cotter as representatives of the controlling stockholder of the Company;
- The benefits and detriments of having a Chairman/CEO and of having a Chairman/CEO who is also a controlling stockholder of the Company;
- The performance of Ellen Cotter in uniting the current senior management team behind her leadership under the unusual and stressful circumstances of recent months;
- The scope and extent of Ellen Cotter's knowledge of the Company, its assets, personnel and operations, including its overseas and real estate assets, personnel and operations;

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- Ellen Cotter's experience and performance as a senior executive of the Company, and her performance since June 12, 2018 as the Company's interim President and Chief Executive Officer;

- Ellen Cotter's experience and involvement in the Company's public reporting activities and working in a public company environment;

- The fact that Ellen Cotter had demonstrated her competency and experience in dealing with real estate matters in her handling of the Cannon Park and Sundance matters and her activities in connection with the development/refurbishment of a variety the Company's cinemas.

- The practical difficulties of having an executive management structure where two of the executives reporting up to a new outside chief executive officer would be members of the Board and controlling stockholders of the Company;

- Ellen Cotter's plan for transitioning out of her current position as chief of operations of the Company's domestic cinemas in order to be able to appropriately handle the duties of President and Chief Executive Officer;

- The scope and extent of the other demands upon Ellen Cotter's time, given her other duties and responsibilities with respect to the administration of her father's estate and the other assets included within that Estate (including, by way of example, the Estate's interest in Cecelia Packing, Sutton Hill Associates, Shadow View Land & Farming, and the 89th Street Cinema) and the various conflicts of interest arising due to her, at times, potentially conflicting duties in her capacity as an officer and director of the Company and as a Co-Executor of the James J. Cotter, Sr. Estate and a Co-Trustee of the James J. Cotter, Sr. Trust;

- The scope and extent of her personal financial interest in the Company, and the scope and extent of her control over the Company given her position as Co-Executor of the James J. Cotter, Sr. Estate, and as a Co-Trustee of the James J. Cotter, Sr. Trust, and the likely impact of such interests and obligations on her performance as President and Chief Executive Officer;

- The qualifications, experience and compensation demands of the other candidates;

- The fact that her appointment would likely be opposed by James J. Cotter, Jr., and would likely be made an issue in the pending derivative litigation being prosecuted by James J. Cotter, Jr., and

- The need, for the stability of the Company, to bring the CEO search to a conclusion.

Committee Determination:

After discussion in which all members participated and during which a variety of questions were asked and advice provided by counsel regarding the fiduciary obligations of the Committee Members and the Committee, on motion duly made and seconded, the Committee resolved to recommend to the Board Ellen Cotter as President and Chief Executive Officer (no longer serving as "Interim President and Chief Executive Officer"), to serve at the pleasure of the Board. Messrs. Gould and McEachern each voted Yes. Margaret Cotter, for a variety of reasons, as outlined above, elected to Abstain, but stated her concurrence with and support of the Committee's recommendation.

Although it was the consensus of the Committee that, if she is appointed by the Board as the President and Chief Executive Officer, Ellen Cotter's compensation should be revisited in light of her increased duties and responsibilities, the Committee determined that the negotiation of her employment terms had not been delegated to it, and that this would be a matter more properly addressed by the Company's Compensation and Stock Options Committee and Board.

This Report was prepared by Craig Tompkins, serving as Recording Secretary, and has been reviewed and approved by all members of the Committee.

S. Craig Tompkins
Recording Secretary

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EXHIBIT 5

KORN FERRY

1900 Avenue of the Stars, Suite 2600
Los Angeles, California 90067

PRIVATE AND CONFIDENTIAL

July 9th, 2015

Ms. Ellen Cotter
Board Director
Reading International, Inc.
6100 Center Drive
Los Angeles, California 90045

Dear Ellen,

Thank you for including Korn Ferry International ("Korn Ferry") in the discussion to undertake the search for a Chief Executive Officer for Reading International, Inc. ("RDI"). This letter outlines our understanding of your needs as well as our search and assessment processes, staffing, compensation parameters, and details of our fee and expense arrangements.

If you are in agreement with this engagement letter, we ask that you sign and return the acknowledgment form, which authorizes us to proceed with the search assignment. Please return via fax or email in addition to sending the original by mail.

OUR UNDERSTANDING OF YOUR REQUIREMENTS

After a series of rapid changes and a level of organizational discomfort, RDI requires a strong leader to stabilize the environment within the company. The new Chief Executive Officer must ensure alignment of goals across the leadership team, and preserve a tightly knit culture while optimizing the impact of a strong senior leadership team, and directly impact value creation for the firm's real estate portfolio.

THE PARTNERSHIP

Our experience over forty years has shown that the most successful search assignments are those in which we work closely and partner with our client. While we seek to identify and recommend qualified candidates for a position, you and your colleagues will decide whom to hire. There are several ways in which you can enhance this partnership:

- Indicate clearly those areas relevant to the search that you wish us to keep confidential.
- Provide timely feedback to Korn Ferry on all aspects of the assignment.
- Schedule interviews promptly with candidates and report your findings as soon as possible.

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- Provide Korn Ferry with information on candidates you may have identified from other sources or from within your organization, so that they may be evaluated as part of the search process.

- Provide information to candidates about your company that will enable them to make informed career decisions.

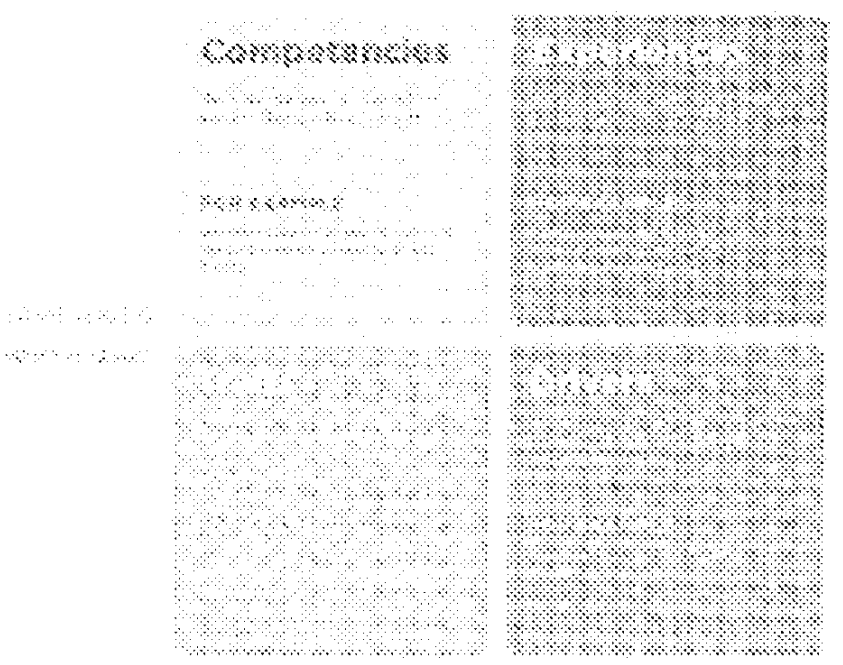
- Agree on a communication strategy to discuss the progress of the search, including marketplace intelligence affecting the search.

CEO SEARCH / ASSESSMENT: INTEGRATED PROCESS AND APPROACH

As part of the engagement Korn Ferry will design and deploy a customized assessment process for finalist candidates (up to six). We will leverage the same assessments and processes for both internal and external candidates. This provides several benefits. It will provide an objective and unbiased comparison of both internal and external candidates. Internal candidates and the selected CEO will also receive feedback and coaching so that they understand their results compared to benchmarks. Furthermore, internal candidates will also receive developmental information so they understand why they may not have been selected as CEO as well as their leadership gaps and steps they can take to close the gap. Finally, we will work with the selected CEO to create a development plan to enhance their onboarding and future success. An overview of the assessment process for candidates you are considering as your next CEO is as follows.

Step One: Mobilization

We will partner with the CEO Selection Committee to pursue alignment for and definition of a tailored RDI CEO Success Profile. This profile will guide our pursuit and vetting of candidates and ultimately your selection of the next RDI CEO. To create the success profile we will leverage Korn Ferry's proprietary four dimensions (KF4D) of leadership framework and processes (illustrated below).



The creation of a success profile involves the following activities:

- Review of Reading International business and strategy documents
- Interview Selection Committee members and other key stakeholders
- Draft CEO Success profile to include strategic context, company culture and values, CEO role responsibilities, competencies, experiences, traits and drivers.
- Review, vetting and approval of a customized Reading International CEO success profiles

Step Two: Online Assessments

Candidates will take our proprietary online assessment(s) demonstrated to distinguish their capabilities. For example, The Korn Ferry Assessment of Leadership Potential (KFALP) captures data that is aligned with three of the four domains of a CEO Success Profile: experience, traits (e.g., personality) and drivers. Specifically, KFALP measures candidates business experience, motivators, personality traits, derailers, self-awareness, learning agility, and capacity for problem solving. The fourth domain, competencies (i.e., leadership skills/capabilities), are measured through interviews and described in the next section. Additional online assessment may be included as we gather requirements for the CEO role.

Step Three: Leadership and Skills Interview

A maximum of six finalist candidates (internal or external) will then participate in a two hour face-to-face Leadership and Skills interview with a Korn Ferry leadership consultant and search consultant. This interview will explore and collect evidence covering each of the core skills and leadership competencies Korn Ferry research has shown to be critical for success in the RDI success profile. The consultants will probe and validate specific areas from the assessment results, review the executive's experience, probe into approaches to key situations the executive has faced, and explore career aspirations. The consultants may also draw on other data as supplied by RDI including role descriptions.

Step Four: Data Analysis and Draft Reports

Following the interviews of internal candidates and external finalist candidates, the consultants will draft the assessment reports based on the outcomes of the on-line assessment, comparison to the best-in-class profile for the position, leadership interview, skill interview plus analysis of any other data available, as appropriate. The reports will integrate all findings and clearly identify strengths and development opportunities.

Step Five: CEO and Board Briefing

Once all of the assessments have been completed, the consultants will review these reports with you and the Board in detail and share conclusions and recommendations regarding readiness for the CEO role.

Step Six: Candidate Feedback and CEO Onboarding

The leadership and/or search consultants will provide individual face-to-face feedback to the internal candidates and your new CEO. For internal candidates, this session typically last 1-1.5 hours and focuses on discussing strengths, areas of potential concern and developmental

suggestions that will help them advance their leadership capabilities in their current or future roles. For the new CEO, we recommend a more in-depth coaching and feedback sessions (2-3) that includes the creation of an onboarding action plan to most effectively hit the ground running in the first 60-90 days on the job. If warranted or desired additional coaching can be arranged.

PROFESSIONAL FEES AND EXPENSES

Our professional fees are non-contingent and non-refundable. The professional fee for the assessment project is $70,000, billed in two monthly installments of $435,000. The first installment is due and payable upon your acceptance of this engagement letter. Billings for the second installment will be rendered ninety (90) days respectively after the date of your acceptance of this engagement letter. The billings are due and payable upon receipt.

Our search fees are equal to 30 percent (30%) of the total first year's estimated compensation for each position we intend or are intended to fill. As an exception to this, in the event a pre-designated "carve out" candidate is hired (up to a maximum of three) within ninety (90) days of the inception of the search we will reduce our fee to twenty five percent (25%) of the total first year's estimated compensation. For fee calculation purposes, estimated first year compensation includes base salary, target or guaranteed incentive bonus. We will exclude equity compensation from the fee calculations.

In addition to our fees, Korn Ferry is also reimbursed for all administrative support, Search Assessment and research services. These expenses will be billed at a flat fee of $10,000 and payable pro rata at the time of each fee installment.

From a compensation standpoint, we anticipate a required package of a base salary of $350,000 to $450,000 with an annual performance-based bonus target of up to one hundred percent (100%). In addition, long term incentive compensation in form of restricted shares and / or stock options upfront and annually, providing for meaningful economic upside.

Our initial fee for this search assignment is $150,000 and it is our practice to bill this fee, along with administrative expenses, in three (3) installments of thirty four percent (34%), thirty three percent (33%) and thirty three percent (33%). The first installment is due and payable upon your acceptance of this engagement letter. The search fees will not exceed $280,000.

Billings for the second and third installments will be rendered forty five (45) and ninety (90) days respectively after the date of your acceptance of this engagement letter. The billings are due and payable upon receipt. If the estimated initial fees have been fully invoiced prior to the completion of the assignment, no further fees will be billed until the engagement has been concluded.

There will also be cancellation of additional outstanding payment for Head of Real Estate search billed June 15, 2018 in the amount of $42,967.

At the conclusion of the search assignment, we will reconcile any outstanding fees, i.e., the difference between the initial fees (noted above) and the final sum based upon the placed candidate's actual compensation. In the event that more than one executive is hired as a result of the work performed by Korn Ferry, a full fee, based upon actual first year compensation, will be due for each individual hired. Our fees and expenses are neither refundable nor contingent upon our success in placing a candidate with your organization. This fee structure applies even if an internal candidate emerges as your choice.

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Either party may discontinue this assignment by written notification at any time. Our first fee and expense installment is a minimum retainer and, thus, is non-refundable even if you cancel within thirty (30) days of your acceptance of this proposal. In such event, the second and third fee and expense installments will no longer be due or payable. If cancellation occurs after thirty (30) days, and prior to sixty (60) days, the second fee and expense installment shall be due and payable in full in such event, the third fee and expense installment will no longer be due or payable. If cancellation occurs after sixty (60) days, all fees and expenses have been earned and are payable in full.

CLIENT SATISFACTION

Korn Ferry actively seeks client feedback on the quality of our work. At the conclusion of the assignment, we may ask you to take part in Korn Ferry's Client Satisfaction Survey conducted by an independent organization. We seek your candid assessment of our work so that we may be responsive to any suggestions regarding our professional service.

KORN FERRY GUARANTEE

Korn Ferry guarantees every placed candidate for a period of twelve months from his/her start date. If a candidate is released by the client company for performance related issues during the first twelve months of his/her employment, or leaves of his/her own volition Korn Ferry will conduct a new search to replace the candidate for no additional retainer (charging only expenses as incurred). This excludes candidates who leave for reasons such as a change in ownership, organizational realignment and restructuring.

THE CONSULTING TEAM

A key component of the Korn Ferry executive search process is the appointment of the consulting team. Robert Wagner will have overall relationship management responsibility, while I will lead the search assignment, including candidate development, interviews, report writing, references, education verification, compensation negotiation and follow-up. I will be supported by Dan Pulver who will assist in the identification of qualified candidates. Sidney Cooke will lead the assessment process. Anjelica Zalin will manage administrative details. Our contact numbers are as follows:

Robert Wagner Senior Client Partner	Office Direct: Mobile: Email:	(310) 226-2672 (310) 344-7297 robert.wagner@kornferry.com
Robert Mayes Senior Client Partner	Office Direct: Mobile: Email:	(310) 226-2369 (312) 658-3407 robert.mayes@kornferry.com
Sidney Cooke Managing Principal, LTC	Office Direct: Mobile: Email:	(415) 277-8300 (303) 330-6115 Sidney.cooke@kornferry.com

KORN FERRY

Dan Pulver Senior Associate	Office Direct: Mobile: Email:	(310) 226-6339 (410) 258-7949 dan.pulver@kornferry.com
Anjelica Zalin Project Coordinator	Office Direct: Email:	(310) 226-6357 anjelica.zalin@kornferry.com

CONCLUSION

Ellen, we would be delighted to have the opportunity to work with you on this important assignment for Reading International, Inc. We recognize the role the successful candidate will play in your company's future plans, and can assure you of our commitment on your behalf. Please call me if you have any questions or require any further information.

Yours sincerely,

Robert Mayes
cc. Robert Wagner, Sidney Cooke

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ACKNOWLEDGEMENT

Reading International, Inc. authorizes Korn Ferry to proceed with an executive search assignment for the position of Chief Executive Officer.

Please indicate your acceptance of the terms and conditions set forth above by signing and returning a copy of this agreement via email or fax (310) 553-6452 and following up with the hard copy in the mail.

Ellen Cotter
Board Director
Reading International, Inc.

08/03/2015
Date

Robert Mayes
Senior Client Partner
KORN FERRY

Date

Invoices should be addressed for the attention of:

Name: Ellen Cotter
Billing address: 6100 Center Drive, Suite 900
Los Angeles, CA 90045

EXHIBIT 6

From:	Ellen Cotter <EllenCotter@readingrdi.com>
Sent:	Tuesday, May 19, 2015 6:38 PM
To:	Margaret Cotter; James Cotter JR; Kane (ekane@san.rr.com); dmcclachern@deloitte.com; Tim Storey; Guy Adams; wgould@troygould.com
Cc:	William Ellis
Subject:	Agenda - Board of Directors Meeting - May 21, 2015

Dear All: Below is the agenda for Thursday's Meeting of the Board of Directors. Please note that Bill Gould asked that the Meeting begin at 11:15am.

Reading International, Inc.

Meeting of the Board of Directors

May 21, 2015 ~ 11:15am

1. Status of President and CEO
2. Directors' Compensation
3. Tim Storey's Compensation
4. Nevada Interpleader Action
5. Proposed By-Law Amendments
6. Status of Craig Tompkins and Robert Smerling
7. Status of Ellen Cotter and Margaret Cotter
8. Director of Real Estate Candidate Search
9. Stoneridge Litigation Update
10. Review of Operations

Chairperson of the Board
Ellen M. Cotter

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EXHIBIT 7

READING INTERNATIONAL

Minutes of the
Meeting of the Board of Directors
of
Reading International, Inc.

June 12, 2015

A duly noticed meeting of the Board of Directors (the "Board") of Reading International, Inc. (the "Company") was held on June 12, 2015 at approximately 11:00 a.m. (Los Angeles time) by telephone conference call.

Present were Ellen M. Cotter, Chairperson of the Board, and Board members Margaret Cotter, Vice Chairperson, James J. Cotter, Jr., William D. Gould, Edward L. Kane, Doug McEachern, Tim Storey and Guy Adams. In attendance at the invitation of the directors was William D. Ellis, Corporation Secretary and General Counsel of the Company. Ms. Cotter confirmed with each director that (i) there were no other participants on the telephone, (ii) each of the participants could hear one another and (iii) the call was not to be recorded.

Prior to the meeting, on May 20, 2015 and May 28, 2015, Mr. Krum, counsel for James J. Cotter, Jr., contacted Neal Brockmeyer, counsel to the independent directors, and informed Mr. Brockmeyer that Mr. Cotter intended to file a lawsuit against the directors personally for breach of fiduciary duty if they took action to terminate Mr. Cotter as Chief Executive Officer and President of the Company.

Call to Order

Ms. Ellen Cotter, Chairperson of the Board, called the meeting to order at approximately 11:00 a.m. (Los Angeles time) and did a roll call of the attendees. Mr. William Ellis acted as recording secretary for the meeting and took these minutes.

Status of President and Chief Executive Officer

The Board continued its discussion of Mr. James Cotter, Jr.'s performance as Chief Executive Officer and President of the Company. Ms. Ellen Cotter reviewed with the directors the discussions to date. The independent directors had met on numerous occasions to discuss Mr. Cotter's performance leading up to a Board meeting on May 21, 2015. Prior to that time Ms. Cotter had several conversations with each of the independent directors regarding her assessment of Mr. Cotter's performance as Chief Executive Officer and her opinion that it would be in the best interests of the Company to relieve Mr. Cotter of these positions and immediately commence a search for a new Chief Executive Officer. The Board met in excess of

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5 hours on May 21, 2015 and over 3 hours May 29, 2015 to review Mr. Cotter's performance and evaluate the structure of the senior management at the Company.

As part of those deliberations, the Board discussed various options regarding how the Company's senior management team should be structured, including terminating Mr. Cotter and appointing an interim Chief Executive Officer to run the Company until Mr. Cotter's successor could be appointed, continuing Mr. Cotter in the role as President and commencing a search for a new Chief Executive Officer (which Mr. Cotter has on three different occasions rejected) and deferring any decision with respect to Mr. Cotter's status as an officer of the Company and maintaining the "status quo" until the pending litigation between the members of the Cotter family is resolved, recognizing that the litigation could impact the control of the Company.

At these meetings Mr. Cotter addressed the Board extensively on his performance and his view that a termination of his officer positions would be contrary to his father's wishes and that he would not accept a position as President of the Company reporting to a new Chief Executive Officer.

The Board adjourned its meeting on May 29, 2015 to permit the Cotter family members to definitively document a previously agreed to "agreement-in-principle" regarding the settlement of existing litigation among them. Ms. Ellen Cotter reported that Mr. Cotter had recently informed Ms. Ellen Cotter and Ms. Margaret Cotter that he did not intend to proceed with that "agreement-in-principle."

Mr. Adams then reiterated his position that he lacked confidence in Mr. Cotter's ability to "move the Company forward" principally based on Mr. Cotter's lack of leadership skills, understanding of the Company's business, temperament, managerial skills, decision-making and other attributes in the role of Chief Executive Officer and President.

Mr. Adams' then made the following motion:

> *I move to remove James Cotter, Jr. from his position as President and Chief Executive Officer and all other positions he holds with the Company, its subsidiaries and affiliates. Mr. Cotter's employment agreement provides that if he is terminated without cause he is entitled to severance pay. While I personally believe we may have cause in this situation, it is my proposal that we take this action to remove him "without cause" under the terms of his contract which will provide him the benefit of the contractual severance pay, assuming there is no further breach of the agreement.*

The above motion was seconded by Mr. McEachern.

Before Ms. Ellen Cotter opened the floor to discussion on this Motion, she read the Board the following statement:

> *I want to disclose for the record, and as all of you know, Margaret Cotter and I have an interest in litigation that has been filed in California and we are now parties to a lawsuit filed in Nevada by our brother concerning shares of stock and options formerly held by our father. Our brother is also interested in this litigation.*

Ms. Margaret Cotter confirmed for the Board that this statement also applied to her as well.

There then commenced a lengthy discussion regarding Mr. Cotter's performance. Each of the directors had an opportunity to fully state their position on the motion and the reasons therefor.

Mr. Cotter then asked that the Board defer any vote on his status until the next scheduled Board meeting on June 15, 2015. There was little support for that proposal, and no motion was made by any of the directors.

Ms. Cotter then called for a vote on the motion. By a vote of five in favor, three opposed, with Messrs. Cotter, Gould and Story voting against, the motion passed. Ms. Cotter stated that this vote represented a majority of the independent directors.

In casting their votes, Ms. Ellen Cotter and Ms. Margret Cotter stated that the record should reflect that they cast their votes despite the litigation conflict previously described because they had determined that the motion was fair to the Company and in the best interests of its shareholders.

Ms. Cotter, at this point, also advised Mr. Cotter what is clear in his Employment Contract. He is under obligation to resign his positions with the Company. She asked Mr. Cotter to provide his written resignation by the following Monday. Also, at the conclusion of the meeting, she asked Mr. Cotter to gather his personnel belongings and to leave the office.

Appointment of Interim Chief Executive Officer

The Board then discussed various options regarding how the Company's senior management team should be structured following the termination of Mr. Cotter, including naming Ms. Ellen Cotter as the Company's Interim Chief Executive Officer to run the Company until a successor Chief Executive Officer is appointed. After some discussion, it was decided that Ms. Ellen Cotter, the current Chairman of the Board, would serve in the role of Interim Chief Executive Officer until the following Board Meeting, when the Board could more formally review an

appropriate course of action. By a vote of six in favor, one opposed and 1 abstention, the Motion passed. Mr. Cotter voted against the motion and Ms. Ellen Cotter abstained.

The Executive Committee

Ms. Cotter then stated that it was appropriate in light of the events that the Board reconstitute the existing Executive Committee and issue a new charter. Mr. Adams proposed that the new members of the Executive Committee be as follows: Margaret Cotter, Ellen Cotter, Edward L. Kane and Guy Adams.

Ms. Ellen Cotter moved for the adoption of the following resolution, which she read:

> *IT IS HEREBY RESOLVED that the Board of Directors of the Company hereby removes the existing members of the Executive Committee and approves the appointment of a new Executive Committee, and the Board of Directors for the Company hereby approves the creation of a new Executive Committee as authorized in the Bylaws of the Company. As the date hereof, the Executive Committee shall have the following general powers and be comprised as set forth below:*
>
> *General Powers: The Board of Directors hereby delegates to the Executive Committee the authority to take any and all actions that the Board may take (other than as restricted by Nevada law and the Bylaws of the Company) between the regular and special meetings of the Board of Directors.*
>
> *Composition: The Executive Committee shall be comprised of the following members of the Board of Directors of the Company: Ellen Cotter, Margaret Cotter, Ed Kane and Guy Adams.*

The Motion was seconded by Mr. McEachern.

There was some discussion about the role of the Executive Committee. It was agreed that the Executive Committee would not take any significant action prior to the next Board Meeting.

By a vote of seven in favor, one opposed, the Motion passed. Mr. Cotter voted against the motion.

Conclusion of Meeting

There being no further business, Ms. Cotter concluded the Meeting at 1:00 p.m. (Los Angeles time).

.....
William O. Ellis, Recording Secretary

EXHIBIT 8

From: Ellen Cotter <Ellen.Cotter@readingrdi.com>
Sent: Monday, August 24, 2015 6:16 PM
To: William Gould; dmceachern@deloitte.com; Margaret Cotter
Subject: Reading CEO Search Questionnaire
Attachments: RDI Interview Preparation FINAL.docx

Please see attached Questionnaire from Korn Ferry. I will be following up with you today.

Thanks ellen

From: Jim Aggen [mailto:Jim.Aggen@KornFerry.com]
Sent: Friday, August 21, 2015 10:17 AM
To: Laura Batista; Robert Mayes
Cc: Ellen Cotter; Sidney Cooke; Dan Pulver
Subject: RE: RDI Information Packet

Hi Laura,

Attached is the interview pre-work, which can be distributed to the committee. We would ask that they review and rank the items on page two in advance of our conversation.

Thanks,
Jim

From: Laura Batista [mailto:Laura.Batista@readingrdi.com]
Sent: Friday, August 21, 2015 9:23 AM
To: Robert Mayes
Cc: Ellen Cotter; Jim Aggen; Sidney Cooke; Dan Pulver
Subject: RE: RDI Information Packet

Dear All:

Ellen told me there is a questionnaire for the Search Committee members. Do you think the committee should have the questionnaire prior to their first meeting (conference call) with you?

If yes, would you be so kind to email me the questionnaire and then I will forward it to the committee.

Thank you,
Laura

EXH 377
DATE 6-29-16
WIT
PATRICIA HUBBARD

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READING INTERNATIONAL Interview Preparation

As input to the creation of a future-oriented success profile for the role of CEO, Reading International, we will conduct a 60 minute interview with you.

The purpose is to understand your perspectives on the critical experiences and capabilities for Reading International's CEO to be successful. The focus of the conversation is twofold, given the current circumstances inherent to the company:

- **The potential role of the new CEO in navigating the near term issues with ongoing litigation and capital markets activities**
- **The role of the new CEO in leading the enterprise in the long term, operating under the assumption that the current circumstances will be stabilized**

Below are questions we will cover in our discussion with you. A worksheet follows on page 2 that may help you think through question #4.

1. What is your perspective on the appropriate strategy for Reading International going forward? What does the future mix of real estate development and cinema exhibition look like?

2. What will make the next CEO successful from your perspective? What is important, culturally?

3. Beyond near term issues, what do you see as the key challenges for Reading International in the next 3-5 years?

4. Given those challenges, what are the critical CEO capabilities and prior experiences needed to successfully address those challenges? For example, should the candidate possess a real estate or consumer oriented background?

5. A future CEO will work with many members of the incumbent leadership team. As you think about the future strategy, how prepared do you think the incumbent leadership team is to meet the challenges ahead? How would you describe the current strengths and gaps of the team as a whole relative to the successful execution of the strategy?

6. What personal traits and motivations would you expect to see exhibited in a successful future Reading International CEO?

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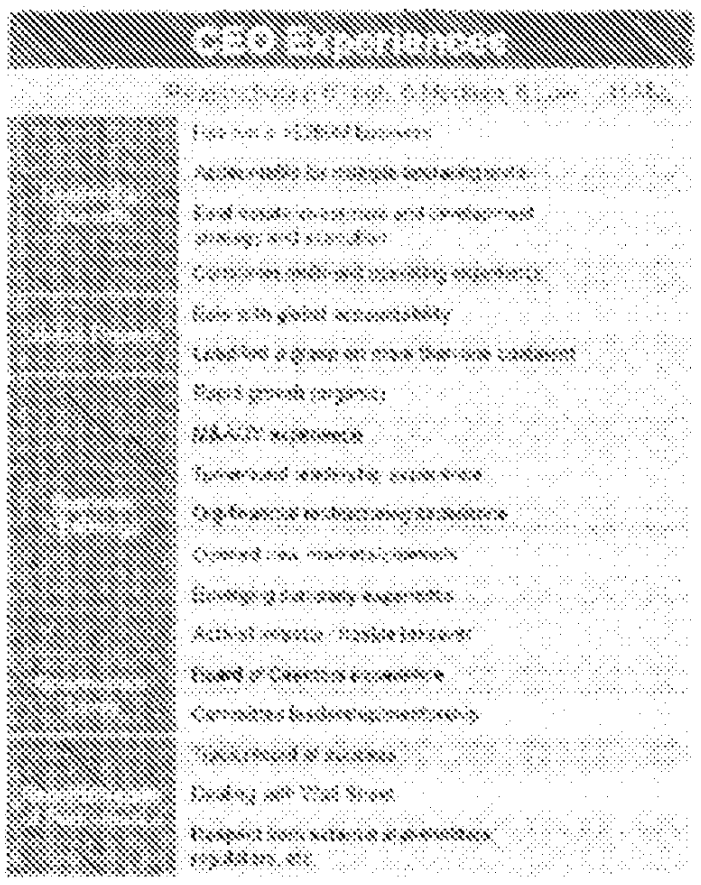
Korn Ferry CEO Talent Scorecard

In thinking about the next 3-5 years ahead for Reading International, please prioritize the key experiences and capabilities you think are critical for the future ideal CEO. This is a forced ranking, so please rate each line as high, medium or low priority. Please select only 6 "high" priority Experiences, and 4 "high" priority Competencies. Feel free to add others you think are important that may be missing.



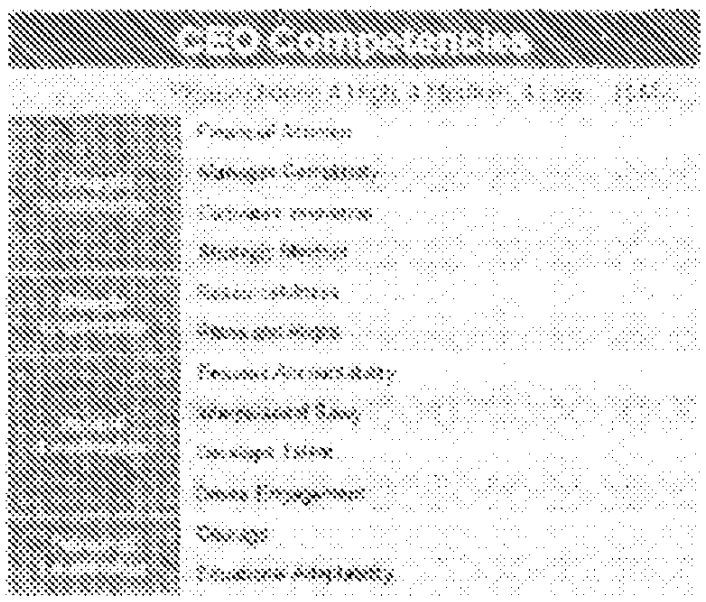


EXHIBIT 9

From: Robert Mayes <Robert.Mayes@KornFerry.com>
Sent: Friday, September 25, 2015 8:21 PM
To: Ellen Cotter
Cc: Jim Aggen; Sidney Cooke
Subject: FW: Initial Status Report
Attachments: RDI CEO Status Report 9_18_2015.docx; RDI CEO Position Specification v4.docx

Importance: High

Ellen, in advance of our call later this afternoon. We look forward to reviewing these materials.

Regards
Bob

From: Robert Mayes
Sent: Friday, September 18, 2015 10:35 AM
To: Ellen Cotter (ellen.cotter@readingrdi.com); Margaret Cotter (margaret.cotter@readingrdi.com); William Gould (wgould@troygould.com); dmcachen@deloitte.com
Cc: Jim Aggen; Robert Mayes; Anjelica Zalin; Sidney Cooke
Subject: Initial Status Report
Importance: High

Dear All,

Attached please find our initial status report as well as the finalized position specification for the CEO search.

The spec is reflective of course of our conversations with all four of you, in addition to Craig Thompkins. Dev Chose and I are going to talk on Monday. The good news is that the Search Committee is very much aligned on the mandate and profile of the appropriate Chief Executive Officer, with Craig having a slightly different perspective that we took into account.

The status report reflects our efforts in the market to date. We have focused primarily within the real estate industry as well as within consumer service businesses with a significant real estate aspect to them. Another filter that we have utilized is to focus on free agents or candidates in transition. As we touched on with Ellen, an extraction of a fully engaged candidate with golden handcuffs would be extremely difficult given the perception of risk around control of RDI. This is not a hard and fast rule, of course, but a prioritization of our initial push.

At this early stage, we have been pleased with the reaction from the marketplace. Six initial candidates have expressed interest in a dialogue, with each recognizing the potential of the company and its various businesses (and real estate in particular). We are anxious to have a discussion around this list as soon as possible to further calibrate and plot the course for the coming weeks. Ideally we would like to have you meet 2-3 candidates as soon as possible. In addition, we have a list of questions that have come back from the market that we would like some feedback on.

Please send some times that would work for each of you next week and we will coordinate a call. Thanks once again for your time and consideration.

EXH 391
DATE 6-29-16
WIT Gould
PATRICIA HUBBARD

Warmest Regards
Bob

Robert Mayes
Senior Client Partner

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KORN FERRY

Confidential Status Report
For the Position of

Chief Executive Officer

READING INTERNATIONAL

September 16th, 2015

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Active Candidates

Candidate	Experience	Comments
Bakhshandehpour, Sam Los Angeles, CA Education Georgetown University Finance and International Business, Minor, Psychology , 1997 Compensation (2014) Total Cash: $1.5 million Other: Equity 5% ownership of management company	**sbe Entertainment (2013 to 2015)** President, Chief Executive Officer and Board Member **J.P. Morgan (2000 to 2012)** Managing Director **Alex. Brown & Sons (Deutsche Bank) (1997 to 1999)** Financial Analyst	• Rare CEO experience at hybrid operating / real estate company • Blend of real estate development, capital markets, and consumer facing operating business background • High quality local free agent with multiple offers • Very interested in a discussion with RDI but may be too expensive. • Well known to RF

Steering International Inc. | Chief Executive Officer

Page 1

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Active Candidates

Candidate	Experience	Comments
Caverly, Martin Los Angeles, CA Education Northwestern University M.B.A., 1987 Harvard College B.A., 1980 Compensation (2014) Base: $350,000 Bonus: 125% target Other: Stock options worth approximately $2 million	EVOQ Properties (2011 to 2014) Chief Executive Officer 2120 Partners (2008 to 2011) Managing Partner O'Connor Capital Partners (2005 to 2008) Principal Tishman Speyer Properties (2002 to 2005) Head of Acquisitions Centric Telecom B.V. (2000 to 2001) Chief Financial Officer Security Capital Group (1997 to 2000) Vice President Citicorp Real Estate (1989 to 1995) Assistant Vice President	• Proven real estate CFO having successfully turned around and sold EVOQ in 2014 • Currently consulting to private REIT in attempted formation of start-up creative office investment business. Essentially a free agent • Interested in a discussion with RDI. • Well known to KF.

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Active Candidates

Candidate	Experience	Comments
Chin, Frederick Los Angeles, CA Education University of Arizona B.S., Business – Finance and Real Estate, 1984 Compensation (2013) $115,000 / month (consulting contract at MPO) = $1.38 million annually	Alston Management Group (2013 to Present) Founder and Principal MPO Office Trust, Inc. (2010 to 2013) Chief Operating Officer Lake at Las Vegas (2007 to 2010) Chief Executive Officer Sagebrush Enterprises (2004 to 2007) Chief Executive Officer/Chief Operating Officer Ernst & Young/Kenneth Leventhal & Company (1998 to 2004) Partner	• Recognized turnaround expert with depth of experience with entity level disruption at MPO and Lake Las Vegas. • Unique blend of development, capital markets and general management experience. • Well known to KF. Steady, seasoned leader with appropriate style to build consensus. • Very interested in pursuing opportunity with RDI.

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Active Candidates

Candidate	Experience	Comments
Donner, Evan Closter, NJ Educating Columbia University Graduate School of Architecture, Planning and Preservation M.S., Real Estate Development, 1995 Hofstra University B.A., Marketing, 1987 Compensation (2012) Base: $350,000 Bonus: Varied – Mix of Cash and Deferred Compensation	**Campus Evolution Villages (2012 to Present)** Chief Executive Officer and Chief Investment Officer **Cantor Fitzgerald (2010 to 2012)** Senior Managing Director, Chief Investment Officer – Merchant Banking **Hypo Real Estate Capital Corporation (2008 to 2009)** Deputy Chief Executive Officer, Hypo Real Estate Capital Corporation (2008 to 2009) Chief Executive Officer & Member of the Board of Directors, Quadra Realty Trust, Inc. (2004 to 2008) **Merrill Lynch Capital Corporation (2002 to 2004)** Director, Healthcare Lending Practice **UBS (2000 to 2002)** Director, Principal Finance Group **GMACC (1999 to 2000)** **Daiwa Securities (1996 to 1999)** Principal/Founding Member, Commercial Real Estate Group **Smith Barney (1993 to 1996)** Various Roles **Kopel Tamar Rigsardi (KTR) (1988 to 1993)** Associate	• Depth of experience in raising capital, building and rebuilding businesses in mortgage finance and student housing. Some development background. • Hands on experience with activist shareholders • Less known to KF team; additional diligence required • Would require bi-coastal arrangement until youngest child graduates high school (2018). Able to split time.

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Active Candidates

Candidate	Experience	Comments
Sheridan, Dan Newport Beach, CA **Education** University of Michigan Law School J.D., 1969 University of Michigan B.A., Political Science with Distinction, 1966 **Compensation (2014)** Base: $450,000 Bonus: $675,000	**DCB Growth Properties (2014 to Present)** Owner The Irvine Company (2011 to 2014) President, Retail Properties Division **General Growth Properties Inc. (1998 to 2011)** Executive Vice President, Asset Management, Central Region (2010 to 2011) Executive Vice President, Asset Management, Hawaii and Las Vegas (2008 to 2010) Executive Vice President, Asset Management, Las Vegas (2004 to 2008) Executive Vice President, Administration (2003 to 2004) Chief Charge Officer (2002 to 2003) Vice President, Assistant General Counsel (2000 to 2002) Assistant General Counsel (1999) Senior Counsel (1998) **Dickinson Wright (1993 to 1998)** Partner (1996 to 1998) Associate (1993 to 1996) **Gardner, Carlton and Douglas** Associate Attorney	• Seasoned leader with strong legal background prior to transitioning to asset management, development and general management roles at GGP and Irvine • Ran large retail properties business at Irvine, totaling 41 properties and eight million square feet • Very interested in role, although commute from Orange County is a risk to be mitigated • Well known to KF

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Active Candidates

Candidate	Experience	Comments
Stern, Howard Calabasas, CA Education University of Southern California M.B.A., 1987 B.A., Political Economy, 1983 Compensation TBD	**Stern & Associates LLC (2014 to Present)** Principal and Founder **Hudson Pacific Properties Inc. (2007 to 2014)** President & Director **Arden Realty, Inc (2000 to 2006)** Chief Investment Officer **Archon Group (1996 to 1999)** Vice President **First Federal Bank (1991 to 1995)** Vice President / Manager **Unity Savings and Gibraltar Savings (1987 to 1991)** Senior Asset Manager / Asset Manager	• Introduced into process by Dev Ghose. • Known to KF. • KF to interview 9/22.

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Potential Candidates

Candidate	Experience	Comments
Heyman, Matthew Los Angeles, CA	**Cinepolis Luxury Cinemas** Consultant, Film and Location Strategy	Recommended to client by Ira Mitchell
Rudnitsky, Steve Norwood, NJ	**Dolce Hotel and Resorts** President & Chief Executive Officer	KF pursuing
Goodman, Don Los Angeles, CA	**Don Goodman Consulting** President	KF pursuing. Ex Disney. Comes highly recommended
Kuhn, Thomas New York, NY	**Doorbrook, LLC** Managing Member	Referred directly to client
Ordan, Mark Washington DC	**Glimcher Realty Trust** Former President, Chief Executive Officer & Board Director	KF pursuing
Risolso, Jim Bethesda, MD	**Host Hotels & Resorts, Inc.** Executive Vice President & Managing Director, Europe & West Coast	KF pursuing
Curry, Chris New York, NY	**Howard Hughes Corporation** Senior Executive Vice President, Development	KF pursuing

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Potential Candidates

Candidate	Experience	Comments
Clayton, Nick Pasadena, CA	Jumeirah Group Chief Operating Officer and Chief Executive Officer, Group Operations	KF pursuing
Gomel, Rich New York, NY	Junius Real Estate Partners Partner & Managing Director	KF pursuing
Long, Robert Charlotte, NC	OHA Investment Corporation President and Chief Executive Officer	KF pursuing
Doll, David Los Angeles, CA	Public Storage, Inc. President of Real Estate	In process of planning exit from Public Storage. Ex Westfield. Well known to KF.
Matyczynski, Andrzej Los Angeles, CA	Reading International Chief Financial Officer and Treasurer	Internal candidate. Next steps to be discussed.
Smith, Wayne Victoria, AUS	Reading International Managing Director, Australia and New Zealand	Internal candidate. Next steps to be discussed.
Wong, Kenneth New York, NY	The Related Companies Chief Operating Officer and Director of International Development	KF pursuing

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Potential Candidates

Candidate	Experience	Comments
Brooks, Jim Oxnard, CA	Tops Management Company President	KF pursuing
Team, David Newport Beach, CA	Waypoint Property Group President and Chief Executive Officer	KF pursuing. Former CEO of UNR Commercial Property Group
Chavy, Olivier Orlando, FL	Wilson & Associates Company Limited Chief Executive Officer	KF pursuing
Reading International, Inc.	Chief Executive Officer	

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Former Prospects / Candidates

Candidate	Experience	Comments
Stanek, Frank Los Angeles, CA	**Stanek Global Advisors** President	Source only. Ex Universal Studios development executive.
Bowers, Stephen Carlsbad, CA	**Terramar Retail Centers** President and Chief Executive Officer	References as insufficiently development oriented.
Messinger, Matt Secaucus, NJ	**Trinity Place Holdings, Inc.** Chief Executive Officer	Took on similar role at Trinity Place in 2012. Interested in joint venture or merger discussion with RDI.

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Confidential Position Specification

Reading International, Inc.

Chief Executive Officer

September 2015

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CONFIDENTIAL POSITION SPECIFICATION

Position	Chief Executive Officer
Company	Reading International, Inc. ("RDI")
Location	Los Angeles, California
Reporting Relationship	Board of Directors
Website	www.readingrdi.com

COMPANY BACKGROUND/CULTURE

Reading International, Inc. ("RDI"), is a publicly traded company headquartered in Los Angeles, California. RDI's shares are traded on the NASDAQ under the symbol RDI.

The company is an internationally diversified "hard asset" company principally focused on the development, ownership and operation of entertainment and real property assets in the United States, Australia, and New Zealand. Currently, the company has two business segments:

1. Cinema Exhibition, through 56 cinema,
2. Real Estate, including real estate development and the rental of retail, commercial and live theater assets.

The two business segments complement one another effectively, as the comparatively consistent cash flows generated by cinema operations allows for opportunistic investment in real estate assets, and can be used not only to grow and develop the cinema business but also to help fund the front-end cash demands of real estate development business

With theaters including the Angelika Film Center, the Cinemas and the Paris in Manhattan, the Angelika Film Centers in Dallas and Plano, the Angelika Mosaic in Virginia, and the about-to-be-opened Angelika Carmel Valley in San Diego, the company is a major player in the art and specialty film market in the United States. It intends to expand this circuit and to become more deeply involved in the distribution of art and specialty film. The company desires to grow its "Angelika" brand and move it into new products and services.

The company owns significant land parcels in Manhattan, Chicago, Coachella, Australia and New Zealand. Recently, the company has sold significant land assets in Australia with the intention of reinvesting these proceeds in entertainment assets and real estate development opportunities in this market. Given the company's expertise in the entertainment real estate arena, it is assumed that the real estate focus of the company going forward will be on the acquisition, development and operation of entertainment real estate assets.

For more than the past 20 years, the company has been under the control of the Cotter Family. From the the early 90's until his passing in September 2014, James J. Cotter Sr. was the Chairman, Chief Executive Officer and controlling stockholder of the company. His background

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was principally in entertainment real estate (cinemas and live theaters) and real estate development. His children continue to control the voting stock of the company and have publicly stated their intention to continue with his vision for the company. His daughter Ellen Cotter has run the company's domestic cinema operations for more than the past ten years. His daughter Margaret Cotter has run the company's live theater operations and managed the company's New York properties, also for more than the past ten years. Ellen Cotter is the Chairman of the Board and interim Chief Executive Officer of the Company. His son, James J. Cotter, Jr. currently sits on the Board of Directors. As a practical matter, the new CEO must be able to obtain the support and confidence of the Cotter Family.

KEY RESPONSIBILITIES

The Chief Executive Officer has responsibility for providing the philosophical, cultural, and strategic leadership for RDI and to effectuate the following: the real estate investment philosophy, strategic plan with long term goals and objectives, annual business plans, and corporate policies, including clear corporate governance and delegation of authority to the senior management team.

Importantly, he or she will be responsible for setting the cultural tone by infusing and maintaining the ethical standards and integrity for the company, as well as developing a high-performance organization with a positive culture for the company. Importantly, he or she needs to be able to work well with people, to take to heart and appreciate input from the Board and fellow executives; to be both a leader and a consensus builder.

The Chief Executive Officer will have overall leadership responsibility for directing and managing the Company's mission and strategy to maximize shareholder value. He or she will set, implement, and manage the business plan, and ensure the strong financial performance of the Company's operating divisions and the strategic optimization of its real estate holdings and other assets.

Specific responsibilities include:

- In concert with the Board, develop a go-forward strategy and position the company for future growth

Assume a strong leadership position, and establish solid working relationships with the senior management team. Drive a positive, team-oriented culture

- Establish strong relationships with the Board of Directors, reporting on plans and expectations to setting the stage for open communication, common goals and mutual respect

- Establish a strong relationship and trust with shareholders, stakeholders, analysts, and potential investors
- Build on RDI's current real estate strategy with regard to current and potential future holdings and work with the executive management team to actively manage the portfolio to achieve the company's goals

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- Strategic oversight (at a minimum) of complex and high stakes real estate redevelopment and investment activity
- Act as the "chief communicator" and spokesperson for the firm and with all stakeholders, including the identification of and making presentations at appropriate investor and analyst conferences
- Building/maintaining relationships with our film distributors and other members of our entertainment business constituency
- Engage and work closely with the Board, the interim CEO, existing management, and other stakeholders to ensure a smooth, well-thought out onboarding / transition period
- Reestablish trust and confidence in RDI among all shareholders, stakeholders, analysts, and employees
- Ensure that the company has the leadership and expertise to provide sound financial and asset management, and the reporting structure to support the requirements of shareholders, financial institutions, investors, and partners
- Play a key role in building, managing and maintaining relationships with financial institutions, capital sources, and intermediaries/advisors
- Recruit, manage and develop, mentor, and retain a strong team of professionals, and create a professional and dynamic organizational climate, encouraging teamwork and open communication within the company
- Assess and evaluate each of the operating division business plans, work with the senior management of each division to refine long-term strategy
- Working closely with the CFO in the development of the company's capital plan;
- Review of company models, budgets, and cash flow management
- Insure adequate compliance and risk management procedures, and timely, accurate and transparent internal and external management reporting

PROFESSIONAL EXPERIENCE/QUALIFICATIONS

The successful candidate will be a proven leader with significant real estate investment and development experience. The new Chief Executive must have a proven and verifiable track record in directing and managing diverse real estate organizations and businesses. He or she must also have exceptional leadership, management and interpersonal skills, and a strong financial acumen. Experience working abroad (particularly in Australia and/or New Zealand) would be highly beneficial.

Specific qualifications will include:

- Minimum of 20 years of relevant experience within the real estate industry, with at least five years in an executive leadership position within dynamic public or private company environments

- Proven track record in the full cycle management of development investments, from planning and entitlement through infrastructure development, land sales, joint ventures and vertical construction, with a proven record of value creation.
- A track record of raising debt and equity capital, with additional exposure to joint-ventures, M&A, and institutional/investor relations
- Proven management and leadership skills with a track record of successfully recruiting, motivating, mentoring, and retaining high performance talent within a multi-disciplinary organizational environment
- Strategic thinking capability to assess macro trends that will impact RDI's business, and ability to anticipate and act ahead of the markets, and make complex decisions to protect and optimize the company's portfolio and performance
- A hands on "player / coach" orientation with the ability to lead by example and via consensus building
- Results orientation and fiduciary mindset
- Exceptional communication skills and ability to inspire
- Unquestioned integrity
- Ideally, in possession of substantive relationships among domestic and global debt and equity sources
- Ideally, an executive who has been involved in a multi-faceted, highly complex entity level "disruption" and has the energy and emotional resilience to lead, deal with, and make decisions on difficult issues
- Ideally, experience in brand development
- Ideally, C-suite level experience within a public company
- A significant depth of international experience, and the ability to work with diverse cultures in diverse places.

EDUCATION

An undergraduate degree is required; an advanced degree is preferred.

KORN FERRY CONTACTS

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EXHIBIT 1

AMENDED AND RESTATED

BYLAWS

OF

Reading International, Inc.

A Nevada Corporation

(formerly Citadel Holding Corporation)

AMENDED AND RESTATED

BYLAWS

OF

READING INTERNATIONAL, INC.

A Nevada Corporation

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AMENDED AND RESTAED

BYLAWS[1]

OF

READING INTERNATIONAL, INC.

A Nevada Corporation

ARTICLE I
STOCKHOLDERS

SECTION 1 ANNUAL MEETING

Annual meetings of the stockholders, commencing with the year 2000, shall be held each year within 150 days of the end of the fiscal year on the third Thursday in May if not a legal holiday, and if a legal holiday, then on the next secular day following at ten o'clock a.m., or such other date and time as may be set by the Board of Directors[2] from time to time and stated in the notice of the meeting, at which the stockholders shall elect by a plurality vote a Board of Directors and transact such other business as may properly be brought before the meeting.

SECTION 2 SPECIAL MEETINGS

Special meetings of the stockholders, for any purpose or purposes, unless otherwise prescribed by statute or by the Articles of Incorporation, may be called by the Chairman or Vice Chairman of the Board or the President, and shall be called by the Chairman, Vice Chairman or President at the written request of a majority of the Board of Directors or at the written request of stockholders owning outstanding shares representing a majority of the voting power of the Corporation. Such request shall state the purpose or purposes of such meeting.

SECTION 3 NOTICE OF MEETINGS

Written notice of stockholders meetings, stating the place, date and hour thereof, and, in the case of a special meeting, the purpose or purposes for which the meeting is called, shall be given to each stockholder entitled to vote thereat at least ten days but not more than sixty days before the date of the meeting, unless a different period is prescribed by statute. Business transacted any special meeting of the stockholders shall be limited to the purpose or purposes stated in the notice.

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[1] These Amended and Restated Bylaws are hereinafter referred to as the Bylaws.

[2] The "Board" and "Board of Directors" are hereinafter used in reference to the Board of Directors of Reading International, Inc.

SECTION 4 PLACE OF MEETINGS

All annual meetings of the stockholders shall be held in the County of Los Angeles, State of California, at such place as may be fixed from time to time by the Board of Directors, or at such other place within or without the State of Nevada as the directors shall determine. Special meetings of the stockholders may be held at such time and place within or without the State of Nevada as shall be stated in the notice of the meeting, or in a duly executed waiver of notice thereof. Business transacted at any special meeting of stockholders shall be limited to the purposes stated in the notice.

SECTION 5 STOCKHOLDER LISTS

The officer who has charge of the stock ledger of the Corporation shall prepare and make, not less than ten nor more than sixty days before every meeting of stockholders, a complete list of the stockholders entitled to vote at the meeting, arranged in alphabetical order, and showing the address of each stockholder and the number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder, for any proper purpose germane to the meeting, during ordinary business hours for a period not less than ten days prior to the meeting, either at a place within the city where the meeting is to be held, which place shall be specified in the notice of the meeting, or, if not so specified, at the place where the meeting is to be held. The list shall also be produced and kept at the time and place of the meeting during the whole time thereof, and may be inspected by any stockholder who is present.

SECTION 6 QUORUM; ADJOURNED MEETINGS

The holders of a majority of the stock issued and outstanding and entitled to vote thereat, present in person or represented by proxy, shall constitute a quorum at all meetings of the stockholders for the transaction of business except as otherwise provided by statute or by the Articles of Incorporation. If, however, such quorum shall not be present or represented at any meeting of the stockholders, the stockholders entitled to vote thereat, present in person or represented by proxy, shall have the power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present or represented. At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting as originally noticed. If the adjournment is for more than thirty days, or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting.

SECTION 7 VOTING

Except as otherwise provided by statute or the Articles of Incorporation or these Bylaws, and except for the election of directors, at any meeting duly called and held at which a quorum is present, a majority of the votes cast at such meeting upon a given matter by the holders of outstanding shares of stock of all classes of stock of the Corporation entitled to vote thereon who are present in person or by proxy shall decide such matter. At any meeting duly called and held for the election of directors at which a quorum is present, directors shall be elected by a plurality of the votes cast by the holders (acting as such) of shares of stock of the Corporation entitled to elect such directors.

SECTION 8 PROXIES

At any meeting of the stockholders any stockholder may be represented and vote by a proxy or proxies appointed by an instrument in writing. In the event that any such instrument in writing shall designate two or more persons to act as proxies, a majority of such persons present at the meeting, or, if only one shall be present, then that one shall have and may exercise all of the powers conferred by such written instrument upon all of the persons so designated unless the instrument shall otherwise provide. No proxy, proxy revocation or power of attorney to vote shall be used at a meeting of the stockholders unless it shall have been filed with the secretary of the meeting; provided, however, nothing contained herein shall prevent any stockholder from attending any meeting and voting in person. All questions regarding the qualification of voters, the validity of proxies and the acceptance or rejection of votes shall be decided by the inspectors of election who shall be appointed by the Board of Directors, or if not so appointed, then by the presiding officer of the meeting.

SECTION 9 ACTION WITHOUT MEETING

Any action which may be taken by the vote of the stockholders at a meeting may be taken without a meeting if authorized by the written consent of stockholders holding at least a majority of the voting power, unless the provisions of the statutes governing the Corporation or of the Articles of Incorporation require a different proportion of voting power to authorize such action in which case such proportion of written consents shall be required. Prompt notice of the taking of the corporate action without a meeting by less than unanimous written consent shall be given to those stockholders who have not consented in writing.

SECTION 10 CERTAIN LIMITATIONS

The Board of Directors shall not, without the prior approval of the stockholders, adopt any procedures, rules or requirements which restrict a stockholders right to (i) vote, whether in person, by proxy or by written consent; (ii) elect, nominate or remove directors; (iii) call a special meeting; or (iv) to bring new business before the stockholders, except as may be required by applicable law.

ARTICLE II
DIRECTORS

SECTION 1 MANAGEMENT OF CORPORATION

The business of the Corporation shall be managed by its Board of Directors, which may exercise all such powers of the Corporation and do all such lawful acts and things as are not by statute or by the Articles of Incorporation or by these Bylaws directed or required to be exercised or done by the stockholders.

SECTION 2 NUMBER, TENURE, AND QUALIFICATIONS

The number of directors, which shall constitute the whole board, shall be nine (9). Thereafter, the number of directors may from time to time be increased or decreased to not less than one nor more than ten by action of the Board of Directors. The directors shall be elected by

the holders of shares entitled to vote thereon at the annual meeting of the stockholders and, except as provided in Section 4 of this Article, each director elected shall hold office until his successor is elected and qualified. Directors need not be stockholders.

SECTION 3 CHAIRMAN AND VICE CHAIRMAN OF THE BOARD

The directors may elect one of their members to be Chairman of the Board of Directors and one of their members to be Vice Chairman of the Board of Directors. The Chairman and Vice Chairman shall be subject to the control of and may be removed by the Board of Directors. The Chairman and Vice Chairman shall perform such duties as may from time to time be assigned to them by the Board of Directors.

SECTION 4 VACANCIES; REMOVAL

Vacancies in the Board of Directors, including those caused by an increase in the number of directors, may be filled by a majority of the remaining directors, though less than a quorum, or by a sole remaining director, and each director so elected shall hold office until his successor is elected at an annual or a special meeting of the stockholders. The holders of no less than two-thirds of the outstanding shares of stock entitled to vote may at any time peremptorily terminate the term of office of all or any of the directors by vote at a meeting called for such purpose or by written consent filed with the Secretary or, in his absence, with any other officer. Such removal shall be effective immediately, even if successors are not elected simultaneously.

A vacancy or vacancies in the Board of Directors shall be deemed to exist in case of the death, resignation or removal of any directors, or if the authorized number of directors be increased, or if the stockholders fail at any annual or special meeting of stockholders at which any director or directors are elected to elect the full authorized number of directors to be voted for at that meeting.

If the Board of Directors accepts the resignation of a director tendered to take effect at a future time, the Board or the stockholders shall have power to elect a successor to take office when the resignation is to become effective.

No reduction of the authorized number of directors shall have the effect of removing any director prior to the expiration of his term of office.

SECTION 5 ANNUAL AND REGULAR MEETINGS

Annual and regular meetings of the Board of Directors shall be held at any place within or without the State of Nevada that has been designated from time to time by resolution of the Board of Directors or by written consent of all members of the Board of Directors. In the absence of such designation, annual and regular meetings shall be held at the registered office of the Corporation. Regular meetings of the Board of Directors may be held without call or notice at such time and at such place as shall from time to time be fixed and determined by the Board of Directors.

SECTION 6 FIRST MEETING

The first meeting of each newly elected Board of Directors shall be held at such time and place as shall be fixed by the vote of the stockholders at the annual meeting and no notice of such meeting shall be necessary to the directors in order legally to constitute the meeting, provided a quorum is present. In the event of the failure of the stockholders to fix the time and place of such first meeting, or in the event such meeting is not so held, the meeting may be held at such time and place as shall be specified in a notice given as hereinafter provided for special meetings of the Board of Directors, or as shall be specified in a written waiver signed by all of the directors.

SECTION 7 SPECIAL MEETINGS

Special meetings of the Board of Directors may be called by the Chairman or Vice Chairman of the Board or the President upon notice to each director, either personally or by mail or by telegram. Upon the written request of a majority of the directors, the Chairman or Vice Chairman of the Board or the President shall call a special meeting of the Board to be held within two days of the receipt of such request and shall provide notice thereof to each director, either personally or by mail or by telegram.

SECTION 8 BUSINESS OF MEETINGS

The transactions of any meeting of the Board of Directors, however called and noticed or wherever held, shall be as valid as though had at a meeting duly held after regular call and notice, if a quorum be present, and if, either before or after the meeting, each of the directors not present signs a written waiver of notice, or a consent to holding such meeting, or an approval of the minutes thereof. All such waivers, consents or approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

SECTION 9 QUORUM; ADJOURNED MEETINGS

A majority of the authorized number of directors shall constitute a quorum for the transaction of business, except to adjourn as hereinafter provided. Every act or decision done or made by a majority of the directors present at a meeting duly held at which a quorum is present shall be regarded as the act of the Board of Directors, unless a greater number is required by law or by the Articles of Incorporation. Any action of a majority, although not at a regularly called meeting, and the record thereof, if assented to in writing by all of the other members of the Board shall be as valid and effective in all respects as if passed by the Board of Directors in a regular meeting.

A quorum of the directors may adjourn any directors meeting to meet again at a stated day and hour; provided, however, that in the absence of a quorum, a majority of the directors present at any directors' meeting, either regular or special, may adjourn from time to time, without notice other than announcement at the meeting, until a quorum is present.

Notice of the time and place of holding an adjourned meeting need not be given to the absent directors if the time and place are fixed at the meeting adjourned.

SECTION 10 COMMITTEES

The Board of Directors may, by resolution adopted by a majority of the whole Board, designate one or more committees of the Board of Directors, each committee to consist of at least one or more directors of the Corporation which, to the extent provided in the resolution, shall have and may exercise the power of the Board of Directors in the management of the business and affairs of the Corporation and may have power to authorize the seal of the Corporation to be affixed to all papers which may require it; but no such committee shall have the power to amend the Articles of Incorporation, to adopt an agreement or plan of merger or consolidation, to recommend to the stockholders a sale, lease or exchange of all or substantially all of the Corporation's assets, to recommend to the stockholders dissolution or revocation of dissolution, or to amend these Bylaws, and, unless the resolution or the Articles of Incorporation expressly so provide, no such committee shall have the power or authority to declare a dividend or to authorize the issuance of stock. Such committee or committees shall have such name or names as may be determined from time to time by the Board of Directors. The Board may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. The members of any such committee present at any meeting and not disqualified from voting may, whether or not they constitute a quorum, unanimously appoint another member of the Board of Directors to act at the meeting in the place of any absent or disqualified member. At meetings of such committees, a majority of the members or alternate members shall constitute a quorum for the transaction of business, and the act of a majority of the members or alternate members at any meeting at which there is a quorum shall be the act of the committee.

The committees, if required by the Board, shall keep regular minutes of their proceedings and report the same to the Board of Directors.

SECTION 11 ACTION WITHOUT MEETING; TELEPHONE MEETINGS

Any action required or permitted to be taken at any meeting of the Board of Directors or of any committee thereof may be taken without a meeting if a written consent thereto is signed by all members of the Board of Directors or of such committee, as the case may be, and such written consent is filed with the minutes of proceedings of the Board or committee.

Nothing contained in these Bylaws shall be deemed to restrict the powers of members of the Board of Directors, or any committee thereof, to participate in a meeting of the Board or committee by means of telephone conference or similar communications equipment whereby all persons participating in the meeting can hear each other.

SECTION 12 SPECIAL COMPENSATION

The directors may be paid their expenses of attendance at each meeting of the Board of Directors and may be paid a fixed sum for attendance at each meeting of the Board of Directors or a stated salary as director as fixed by the Board of Directors. No such payment shall preclude any director from serving the Corporation in any other capacity and receiving compensation therefor. Members of committees may be allowed like reimbursement and compensation for attending committee meetings.

ARTICLE III
NOTICES

SECTION 1 NOTICE OF MEETINGS

Whenever, under the provisions of the Articles of Incorporation or applicable law or these Bylaws, notice is required to be given to any director or stockholder, it shall not be construed to mean personal notice, but such notice may be given in writing, by mail, addressed to such director or stockholders, at his address as it appears on the records of the Corporation, postage prepaid, and such notice shall be deemed to be given at the time when the same shall be deposited in the United States mail. Notice to directors may also be given by telegram.

Notices of meetings of stockholders shall be in writing and signed by the President or a Vice-President or the Secretary or an Assistant Secretary or by such other person or persons as the directors shall designate. Such notice shall state the purpose or purposes for which the meeting is called and the time and the place, which may be within or without this State, where it is to be held. Personal delivery of any notice to any officer of a corporation or association, or to any member of a partnership, shall constitute delivery of such notice to such corporation, association or partnership. In the event of the transfer of stock after delivery of such notice of and prior to the holding of the meeting it shall not be necessary to deliver or mail notice of the meeting to the transferee.

SECTION 2 EFFECT OF IRREGULARLY CALLED MEETINGS

Whenever all parties entitled to vote at any meeting, whether of directors or stockholders, consent, either by a writing on the records of the meeting or filed with the secretary, or by presence at such meeting and oral consent entered on the minutes, or by taking part in the deliberations at such meeting without objection, the doings of such meeting shall be as valid as if had at a meeting regularly called and noticed, and at such meeting any business may be transacted which is not excepted from the written consent or to the consideration of which no objection for want of notice is made at the time, and if any meeting be irregular for want of notice or of such consent, provided a quorum was present at such meeting, the proceedings of said meeting may be ratified and approved and rendered likewise valid and the irregularity or defect therein waived by a writing signed by all parties having the right to vote at such meeting; and such consent or approval of stockholders may be by proxy or attorney, but all such proxies and powers of attorney must be in writing.

SECTION 3 WAIVER OF NOTICE

Whenever any notice whatever is required to be given under the provisions of the statutes, the Articles of Incorporation or these Bylaws, a waiver thereof in writing, signed by the person or persons entitled to said notice, whether before or after the time stated therein, shall be deemed equivalent thereto.

ARTICLE IV
OFFICERS

SECTION 1 ELECTION

The officers of the Corporation shall be elected annually at the first meeting by the Board of Directors held after each annual meeting of the stockholders and shall be a President, one or more Vice Presidents, a Treasurer and a Secretary, and such other officers with such titles and duties as the Board of Directors may determine, none of whom need be directors. The President shall be the Chief Executive Officer, unless the Board designates the Chairman of the Board as Chief Executive Officer. Any person may hold one or more offices and each officer shall hold office until his successor shall have been duly elected and qualified or until his death or until he shall resign or is removed in the manner as hereinafter provided for such term as may be prescribed by the Board of Directors from time to time.

SECTION 2 CHAIRMAN AND VICE CHAIRMAN OF THE BOARD

The Board of Directors at its first annual meeting after each annual meeting of the stockholders may choose a Chairman and Vice Chairman of the Board from among the directors of the Corporation. The Chairman of the Board, and in his absence the Vice Chairman, shall preside at meetings of the stockholders and the Board of Directors and shall see that all orders and resolutions of the Board of Directors are carried into effect.

SECTION 3 PRESIDENT

The President shall be the chief operating officer of the Corporation, shall also be a director and shall have active management of the business of the Corporation. The President shall execute on behalf of the Corporation all instruments requiring such execution except to the extent the signing and execution thereof shall be expressly designated by the Board of Directors to some other officer or agent of the Corporation.

SECTION 4 VICE-PRESIDENT

The Vice-President shall act under the direction of the President and in the absence or disability of the President shall perform the duties and exercise the powers of the President. The Vice-President shall perform such other duties and have such other powers as the President or the Board of Directors may from time to time prescribe. The Board of Directors may designate one or more Executive Vice-Presidents or may otherwise specify the order of seniority of the Vice-Presidents. The duties and powers of the President shall descend to the Vice-Presidents in such specified order of seniority.

SECTION 5 SECRETARY

The Secretary shall act under the direction of the President. Subject to the direction of the President, the Secretary shall attend all meetings of the Board of Directors and all meetings of the stockholders and record the proceedings. The Secretary shall perform like duties for the standing committees when required. The Secretary shall give, or cause to be given, notice of all

meetings of the stockholders and special meetings of the Board of Directors, and shall perform such other duties as may be prescribed by the President or the Board of Directors.

SECTION 6 ASSISTANT SECRETARIES

The Assistant Secretaries shall act under the direction of the President. In order of their seniority, unless otherwise determined by the President or the Board of Directors, they shall, in the absence or disability of the Secretary, perform the duties and exercise the powers of the Secretary. They shall perform such other duties and have such other powers as the President or the Board of Directors may from time to time prescribe.

SECTION 7 TREASURER

The Treasurer shall act under the direction of the President. Subject to the direction of the President, the Treasurer shall have custody of the corporate funds and securities and shall keep full and accurate accounts of receipts and disbursements in books belonging to the Corporation and shall deposit all monies and other valuable effects in the name and to the credit of the Corporation in such depositories as may be designated by the Board of Directors. The Treasurer shall disburse the funds of the Corporation as may be ordered by the President or the Board of Directors, taking proper vouchers for such disbursements, and shall render to the President and the Board of Directors, at its regular meetings, or when the Board of Directors so requires, an account of all transactions as Treasurer and of the financial condition of the Corporation.

If required by the Board of Directors, the Treasurer shall give the Corporation a bond in such sum and with such surety or sureties as shall be satisfactory to the Board of Directors for the faithful performance of the duties of such person's office and for the restoration to the Corporation, in case of such person's death, resignation, retirement or removal from office, of all books, papers, vouchers, money and other property of whatever kind in such person's possession or under such person's control belonging to the Corporation.

SECTION 8 ASSISTANT TREASURERS

The Assistant Treasurers in the order of their seniority, unless otherwise determined by the President or the Board of Directors, shall, in the absence or disability of the Treasurer, perform the duties and exercise the powers of the Treasurer. They shall perform such other duties and have such other powers as the President or the Board of Directors may from time to time prescribe.

SECTION 9 COMPENSATION

The Board of Directors shall fix the salaries and compensation of all officers of the Corporation.

SECTION 10 REMOVAL; RESIGNATION

The officers of the Corporation shall hold office at the pleasure of the Board of Directors. Any officer elected or appointed by the Board of Directors, or any member of a committee, may

be removed at any time, with or without cause, by the Board of Directors by a vote of not less than a majority of the entire Board at any meeting thereof or by written consent. Any vacancy occurring in any office of the Corporation by death, resignation, removal or otherwise shall be filled by the Board of Directors for the unexpired portion of the term.

Any director or officer of the Corporation, or any member of any committee, may resign at any time by giving written notice to the Board of Directors, the Chairman of the Board, the President, or the Secretary of the Corporation. Any such resignation shall take effect at the time specified therein or, if the time is not specified, then upon receipt thereof. The acceptance of such resignation shall not be necessary to make it effective.

ARTICLE V
CAPITAL STOCK

SECTION 1 CERTFICATED AND UNCERTIFICATED SHARES OF STOCK

Shares of stock in the Corporation shall be represented by certificates, or shall be uncertificated, as determined by the Board of Directors in its discretion. As to any shares represented by certificates, every stockholder shall be entitled to have a certificate signed by the Chairman or Vice Chairman of the Board of Directors, the President or a Vice-President and the Treasurer or an Assistant Treasurer, or the Secretary or an Assistant Secretary of the Corporation, certifying the number of shares owned by such person in the Corporation. If the Corporation shall be authorized to issue more than one class of stock or more than one series of any class, the designations, preferences and relative, participating, optional or other special rights of the various classes of stock or series thereof and the qualifications, limitations or restrictions of such rights, shall be set forth in full or summarized on the face or back of any certificate which the Corporation shall issue to represent such stock; provided, however, that except as otherwise provided in NRS 78.242, in lieu of the foregoing requirements, there may be set forth on the face or back of any certificate which the Corporation shall issue to represent such class or series of stock, a statement that the Corporation will furnish without charge to each stockholder who so requests, the designations, preferences and relative, participating, optional or other special rights of the various classes or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights.

If a certificate representing stock is signed (1) by a transfer agent other than the Corporation or its employees or (2) by a registrar other than the Corporation or its employees, the signatures of the officers of the Corporation may be facsimiles. In case any officer who has signed or whose facsimile signature has been placed upon a certificate shall cease to be such officer before such certificate is issued, such certificate may be issued with the same effect as though the person had not ceased to be such officer. The seal of the Corporation, or a facsimile thereof, may, but need not be, affixed to any certificates representing stock.

SECTION 2 SURRENDERED; LOST OR DESTROYED CERTIFICATES

The Board of Directors or any transfer agent of the Corporation may direct a new certificate or certificates to be issued, or, if such stock is no longer certificated, a registration of such stock, in place of any certificate or certificates theretofore issued by the Corporation alleged to have been lost or destroyed upon the making of an affidavit of that fact by the person claiming

the certificate of stock to be lost or destroyed. When authorizing such issue of a new certificate or certificates, or new registration of uncertificated stock, the Board of Directors (or any transfer agent of the Corporation authorized to do so by a resolution of the Board of Directors) may, in its discretion and as a condition precedent to the issuance or registration thereof, require the owner, of such lost or destroyed certificate or certificates, or the owner's legal representative, to advertise the same in such manner as it shall require and/or give the Corporation a bond in such sum as it may direct as indemnity against any claim that may be made against the Corporation with respect to the certificate alleged to have been lost or destroyed.

SECTION 3 REGULATIONS

The Board of Directors shall have the power and authority to make all such rules and regulations and procedures as it may deem expedient concerning the issue, transfer and cancellation of stock of the Corporation and replacement of any stock certificates representing stock and registration and re-registration of any uncertificated stock.

SECTION 4 RECORD DATE

The Board of Directors may fix in advance a date not more than sixty days nor less than ten days preceding the date of any meeting of stockholders, or the date for the payment of any distribution, or the date for the allotment of rights, or the date when any change or conversion or exchange of capital stock shall go into effect, or a date in connection with obtaining the consent of stockholders for any purpose, as a record date for the determination of the stockholders entitled to notice of and to vote at any such meeting, and any adjournment thereof, or entitled to receive payment of any such distribution, or to give such consent, and in such case, such stockholders, and only such stockholders as shall be stockholders of record on the date so fixed, shall be entitled to notice of and to vote at such meeting, or any adjournment thereof, or to receive payment of such dividend, or to receive such allotment of rights, or to exercise such rights, or to give such consent, as the case may be, notwithstanding any transfer of any stock on the books of the Corporation after any such record date fixed as aforesaid.

SECTION 5 REGISTERED OWNER

The Corporation shall be entitled to recognize the person registered on its books as the owner of the shares to be the exclusive owner for all purposes, including voting and distribution, and the Corporation shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of any other person, whether or not it shall have express or other notice thereof, except as otherwise provided by the laws of Nevada.

ARTICLE VI
GENERAL PROVISIONS

SECTION 1 REGISTERED OFFICE

The registered office of the Corporation shall be in the County of Clark, State of Nevada. The principal office of the Corporation shall be located in the County of Los Angeles, State of California.

The Corporation may also have offices at such other places both within and without the State of Nevada as the Board of Directors may from time to time determine or the business of the Corporation may require.

SECTION 2 CHECKS; NOTES

All checks or demands for money and notes of the Corporation shall be signed by such officer or officers or such other person or persons as the Board of Directors may from time to time designate.

SECTION 3 FISCAL YEAR

The fiscal year of the Corporation shall be fixed by resolution of the Board of Directors.

SECTION 4 STOCK OF OTHER CORPORATIONS OR OTHER INTERESTS

Unless otherwise ordered by the Board of Directors, the President, the Secretary, and such other attorneys or agents of the Corporation as may be from time to time authorized by the Board of Directors or the President, shall have full power and authority on behalf of the Corporation to attend and to act an vote in person or by proxy at any meeting of the holders of securities of any corporation or other entity in which the Corporation may own or hold shares or other securities, and at such meetings shall possess and may exercise all the rights and powers incident to the ownership of such shares or other securities which the Corporation, as the owner or holder thereof, might have possessed and exercised if present. The President, the Secretary or other such attorneys or agents may also execute and deliver on behalf of the Corporation, powers of attorney, proxies, consents, waivers and other instruments relating to the shares or securities owned or held by the Corporation.

SECTION 5 CORPORATE SEAL

The corporation will have a corporate seal, as may from time to time be determined by resolution of the Board of Directors. If a corporate seal is adopted, it shall have inscribed thereon the name of the corporation and the words "Corporate Seal" and "Nevada." The seal may be used by causing it or a facsimile thereof to be impressed or affixed or in any manner reproduced.

SECTION 6 ANNUAL STATEMENT

The Board of Directors shall present at each annual meeting, and at any special meeting of the stockholders when called for by a vote of the stockholders, a full and clear statement of the business and condition of the Corporation.

SECTION 7 DIVIDENDS

Dividends upon the capital stock of the Corporation, subject to the provision of the Articles of Incorporation, if any, may be declared by the Board of Directors at any regular or special meeting pursuant to law. Dividends may be paid in cash, in property, or in shares of the capital stock of the Corporation, subject to the provisions of the Articles of Incorporation.

Before payment of any dividend, there may be set aside out of any funds of the Corporation available for dividends such sum or sums as the directors from time to time, in their absolute and sole discretion, think proper as a reserve or reserves to meet contingencies, or for equalizing dividends, or for repairing or maintaining any property or the Corporation, or for such other purpose or purposes as the directors believe to be in the interest of the Corporation, and the directors may modify or abolish any such reserve in the manner in which it was created.

SECTION 8 CONFLICTS OF INTEREST

In the event of any proposed transaction which would result in the merger of the Corporation with or into any other company or entity, or the sale, dividend, spin-off or transfer of all or substantially all of the assets of the Corporation, whether in one or more related transactions (a "Covered Transaction"), such Covered Transaction shall require the approval of a two-thirds majority of the Board of Directors after a review and written report of the terms and fairness of such transaction have been conducted and prepared by a special committee of the Board appointed to conduct such review. Such special committee shall consist of not less than two directors and shall be composed entirely of directors who are neither employees, directors, officers, agents or appointees or representatives of any company or entity affiliated with any party to the Covered Transaction, other than the Corporation. Such special committee is authorized to retain such professional advisors, including investment bankers, attorneys, and accountants as it may determine, in its sole discretion, to be appropriate under the circumstances.

ARTICLE VII
INDEMNIFICATION

SECTION 1 INDEMNIFICATION OF OFFICERS AND DIRECTORS, EMPLOYEES AND AGENTS

Every person who was or is a party or is threatened to be made a party to or is involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that such person or a person of whom that person is the legal representative is or was a director, officer, employee or agent of the Corporation or is or was serving at the request of the Corporation or for its benefit as a director, officer, employee or agent of another corporation, or as its representative in a partnership, joint venture, trust or other enterprise, shall be indemnified and held harmless to the fullest extent legally permissible under the NRS from time to time against all expenses, liability and loss (including attorneys' fees, judgments, fines and amounts paid or to be paid in settlement) reasonably incurred or suffered by such person in connection therewith. The expenses of officers, directors, employee or agents incurred in defending a civil or criminal action, suit or proceeding must be paid by the Corporation as they are incurred and in advance of the final disposition of the action, suit or proceeding upon receipt of an undertaking by or on behalf of the director, officer, employee or agent to repay the amount if it is ultimately determined by a court of competent jurisdiction that such person is not entitled to be indemnified by the Corporation. Such right of indemnification shall be a contract right, which may be enforced in any manner desired by such person. Such right of indemnification shall not be exclusive of any other right which such directors, officers, employees or agents may have or hereafter acquire and, without limiting the generality of such statement, they shall be entitled to their respective rights of indemnification under any bylaw, agreement, vote of stockholders, provision of law or otherwise, as well as their rights under this Article VII.

SECTION 2 INSURANCE

The Board of Directors may cause the Corporation to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, or as its representative in a partnership, joint venture, trust or other enterprise against any liability asserted against such person and incurred in any such capacity or arising out of such status, whether or not the Corporation would have the power to indemnify such person.

SECTION 3 FURTHER BYLAWS

The Board of Directors may from time to time adopt further Bylaws with respect to indemnification and may amend these and such Bylaws to provide at all times the fullest indemnification permitted by the laws of the State of Nevada.

ARTICLE VIII
AMENDMENTS

SECTION 1 AMENDMENTS BY STOCKHOLDERS

The Bylaws may be amended by the stockholders at any annual or special meeting of the stockholders by a majority vote, provided notice of intention to amend or repeal shall have been contained in the notice of such meeting.

SECTION 2 AMENDMENTS BY BOARD OF DIRECTORS

The Board of Directors at any regular or special meeting by a majority vote may amend these Bylaws, including Bylaws adopted by the stockholders, but the stockholders may from time to time specify particular provisions of the Bylaws, which shall not be amended by the Board of Directors.

CERTIFICATE OF SECRETARY

I, the undersigned, hereby certify that I am the duly elected and qualified Secretary of Reading International, Inc. (formerly Citadel Holding Corporation), a Nevada corporation (the "Company"), and that the foregoing Bylaws, consisting of 17 pages (including cover page and table of contents), constitute the Amended and Restated Bylaws of the Company as duly adopted by the Board of Directors on November 19, 1999 and amended by the Board of Directors on March 21, 2002, September 26, 2002, October 15, 2004, December 27, 2007 and December 28, 2011

IN WITNESS WHEREOF, I have hereunto subscribed my name this 28th of December, 2011.

_____

Andrzej Matyczynski, Secretary

EXHIBIT 2

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

Form 10-K/A
Amendment No. 1

(Mark One)

☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2014

or

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transaction period from _____ to _____

Commission file number: 1-8625

Reading International, Inc.

(Exact Name of Registrant as Specified in Its Charter)

Nevada	**95-3885184**
(State or Other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification No.)
6100 Center Drive, Suite 900 Los Angeles, CA	**90045**
(Address of Principal Executive Offices)	(Zip Code)

(213) 235-2240
(Registrant's Telephone Number, Including Area Code)

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	**Name Of Each Exchange On Which Registered**
Class A Nonvoting Common Stock, $0.01 Par Value per Share	**NASDAQ**
Class B Voting Common Stock, $0.01 Par Value per Share	**NASDAQ**

Securities registered pursuant to Section 12(g) of the Act:
None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that

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the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this From 10-K or any amendment to this From 10-K. ☐

Indicate by check mark whether the registrant is a large accelerated filer, accelerated filer or non-accelerated filer (See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act) (Check one).

Large accelerated filer☐	Accelerated filer ☒
Non-accelerated filer ☐ (Do not check if a smaller reporting company)	Smaller reporting company ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The aggregate market value of voting and nonvoting stock held by non-affiliates of the Registrant was $139,379,701 as of June 30, 2014.

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date. As of May 6, 2015, there were outstanding 21,745,484 shares of class A non-voting common stock, par value $0.01 per share, and 1,580,590 shares of class B voting common stock, par value $0.01 per share.

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EXPLANATORY NOTE

This Amendment No. 1 on Form 10-K/A (this "Amendment") amends Reading International, Inc.'s Annual Report on Form 10-K for the year ended December 31, 2014, originally filed with the Securities and Exchange Commission, or SEC, on March 7, 2015 (the "Original Filing"). We are amending and refiling Part III to include information required by Items 10, 11, 12, 13 and 14 because our definitive proxy statement will not be filed within 120 days after December 31, 2014, the end of the fiscal year covered by our Annual Report on Form 10-K.

In addition, pursuant to the rules of the SEC, we have also included as exhibits currently dated certifications required under Section 302 of The Sarbanes-Oxley Act of 2002. Because no financial statements are contained within this Amendment, we are not including certifications pursuant to Section 906 of The Sarbanes-Oxley Act of 2002. We are amending Part IV to reflect the inclusion of those certifications.

Except as described above, no other changes have been made to the Original Filing. Except as otherwise indicated herein, this Amendment continues to speak as of the date of the Original Filing, and we have not updated the disclosures contained therein to reflect any events that occurred subsequent to the date of the Original Filing. The filing of this Annual Report on Form 10-K/A is not a representation that any statements contained in items of our Annual Report on Form 10-K other than Part III, Items 10 through 14, and Part IV are true or complete as of any date subsequent to the Original Filing.

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PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The following table sets forth the name, age and position held by each of our executive officers and directors as of April 30, 2015. Directors are elected for a period of one year and thereafter serve until the next annual meeting at which their successors are duly elected by the stockholders.

Name	Age	Position
Ellen M. Cotter	49	Chair of the Board and Chief Operating Officer – Domestic Cinemas
James J. Cotter, Jr.	45	President, Chief Executive Officer and Director (1)(2)
Margaret Cotter	47	Vice Chair of the Board(1)
Guy W. Adams	64	Director(1)(5)
William D. Gould	76	Director (3)
Edward L. Kane	77	Director (1)(2)(4)(5)
Douglas J. McEachern	63	Director (4)
Tim Storey	57	Director (4)(5)

(1) Member of the Executive Committee.

(2) Member of the Tax Oversight Committee.

(3) Lead independent director.

(4) Member of the Audit and Conflicts Committee.

(5) Member of the Compensation and Stock Options Committee.

The following sets forth information regarding our directors and our executive officers:

Ellen M. Cotter. Ellen M. Cotter has been a member of the board since March 7, 2013, and on August 7, 2014 was appointed as Chair of our board. She joined our company in March 1998, is a graduate of Smith College and holds a Juris Doctorate from Georgetown Law School. Prior to joining our Company, Ms. Cotter spent four years in private practice as a corporate attorney with the law firm of White & Case in Manhattan. Ms. Cotter is the sister of James J. Cotter, Jr. and Margaret Cotter.

Ms. Cotter brings to the board her 16 years of experience working in our company's cinema operations, both in the United States and Australia. For the past 13 years, she has served as the senior operating officer of our company's domestic cinema operations. She has also served as the Chief Executive Officer of our subsidiary, Consolidated Entertainment, LLC, which operates substantially all of our cinemas in Hawaii and California. Ms. Cotter also is a significant stockholder in our company.

James J. Cotter, Jr. James J. Cotter, Jr. has been a director of our company since March 21, 2002, and was appointed Vice Chair of the Board in 2007. The board appointed Mr. Cotter, Jr. to serve as our President, beginning June 1, 2013. On August 7, 2014, he resigned as Vice Chair and was appointed to succeed his late father, James J. Cotter, Sr., as our Chief Executive Officer. He served as Chief Executive Officer of Cecelia Packing Corporation (a Cotter family-owned citrus grower, packer, and marketer) from July 2004 until 2013. Mr. Cotter, Jr. served as a director to Cecelia Packing Corporation from February 1996 to September 1997 and as a director of Gish Biomedical from September 1999 to March 2002. He was an attorney in the law firm of Winston & Strawn, specializing in corporate law, from September 1997 to May 2004. Mr. Cotter, Jr. is the brother of Margaret Cotter and Ellen M. Cotter.

Mr. Cotter, Jr. brings to the board his experience as a business professional, including as chief Executive Officer of Cecelia Packing Corporation, and corporate attorney, and his operating experience as the Chief Executive Officer of Cecelia. As the Vice Chair of our company, since 2007 he has chaired the weekly

Australia/New Zealand Executive Management Committee and the weekly U.S. Executive Management Committee meetings. In addition, he is a significant stockholder in our company.

Margaret Cotter. Margaret Cotter has been a director of our company since September 27, 2002, and on August 7, 2014 was appointed as Vice Chair of our board. Ms. Cotter is the owner and President of OBI, LLC, a company that provides live theater management services to our live theaters. Pursuant to that management arrangement, Ms. Cotter also serves as the President of Liberty Theaters, LLC, the subsidiary through which we own our live theaters. Ms. Cotter receives no compensation for this position, other than the right to participate in our company's medical insurance program. Ms. Cotter manages the real estate which houses each of the four live theaters under our Theater Management Agreement with Ms. Cotter's company, OBI LLC. Ms. Cotter secures leases, manages tenancies, oversees maintenance and regulatory compliance of these properties as well as heads the day to day pre-development process and transition of our properties from theater operations to major realty developments. Ms. Cotter was first commissioned to handle these properties by Sutton Hill Associates, which subsequently sold the business to our company along with other real estate and theaters in 2000. Ms. Cotter is also a theatrical producer who has produced shows in Chicago and New York and a board member of the League of Off-Broadway Theaters and Producers. Ms. Cotter, a former Assistant District Attorney for King's County in Brooklyn, New York, graduated from Georgetown University and Georgetown University Law Center. She is the sister of James J. Cotter, Jr. and Ellen M. Cotter.

Ms. Cotter brings to the board her experience as a live theater producer, theater operator and an active member of the New York theatre community, which gives her insight into live theater business trends that affect our business in this sector. Operating and overseeing our theater these properties for over 16 years, Ms. Cotter contributes to the strategic direction for our developments. In addition, she is a significant stockholder in our company.

Guy W. Adams. Guy W. Adams has been a director of the Company since January 14, 2014. He is a Managing Member of GWA Capital Partners, LLC, a registered investment adviser managing GWA Investments, LLC. The fund invests in various publicly traded securities. Over the past eleven years, Mr. Adams has served as an independent director on the boards of directors of Lone Star Steakhouse & Saloon, Mercer International, Exar Corporation and Vitesse Semiconductor having served in various capacities as lead director, Audit Committee Chair and/or Compensation Committee Chair. Prior to this time, Mr. Adams provided investment advice to various family offices and invested his own capital in public and private equity transactions. Mr. Adams received his Bachelor of Science degree in Petroleum Engineering from Louisiana State University and his Masters of Business Administration from Harvard Graduate School of Business Administration.

Mr. Adams brings many years of experience serving as an independent director on public company boards, and in investing and providing financial advice with respect to investments in public companies.

William D. Gould. William D. Gould has been a director of our company since October 15, 2004 and has been a member of the law firm of TroyGould PC since 1986. Previously, he was a partner of the law firm of O'Melveny & Myers. We have from time to time retained TroyGould PC for legal advice. As an author and lecturer on the subjects of corporate governance and mergers and acquisitions, Mr. Gould brings to the board specialized experience as a corporate attorney. Mr. Gould's corporate transactional experience and expertise in corporate governance matters ensures that we have a highly qualified advisor on our board to provide oversight in such matters.

Edward L. Kane. Edward L. Kane has been a director of our company since October 15, 2004. Mr. Kane was also a director of our company from 1985 to 1998, and served as President from 1987 to 1988. Mr. Kane currently serves as the Chair of our Tax Oversight Committee and of our Compensation and Stock Option Committee (which we refer to as our Compensation Committee). He also serves as a member of our Executive Committee and our Audit and Conflicts Committee. Since 1996, Mr. Kane's principal occupation has been healthcare consultant and advisor. In that capacity, he has served as President and sole shareholder of High Avenue Consulting, a healthcare consulting firm, and as the head of its successor proprietorship. At various times during the past three decades, he has been Adjunct Professor of Law at two of San Diego's Law

Schools, most recently in 2008 and 2009 at Thomas Jefferson School of Law, and prior thereto at California Western School of Law.

Mr. Kane brings to the board his many years as a tax attorney and law professor, which experience well-serves our company in addressing tax matters. Mr. Kane also brings his experience as a past President of Craig Corporation and of Reading Company, two of our corporate predecessors, as well as a former member of the boards of directors of several publicly held corporations.

Douglas J. McEachern. Douglas J. McEachern has been a director of our company since May 17, 2012 and Chair of our Audit and Conflicts Committee since August 1, 2012. He has served as a member of the board and of the Audit and Compensation Committee for Willdan Group, a NASDAQ listed engineering company, since 2009. Mr. McEachern is also the Chair of the board of Community Bank in Pasadena, California and a member of its Audit Committee. He also is a member of the Finance Committee of the Methodist Hospital of Arcadia. Since September 2009, Mr. McEachern has also served as an instructor of auditing and accountancy at Claremont McKenna College. Mr. McEachern was an audit partner from July 1985 to May 2009 with the audit firm, Deloitte and Touche, LLP, with client concentrations in financial institutions and real estate. Mr. McEachern was also a Professional Accounting Fellow with the Federal Home Loan Bank board in Washington DC, from June 1983 to July 1985. From June 1976 to June 1983, Mr. McEachern was a staff member and subsequently a manager with the audit firm, Touche Ross & Co. (predecessor to Deloitte & Touche, LLP). Mr. McEachern received a B.S. in Business Administration in 1974 from the University of California, Berkeley, and an M.B.A. in 1976 from the University of Southern California.

Mr. McEachern brings to the board his more than 37 years' experience meeting the accounting and auditing needs of financial institutions and real estate clients, including our company. Mr. McEachern also brings his experience reporting as an independent auditor to the boards of directors of a variety of public reporting companies and as a board member himself for various companies and not-for-profit organizations.

Tim Storey. Tim Storey has been a director of our company since December 28, 2011. Mr. Storey has served as the sole outside director of our company's wholly-owned New Zealand subsidiary since 2006. He has served since April 1, 2009 as a director of DNZ Property Fund Limited, a commercial property investment fund based in New Zealand and listed on the New Zealand Stock Exchange, and was appointed Chair of the board of that company on July 1, 2009. Since July 28, 2014, Mr. Storey has served as a director of JustKapital Litigation Partners Limited, an Australian Stock Exchange-listed company engaged in litigation financing. From 2011 to 2012, Mr. Storey was a director of NZ Farming Systems Uruguay, a New Zealand-listed company. NZ Farming Systems Uruguay owns and operates dairy farms in Uruguay. Prior to being elected Chair of DNZ Property Fund Limited, Mr. Storey was a partner in Bell Gully (one of the largest law firms in New Zealand). Mr. Storey is also a principal in Prolex Advisory, a private company in the business of providing commercial advisory services to a variety of clients and related entities.

Mr. Storey brings to the board many years of experience in New Zealand corporate law and commercial real estate matters. He serves as a director of our New Zealand subsidiary.

Andrzej Matyczynski. Andrzej Matyczynski has served as our Chief Financial Officer since November 1999. Mr. Matyczynski resigned as our Chief Financial Officer effective May 11, 2015, but will continue as an employee until April 15, 2016 in order to assist in the transition of our new Chief Financial Officer, Mr. Ghose, whose information is set forth below.

Robert F. Smerling. Robert F. Smerling has served as President of our domestic cinema operations since 1994. Mr. Smerling has been in the cinema industry for 57 years and, immediately before joining our company, served as the President of Loews Theatres Management Corporation.

William D. Ellis. William D. Ellis was appointed our General Counsel and Secretary in October 2014. Mr. Ellis has more than 30 years of hands-on legal experience as a real estate lawyer. Before joining our company, he was a partner in the real estate group at Sidley Austin LLP for 16 years. Before that, he worked at the law firm of Morgan Lewis & Bockius LLP. Mr. Ellis began his career as a corporate and securities lawyer

(handling corporate acquisitions, IPO's, mergers, etc.) and then moved on to real estate specialization (handling leasing, acquisitions, dispositions, financing, development and land use and entitlement across the United States). He had a substantial real estate practice in New York and Hawaii, which experience will help us with our real estate and cinema developments there. Mr. Ellis graduated Phi Beta Kappa from Occidental College with a B.A. degree in Political Science. He received his J.D. degree in 1982 from the University of Michigan Law School.

Wayne D. Smith. Wayne D. Smith joined our company in April 2004 as our Managing Director - Australia and New Zealand, after 23 years with Hoyts Cinemas. During his time with Hoyts, he was a key driver, as Head of Property, in growing that company's Australian and New Zealand operations via an AUD$250 million expansion to more than 50 sites and 400 screens. While at Hoyts, his career included heading up the group's car parking company, cinema operations, representing Hoyts as a director on various joint venture interests, and coordinating many asset acquisitions and disposals the company made.

Devasis ("Dev") Ghose. On April 20, 2015, we agreed to retain Devasis Dev Ghose to be our new Chief Financial Officer and Treasurer, effective May 11, 2015. Mr. Ghose served as Executive Vice President and Chief Financial Officer and in a number of senior finance roles for 25 years with three NYSE-listed companies: Shurgard Storage Centers, Inc. (an international company focused on the acquisition, development and operation of self-storage centers in the US and Europe; now part of Public Storage), Skilled Healthcare Group (a health services company, now part of Genesis HealthCare), and HCP, Inc., (which invests primarily in real estate serving the healthcare industry), and as Managing Director-International for Green Street Advisors (an independent research and trading firm concentrating on publicly traded real estate corporate securities in the US & Europe). Earlier, Mr. Ghose worked for 10 years for PricewaterhouseCoopers in the US & KPMG in the UK. He qualified as a Certified Public Accountant in the U.S. and a Chartered Accountant in the U.K., and holds an Honors Degree in Physics from the University of Delhi, India and an Executive M.B.A. from the University of California, Los Angeles.

Relationships

Ellen M. Cotter, Margaret Cotter and James J. Cotter, Jr. are directors and officers of our company and of various of its subsidiaries, affiliates or consultants. According to their respective Schedules 13D filed with the SEC, all three consider their beneficial stock holdings in our company to be long-term family assets, and they intend to continue our company in the direction established by their father.

Committees of the Board of Directors

Our board has a standing Executive Committee, Audit and Conflicts Committee, Compensation and Stock Options Committee, and Tax Oversight Committee. These committees are discussed in greater detail below.

The Cotter family members who serve as directors and officers of our company collectively own beneficially shares of our Class B Stock representing more than 70% of the voting power for the election of directors of our company. Therefore, our board has determined that our company is a "Controlled Company" under section 5615(c)(1) of the listing rules of The NASDAQ Capital Stock Market (the "NASDAQ Rules"). After reviewing the benefits and detriments of taking advantage of the exceptions to the corporate governance rules set forth in section 5605 of the NASDAQ Rules, our board has unanimously determined to take advantage of all of the exceptions from the NASDAQ Rules afforded to our company as a Controlled Company.

A Controlled Company is not required to have an independent nominating committee or independent nominating process. It was noted by our directors that the use of an independent nominating committee or independent nominating process would be of limited utility, since any nominee would need to be acceptable to James J. Cotter, Sr., our former controlling stockholder, in order to be elected. The Cotter family, as the holders of a majority of the voting power of our company, are able under Nevada corporations law and our charter documents to elect candidates to our board and to remove a director from the board without the vote of

our other stockholders. Historically, Mr. Cotter, Sr. identified and recommended all nominees to our board in consultation with our other incumbent directors.

Our directors have not adopted any formal criteria with respect to the qualifications required to be a director or the particular skills that should be represented on our board, other than the need to have at least one director and member of our Audit and Conflicts Committee who qualifies as an "audit committee financial expert," and have not historically retained any third party to identify or evaluate or to assist in identifying or evaluating potential nominees. We have no policy of considering diversity in identifying director nominees.

James J. Cotter, Sr. served as our Chair and Chief Executive Officer until August 7, 2014, when he stepped down for health reasons. Mr. Cotter, Sr. subsequently passed away on September 13, 2014. In connection with his passing, our board determined to appoint Ellen M. Cotter as Chair of the Board with a view to rotating the office of Chair annually among the Cotter family members. The board also has designated William D. Gould to serve as our lead independent director. In that capacity, Mr. Gould chairs meetings of the independent directors and acts as liaison between our Chair and our Chief Executive Officer and our independent directors.

Our board oversees risk by remaining well-informed through regular meetings with management and the personal involvement of our Chief Executive Officer in our day-to-day business, including any matters requiring specific risk management oversight. Our Chief Executive Officer chairs regular senior management meetings addressing domestic and overseas issues. The risk oversight function of our board is enhanced by the fact that our Audit and Conflict Committee is comprised entirely of independent directors.

Executive Committee

A standing Executive Committee, currently comprised of Mr. Cotter, Jr., who serves as Chair, Ms. Margaret Cotter and Messrs. Adams and Kane, is authorized, to the fullest extent permitted by Nevada law, to take action on matters between meetings of the full board. Mr. Cotter, Sr. also served on the Executive Committee until May 15, 2014.

In 2014, the Executive Committee did not take any action with respect to any company matter. With the exception of matters delegated to the Audit and Conflicts Committee or the Compensation and Stock Options Committee, all matters requiring board approval during 2014 were considered by the entire board.

Audit and Conflicts Committee

Our board maintains a standing Audit and Conflicts Committee, which we refer to as the "Audit Committee." The Audit Committee operates under a Charter adopted by our board that is available on our website at www.readingrdi.com. Our board has determined that the Audit Committee is comprised entirely of independent directors (as defined in section 5605(a)(2) of the NASDAQ Rules), and that Mr. McEachern, the Chair of our Audit Committee, is qualified as an Audit Committee Financial Expert. During 2014, our Audit and Conflicts Committee was comprised of Mr. McEachern, who served as Chair, and Messrs. Kane and Storey.

Compensation and Stock Options Committee

Our board has a standing Compensation and Stock Options Committee, which we refer to as the "Compensation Committee," comprised entirely of independent directors. The current members of Compensation Committee are Mr. Kane, who serves as Chair, and Messrs. Adams and Storey. Mr. Adams replaced our former director, Alfred Villaseñor, on the Compensation Committee following his election to our board in June 2014.

The Compensation Committee evaluates and makes recommendations to the full board regarding the compensation of our Chief Executive Officer and other Cotter family members and performs other compensation related functions as delegated by our board.

Tax Oversight Committee

Given our operations in the United States, Australia, and New Zealand and our historic net operating loss carry forwards, our board formed a Tax Oversight Committee to review with management and to keep the board informed about our company's tax planning and such tax issues as may arise from time to time. This committee is comprised of Mr. Kane, who serves as Chair, and Mr. Cotter, Jr.

Code of Ethics

We have adopted a Code of Ethics applicable to our principal executive officer, principal financial officer, principal accounting officer or controller and Company employees. The Code of Ethics is available on our website at www.readingrdi.com.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Exchange Act requires our executive officers and directors, and persons who own more than 10% of our common stock, to file reports regarding ownership of, and transactions in, our securities with the Securities and Exchange Commission (the "SEC") and to provide us with copies of those filings. Based solely on our review of the copies received by us and on the written representations of certain reporting persons, we believe that the following Forms 3 and 4 for transaction that occurred in 2014 were filed later than is required under Section 16(a) of the Securities Exchange Act of 1934:

- James J. Cotter, Sr. failed to timely file 16 Forms 4 with respect to 70 transactions in our common stock;
- James J. Cotter, Jr. failed to timely file one Form 4 with respect to one transaction in our common stock;
- Ellen M. Cotter failed to timely file one Form 4 with respect to one transaction in our common stock;
- Margaret Cotter failed to timely file one Form 4 with respect to one transaction in our common stock;
- Mr. Storey failed to timely file one Form 4 with respect to one transaction in our common stock.

All of the transactions involved were between the individual involved and our company or related to certain inter-family or estate planning transfers, and did not involve transactions with the public. Insofar as we are aware, all required filings have now been made.

ITEM 11. EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

Role and Authority of the Compensation Committee

Our board has established a standing Compensation Committee consisting of two or more of our non-employee directors. As a Controlled Company, we are exempt from the NASDAQ Rules regarding the determination of executive compensation. The Compensation Committee has no formal charter, and acts pursuant to the authority delegated to the Compensation Committee from time to time by our board.

The Compensation Committee recommends to the full board the compensation of our Chief Executive Officer and of the other Cotter family members who serve as officers of our company. Our board with the Cotter family directors abstaining, typically has accepted without modification the compensation recommendations of the Compensation Committee, but reserves the right to modify the recommendations or

take other compensation actions of its own. Prior to his resignation as our Chair and Chief Executive Officer on August 7, 2014, during 2014, as in prior years, James J. Cotter, Sr. was delegated by our board responsibility for determining the compensation of our executive officers other than himself and his family members. The board exercised oversight of Mr. Cotter, Sr.'s executive compensation decisions as a part of his performance as our former Chief Executive Officer.

On August 7, 2014, James J. Cotter, Jr. was appointed to succeed Mr. Cotter, Sr. as our Chief Executive Officer. Mr. Cotter, Sr. subsequently passed away on September 13, 2014. No discretionary annual bonuses have yet been awarded to our executive officers, including the Cotter family executives for 2014.

Throughout this section, the individuals named in the Summary Compensation Table, below, are referred to as the "named executive officers."

CEO Compensation

The Compensation Committee recommends to our board the annual compensation of our Chief Executive Officer, based primarily upon the Compensation Committee's annual review of peer group practices and the advice of an independent third-party compensation consultant. The Compensation Committee has established three components of our Chief Executive Officer's compensation -- a base cash salary, a discretionary annual cash bonus, and a fixed stock grant. The objective of each element is to reasonably reward our Chief Executive Officer for his performance and leadership.

In 2007, our board approved a supplemental executive retirement plan ("SERP) pursuant to which we agreed to provide Mr. Cotter, Sr. supplemental retirement benefits as a reward for his more than 25 years of service to our company and its predecessors. Neither Mr. James J. Cotter, Jr., Mr. Cotter, Sr.'s successor as our Chief Executive Officer, nor any of our other current or former officers or employees, is eligible to participate in the SERP, which is described in greater detail below under the caption "Supplemental Executive Retirement Plan." Because this plan was adopted as a reward to Mr. Cotter, Sr. for his past services and the amounts to be paid under that plan are determined by an agreed-upon formula, the Compensation Committee did not take into account the benefits under that plan in determining Mr. Cotter, Sr.'s annual compensation for 2014 or previous years. The amounts reflected in the Executive Compensation Table under the heading "Change in Pension Value and Nonqualified Deferred Compensation Earnings" reflect any increase in the present value of the SERP benefit based upon the actuarial impact of the payment of Mr. Cotter, Sr.'s cash compensation and changes in interest rates. Since the SERP is unfunded, this amount does not reflect any actual payment by our Company into the plan or the value of any assets in the plan (of which there are none). The benefits to Mr. Cotter, Sr. under the SERP were tied to the cash portion only of his compensation, and not to compensation in the form of stock options or stock grants.

2014 CEO Compensation

The Compensation Committee originally engaged Towers Watson, executive compensation consultants, in 2012 to analyze our Chief Executive Officer's total direct compensation compared to a peer group of companies. In preparing the analysis, Towers Watson, in consultation with our management, including James J. Cotter, Sr., identified a peer group of companies in the real estate and cinema exhibition industries, our two business segments, based on market value, industry, and business description.

For purposes of establishing our Chief Executive Officer's 2014 compensation, the Compensation Committee engaged Towers Watson to update its analysis of Mr. Cotter, Sr.'s compensation as compared to his peers, which updated report was received on February 26, 2014. The company paid Towers Watson $11,461 for the updated report.

The Towers Watson analysis focused on the competitiveness of Mr. Cotter, Sr.'s annual base salary, total cash compensation and total direct compensation (*i.e.*, total cash compensation plus expected value of long-term compensation) relative to a peer group of United States and Australian companies and published compensation survey data, and to our company's compensation philosophy, which was to target Mr. Cotter, Sr.'s total direct compensation to the 66th percentile of the peer group.

The peer group consisted of the following 18 companies:

Acadia Realty Trust
Amalgamated Holdings Ltd.
Associated Estates Realty Corp.
Carmike Cinemas Inc.
Cedar Shopping Centers Inc.
Cinemark Holdings Inc.
Entertainment Properties Trust
Glimcher Realty Trust
IMAX Corporation
Inland Real Estate Corp.
Kite Realty Group Trust
LTC Properties Inc.
Ramco-Gershenson Properties Trust
Regal Entertainment Group
The Marcus Corporation
Urstadt Biddle Properties Inc.
Village Roadshow Ltd.

Towers Watson predicted 2014 pay levels by using regression analysis to adjust compensation data based on estimated annual revenues of $260 million (*i.e.*, our company's approximate annual revenues) for all companies, excluding financial services companies. Towers Watson did not evaluate Mr. Cotter, Sr.'s SERP, because the SERP is fully vested and accrues no additional benefits, except as Mr. Cotter, Sr.'s annual cash compensation may change.

The Towers Watson analysis indicated that the peer group data, with the exception of annual base salary, was above Mr. Cotter, Sr.'s pay levels in 2013. The peer group is partially comprised of companies that are larger than our company, and the 66th percentile level tends to reflect the larger peers. However, Towers Watson analysis also indicated that the size of the peers does not materially affect the pay levels at the peer companies. The published survey data of companies of comparable size reviewed by Towers Watson was below our Chief Executive Officer pay levels.

Towers Watson averaged the data from the peer group and the published survey data to compile "blended" market data. As compared to the blended market data, Mr. Cotter, Sr.'s 2013 cash compensation and total direct compensation, which includes the expected value of long-term incentive compensation, was in line with the 66th percentile.

Because our company is comparable to the smaller companies in the peer group, Towers Watson reviewed whether the size of the proxy peer group of companies had a meaningful impact on reported CEO pay levels, and concluded that there is a weak correlation between company size and CEO compensation. It concluded, therefore, that it was not necessary to separately adjust the peer group data based on the size of our company.

The Compensation Committee met on February 27, 2014 to consider the Towers Watson analysis. At the meeting, the Compensation Committee determined to recommend to our board the following compensation for Mr. Cotter, Sr. for 2014 and on March 13, 2014, our board accepted the Compensation Committee's recommendation without modification:

Salary: *$750,000*

The Compensation Committee recommended maintaining Mr. Cotter, Sr.'s 2014 annual base salary at its 2013 level of $750,000, which approximates the 75th percentile of the peer group.

Discretionary Cash Bonus: *Up to $750,000.*

In 2013, the Compensation Committee recommended and our board approved a total cash bonus to Mr. Cotter, Sr. of $1,000,000, as compared to the target bonus of $500,000. This resulted in total 2013 compensation to Mr. Cotter, Sr. above the 75th percentile of the peer group and total direct compensation near the 66th percentile. At its meeting on February 27, 2014, the Compensation Committee determined to increase the upper range of Mr. Cotter, Sr.'s discretionary cash bonus for 2014 to $750,000 from the 2013 target level of $500,000. The bonus was subject to Mr. Cotter, Sr. being employed by our Company at year-end, unless

his employment were to terminate earlier due to his death or disability. No other benchmarks, formulas or quantitative or qualitative measurements were specified for use in determining the amount of cash bonus to be awarded within this range. As in 2013, the Compensation Committee also reserved the right to increase the upper range of discretionary cash bonus amount based upon exceptional results of our company or Mr. Cotter, Sr.'s exceptional performance, as determined in the Compensation Committee's discretion.

At its meeting on August 14, 2014, the Compensation Committee determined that Mr. Cotter, Sr.'s successful completion of our sale of the Burwood property in Australia and other accomplishments in 2014 justified the award to Mr. Cotter, Sr. of the full $750,000 cash bonus, plus an additional cash bonus of $300,000. The Compensation Committee's determination to award the extraordinary cash bonus was based in part on the advice of Towers Watson.

Stock Bonus: *$1,200,000 (160,643 shares of Class A Stock).*

At its meeting on February 27, 2014, the Compensation Committee determined that, so long as Mr. Cotter, Sr.'s employment with the Company is not terminated prior to December 31, 2014 other than as a result of his death or disability, he was to receive 160,643 shares of our Company's Class A Stock; the number of shares of Class A nonvoting common stock equal to $1,200,000 divided by the closing price of the stock on February 27, 2104, the date the Committee approved the stock bonus. This compares to a similar stock bonus to Mr. Cotter, Sr. of $750,000 in 2013.

The stock bonus was paid to the Estate of Mr. Cotter, Sr. in February 2015.

Following his appointment on August 7, 2014 as our Chief Executive Officer, James J. Cotter, Jr. continued to receive the same base salary of $335,000 that he had previously been receiving in his capacity as our President.

Mr. Cotter, Jr. has not yet been awarded a discretionary cash bonus for 2014.

Total Direct Compensation

We and our Compensation Committee have no policy regarding the amount of salary and cash bonus paid to our Chief Executive Officer or other named executive officers in proportion to their total direct compensation.

Compensation of Other Named Executive Officers

The compensation of Mr. James J. Cotter, Jr. and Ms. Ellen M. Cotter as executive officers of our company is determined by the Compensation Committee based on the same compensation philosophy used to determined Mr. Cotter, Sr.'s 2014 compensation. The Cotter family members' respective compensation consists of a base cash salary, discretionary cash bonus and periodic discretionary grants of stock options.

Mr. Cotter, Sr. set the 2014 base salaries of our executive officers other than himself and members of his family. Mr. Cotter, Sr.'s decisions were not subject to approval by the Compensation Committee or our board, but our Compensation Committee and our board considered Mr. Cotter, Sr.'s decisions with respect to executive compensation in evaluating his performance as our Chief Executive Officer. Mr. Cotter, Sr. informed us that he did not use any formula, benchmark or other quantitative measure to establish or award any component of executive compensation, nor did he consult with compensation consultants on the matter. Mr. Cotter, Sr. also advised us that he considered the following guidelines in setting the type and amount of executive compensation:

1. Executive compensation should primarily be used to:

   - attract and retain talented executives;
   - reward executives appropriately for their individual efforts and job performance; and

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- afford executives appropriate incentives to achieve the short-term and long-term business objectives established by management and our board.

2. In support of the foregoing, the total compensation paid to our named executive officers should be:

   - fair both to our company and to the named executive officers;
   - reasonable in nature and amount; and
   - competitive with market compensation rates.

Personal and company performances were just two factors considered by Mr. Cotter, Sr. in establishing base salaries. We have no pre-established policy or target for allocating total executive compensation between base and discretionary or incentive compensation, or between cash and stock-based incentive compensation. Historically, including in 2014, a majority of total compensation to our named executive officers has been in the form of annual base salaries and discretionary cash bonuses, although stock bonuses have been granted from time to time under special circumstances. No stock bonuses were awarded in 2014 to our named executive officers other than Mr. Cotter, Sr.

These elements of our executive compensation are discussed further below.

Salary: Annual base salary is intended to compensate named executive officers for services rendered during the fiscal year in the ordinary course of performing their job responsibilities. Factors considered by Mr. Cotter, Sr. in setting the base salaries may have included (i) the negotiated terms of each executive's employment agreement or the original terms of employment, (ii) the individual's position and level of responsibility with our Company, (iii) periodic review of the executive's compensation, both individually and relative to our other named executive officers, and (iv) a subjective evaluation of individual job performance of the executive.

Cash Bonus: Historically, we have awarded annual cash bonuses to supplement the base salaries of our named executive officers, and our board of directors has delegated to our Chief Executive Officer the authority to determine in his discretion the annual cash bonuses, if any, to be paid to our executive officers other than the Cotter family executives. Any discretionary annual bonuses to the Cotter family executive have historically been determined by our board based upon the recommendation of our Compensation Committee.

In light of Mr. Cotter, Sr.'s death in September 2014, cash bonuses for 2014 have not yet been determined by Mr. Cotter, Jr. or, in the case of the Cotter family members, recommended by the Compensation Committee or approved by our board. Factors to be considered in determining or recommending any such cash bonuses include (i) the level of the executive's responsibilities, (ii) the efficiency and effectiveness with which he or she oversees the matters under his or her supervision, and (iii) the degree to which the officer has contributed to the accomplishment of major tasks that advance the company's goals.

Stock Bonus: Equity incentive bonuses may be awarded to align our executives' long-term compensation to appreciation in stockholder value over time and, so long as such grants are within the parameters set by our 2010 Stock Incentive Plan, historically were entirely discretionary on the part of Mr. Cotter, Sr. Other stock grants are subject to board approval. Equity awards may include stock options, restricted stock, bonus stock, or stock appreciation rights. Apart from the stock award to Mr. Cotter, Sr., no stock bonuses were awarded to our executive officers in 2014.

If awarded, it is generally our policy to value stock options and restricted stock at the closing price of our common stock as reported on the NASDAQ Capital Market on the date the award is approved or on the date of hire, if the stock is granted as a recruitment incentive. When stock is granted as bonus compensation for a particular transaction, the award may be based on the market price on a date calculated from the closing date of the relevant transaction. Awards may also be subject to vesting and limitations on voting or other rights.

Andrzej Matyczynski, our Chief Financial Officer, has a written employment agreement with our company that provides for a specified annual base salary and other compensation. Mr. Matyczynski resigned as our Chief Financial Officer effective September 1, 2014, but he and our company agreed to postpone the effective date of his resignation. Upon termination of Mr. Matyczynski's employment, he will become entitled under his employment agreement to a lump-sum severance payment of six months' base salary and to the payment of his vested benefit in accordance with the terms of the deferred compensation plan discussed below in this section.

Other than Mr. Cotter, Sr.'s and Mr. Cotter, Jr.'s role as Chief Executive Officer in setting compensation, none of our executive officers play a role in determining the compensation of our named executive officers.

2014 Base Salaries and Target Bonuses

We have historically established base salaries and target discretionary cash bonuses for our named executive officers through negotiations with the individual named executive officer, generally at the time the named executive officer commenced employment with us, with the intent of providing annual cash compensation at a level sufficient to attract and retain talented and experienced individuals. Our Compensation Committee recommended and our board approved the following base salaries for Mr. Cotter, Jr. and Ellen M. Cotter for 2014:

Name	2013 Base Salary ($)	2014 Base Salary ($)
James J. Cotter, Jr.	195,417	335,000
Ellen M. Cotter	335,000	335,000

The base salaries of our other named executive officers were established by Mr. Cotter, Sr. as shown in the following table:

Name	2013 Base Salary ($)	2014 Base Salary ($)
Andrzej Matyczynski	309,000	309,000
Robert F. Smerling	350,000	350,000
Wayne Smith	339,000	324,295

All named executive officers are eligible to receive a discretionary annual cash bonus. Cash bonuses are typically prorated to reflect a partial year of service. Our board reserves discretion to adjust bonuses for the Cotter family members based on its own evaluations of the recommendations of our Compensation Committee as it did in both 2013 and 2014 in Mr. Cotter, Sr.'s case.

We offer stock options and stock awards to our employees, including named executive officers, as the long-term incentive component of our compensation program. We sometimes grant equity awards to new hires upon their commencing employment with us and from time to time thereafter. Our stock options allow employees to purchase shares of our common stock at a price per share equal to the fair market value of our common stock on the date of grant and may or may not be intended to qualify as "incentive stock options" for U.S. federal income tax purposes. Generally, the stock options we grant to our employees vest over four years in equal installments upon the annual anniversaries of the date of grant, subject to their continued employment with us on each vesting date.

Other Elements of Compensation

Retirement Plans

We maintain a 401(k) retirement savings plan that allows eligible employees to defer a portion of their compensation, within limits prescribed by the Internal Revenue Code, on a pre-tax basis through contributions to the plan. Our named executive officers other than Mr. Smith, who is a non-resident of the U.S., are eligible to participate in the 401(k) plan on the same terms as other full-time employees generally. Currently, we match contributions made by participants in the 401(k) plan up to a specified percentage, and these matching contributions are fully vested as of the date on which the contribution is made. We believe that providing a vehicle for tax-deferred retirement savings though our 401(k) plan, and making fully vested matching contributions, adds to the overall desirability of our executive compensation package and further incentivizes our employees, including our named executive officers, in accordance with our compensation policies.

Supplemental Executive Retirement Plan

In March 2007, our board approved the SERP pursuant to which we agreed to provide Mr. Cotter, Sr. supplemental retirement benefits. Under the SERP, following his separation from our company, Mr. Cotter, Sr. was to be entitled to receive from our company for the remainder of his life or 180 months, whichever is longer, a monthly payment of 40% of his average monthly base salary and cash bonuses over the highest consecutive 36-month period of earnings prior to Mr. Cotter, Sr.'s separation from service with us. The benefits under the SERP are fully vested. In October 2014, following Mr. Cotter, Sr.'s death, we began accruing monthly supplemental retirement benefits of $57,000 in accordance with the SERP, but have not yet paid any such benefits to Mr. Cotter, Sr.'s designated beneficiaries.

The SERP is unfunded and, as such, the SERP benefits are unsecured, general obligations of our company. We may choose in the future to establish one or more grantor trusts from which to pay the SERP benefits. The SERP is administered by the Compensation Committee.

Other Retirement Plans

During 2012, Mr. Matyczynski was granted an unfunded, nonqualified deferred compensation plan ("DCP") that was partially vested and was to vest further so long as he remained in our continuous employ. If Mr. Matyczynski were to be terminated for cause, then the total vested amount would be reduced to zero. The incremental amount vested each year was made subject to review and approval by our board. Mr. Matyczynski's DCP vested as follows:

December 31	Total Vested Amount at the End of Each Vesting Year
2013	$300,000
2014	$450,000

Mr. Matyczynski resigned his employment with the company effective September 1, 2014, but he and our company agreed to postpone the effective date of his resignation until May 11, 2015. Upon the termination of Mr. Matyczynski's employment, he would become entitled under the DCP agreement to payment of the vested benefits under his DCP in annual installments following the later of (a) 30 days following Mr. Matyczynski's 65th birthday or (b) six months after his separation from service, unless his employment were to be terminated for cause.

We currently maintain no other retirement plan for our named executive officers.

Key Person Insurance

Our company maintains life insurance on certain individuals who we believe to be key to our management. These individuals include James J. Cotter, Jr., Ellen M. Cotter, Margaret Cotter and Messrs. Matyczynski, Smerling and Smith. If such individual ceases to be an employee, director or independent contractor of our company, as the case may be, she or he is permitted, by assuming responsibility for all future premium payments, to replace our company as the beneficiary under such policy. These policies allow each such individual to purchase up to an equal amount of insurance for such individual's own benefit. In the case of our employees, the premium for both the insurance as to which our company is the beneficiary and the insurance as to which our employee is the beneficiary, is paid by our company. In the case of named executive officers, the premium paid by our company for the benefit of such individual is reflected in the Compensation Table in the column captioned "All Other Compensation."

Employee Benefits and Perquisites

Our named executive officers are eligible to participate in our health and welfare plans to the same extent as all full-time employees generally. We do not generally provide our named executive officers with perquisites or other personal benefits, although in the past we provided Mr. Cotter, Sr. the personal use of our West Hollywood, California, condominium, which was used as an executive meeting place and office and sold in February 2015, a company-owned automobile and a health club membership. Historically, all of our other named executive officers also have received an automobile allowance. From time to time, we may provide other perquisites to one or more of our other named executive officers.

Tax Gross-Ups

As a general rule, we do not make gross-up payments to cover our named executive officers' personal income taxes that may pertain to any of the compensation paid or provided by our company. In 2014, however, we reimbursed Ms. Ellen M. Cotter $50,000 for income taxes she incurred as a result of her exercise of stock options that were deemed to be nonqualified stock options for income tax purposes, but which were intended by the Compensation Committee and her to be so-called incentive stock options, or "ISOs", when originally granted. Our Compensation Committee believe it was appropriate to reimburse Ms. Cotter because it was our company's intention at the time of the issuance to give her the tax deferral feature applicable to ISOs. Due to the application of complex attribution rules, even though she was an executive officer of our company and not a director, she did not in fact qualify for such tax deferral. Accordingly, upon exercise, she received less compensation than the Compensation Committee had intended.

Tax and Accounting Considerations

Deductibility of Executive Compensation

Subject to an exception for "performance-based compensation," Section 162(m) of the Internal Revenue Code generally prohibits publicly held corporations from deducting for federal income tax purposes annual compensation paid to any senior executive officer to the extent that such annual compensation exceeds $1.0 million. The Compensation Committee and our board consider the limits on deductibility under Section 162(m) in establishing executive compensation, but retain the discretion to authorize the payment of compensation that exceeds the limit on deductibility under this Section as in the case of Mr. Cotter, Sr.

Nonqualified Deferred Compensation

We believe we are operating, where applicable, in compliance with the tax rules applicable to nonqualified deferred compensation arrangements.

Accounting for Stock-Based Compensation

Beginning on January 1, 2006, we began accounting for stock-based payments in accordance with the requirements of Statement of Accounting Standards No. 123(R). Our decision to award restricted stock to

Mr. Cotter, Sr. and other named executive officers from time to time was based in part upon the change in accounting treatment for stock options. Accounting treatment otherwise has had no significant effect on our compensation decisions.

Say on Pay

At our Annual Meeting of Stockholders held on May 15, 2014, we held an advisory vote on executive compensation. Our stockholders voted in favor of our company's executive compensation. The Compensation Committee reviewed the results of the advisory vote on executive compensation in 2014 and did not make any changes to our compensation based on the results of the vote.

Compensation Committee Report

The Compensation Committee has reviewed and discussed with management the "Compensation Discussion and Analysis" required by Item 401(b) of Regulation S-K and, based on such review and discussions, has recommended to our board that the foregoing "Compensation Discussion and Analysis" be included in this Form 10-K/A.

Respectfully submitted,

Edward L. Kane, Chair
Guy W. Adams
Tim Storey

Compensation Committee Interlocks and Insider Participation

There are no "interlocks," as defined by the SEC, with respect to any member of the Compensation Committee during 2014.

Executive Compensation

This section discusses the material components of the compensation program for our executive officers named in the 2014 Summary Compensation Table below. In 2014, our named executive officers and their positions were as follows:

- James J. Cotter, Sr., former Chair of the Board and former Chief Executive Officer.
- James J. Cotter, Jr., Chief Executive Officer and President.
- Andrzej Matyczynski, Chief Financial Officer and Treasurer.
- Robert F. Smerling, President – Domestic Cinema Operations.
- Ellen M. Cotter, Chair of the Board, Chief Operating Officer – Domestic Cinemas and Chief Executive Officer of Consolidated Cinemas, LLC.
- Wayne Smith, Managing Director – Australia and New Zealand.

Summary Compensation Table

The following table shows the compensation paid or accrued during the last three fiscal years ended December 31, 2014 to (i) Mr. James J. Cotter, Sr., who served as our principal executive officer until August 7, 2014, (ii) Mr. James J. Cotter, Jr., who served as our principal executive officer from August 7, 2014 through

December 31, 2014, (iii) Mr. Andrzej Matyczynski, our financial officer, and (iv) the other three persons who served as executive officers in 2014. The following executives are herein referred to as our "named executive officers."

Summary Compensation Table

	Year	Salary ($)	Bonus ($)	Stock Awards ($)(1)	Option Awards ($)(1)	Change in Pension Value and Nonqualified Deferred Compensation Earnings ($)	All Other Compensation ($)	Total ($)
James J. Cotter, Sr.(2)	2014	452,000	1,050,000	1,200,000	--	197,000 (3)	20,000 (4)	2,919,000
Chair of the Board	2013	750,000	1,000,000	750,000	--	1,455,000 (3)	25,000 (4)	3,980,000
and Chief Executive	2012	700,000	500,000	950,000	--	2,433,000 (3)	24,000 (4)	4,607,000
Officer								
James J. Cotter, Jr.(5)	2014	335,000	--	--	--	--	27,000 (7)	362,000
President and Chief	2013	195,000	--	--	--	--	20,000 (7)	215,000
Executive Officer	2012	--					0	0
Andrzej Matyczynski	2014	309,000			33,000	150,000 (6)	26,000 (7)	518,000
Chief Financial Officer	2013	309,000	35,000	--	33,000	50,000 (6)	26,000 (7)	453,000
and Treasurer	2012	309,000	--	--	11,000	250,000 (6)	25,000 (7)	617,000
Robert F. Smerling	2014	350,000	25,000	--	--	--	22,000 (7)	397,000
President – Domestic	2013	350,000	50,000	--	--	--	22,000 (7)	422,000
Cinema Operations	2012	350,000	50,000	--	--	--	22,000 (7)	422,000
Ellen M. Cotter	2014	335,000	--	--	--	--	75,000 (7)(8)	410,000
Chief Operating Officer	2013	335,000	--	--	--	--	25,000 (7)	360,000
Domestic Cinemas	2012	335,000	60,000	--	--	--	25,000 (7)	420,000
Wayne Smith	2014	324,000	45,000	--	--	--	19,000 (7)	388,000
Managing director -	2013	339,000	--	--	--	--	20,000 (7)	359,000
Australia and New Zealand	2012	357,000	16,000	--	22,000	--	19,000 (7)	414,000

(1) Amounts represent the aggregate grant date fair value of awards computed in accordance with ASC Topic 718, excluding the effects of any estimated forfeitures. The assumptions used in the valuation of these awards are discussed in Note 3 to our consolidated financial statements included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2014, filed with the SEC on March 17, 2015.

(2) Mr. Cotter, Sr. resigned as our Chair and Chief Executive Officer on August 7, 2014.

(3) Represents the present value of the vested benefits under Mr. Cotter. Sr.'s SERP. In October 2014, we began accruing monthly supplemental retirement benefits of $57,000 in accordance with the SERP, but have not yet paid any such benefits to Mr. Cotter, Sr.'s designated beneficiaries. Under the SERP, such payments are to continue for a 180-month period.

(4) Until February 25, 2015, we owned a condominium in West Hollywood, California, which we used as an executive meeting place and office. "All Other Compensation" includes the estimated incremental cost to our company of providing the use of the West Hollywood Condominium to Mr. Cotter, Sr., our matching contributions under our 401(k) plan, the cost of a company automobile used by Mr. Cotter, Sr., and health club dues paid by our company.

(5) Mr. Cotter, Jr. was appointed as our Chief Executive Officer on August 7, 2014.

(6) Represents the increase in the vested benefit of the DCP for Mr. Matyczynski. Payment of the vested benefit under his DCP will be made in accordance with the terms of the DCP.

(7) Represents our matching contributions under our 401(k) plan, the cost of key person insurance, and any automobile allowances.

(8) Includes the $50,000 tax gross-up described in the "Tax Gross-Up" section of the Compensation Discussion and Analysis.

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Employment Agreements

James J. Cotter, Jr. On June 3, 2013, we entered into an employment agreement with Mr. James J. Cotter, Jr. to serve as our President. The employment agreement provides that Mr. Cotter, Jr. is to receive an annual base salary of $335,000, with employee benefits in line with those received by our other senior executives. Mr. Cotter, Jr. also was granted a stock option to purchase 100,000 Class A shares at an exercise price equal to the market price of our Class A shares on the date of grant and which will vest in equal annual increments over a four-year period, subject to his remaining in our continuous employ through each annual vesting date.

Under his employment agreement, we may terminate Mr. Cotter Jr.'s employment with or without cause (as defined) at any time. If we terminate his employment without cause, Mr. Cotter Jr. will be entitled to receive severance in an amount equal to the compensation he would have received had he remained employed by us for 12 months.

William D. Ellis. On October 20, 2014, we entered into an employment agreement with Mr. William D. Ellis, pursuant to which he agreed to serve as our General Counsel for a term of three years. The employment agreement provides that Mr. Ellis is to receive an annual base salary of $350,000, with an annual target bonus of at least $60,000. Mr. Ellis also received a "sign-up"" bonus of $10,000 and is entitled to employee benefits in line with those received by our other senior executives. In addition, Mr. Ellis was granted stock options to purchase 60,000 Class A shares at an exercise price equal to the closing price of our Class A shares on the date of grant and which will vest in equal annual increments over a three-year period, subject to his remaining in our continuous employ through each annual vesting date.

Under his employment agreement, we may terminate Mr. Ellis' employment with or without cause (as defined) at any time. If we terminate his employment without cause, Mr. Ellis will be entitled to receive severance in an amount equal to the compensation he would have received for the remainder of the term of his employment agreement, or 24 months, whichever is less. If the termination is in connection with a "change of control" (as defined), Mr. Ellis would be entitled to severance in an amount equal to the compensation he would have received for a period of twice the number of months remaining in the term of his employment agreement.

Andrzej Matyczynski. Mr. Matyczynski, our Chief Financial Officer, has a written employment agreement with our company that provides for a specified annual base salary and other compensation. Mr. Matyczynski resigned as our Chief Financial Officer effective May 11, 2015, but will continue as an employee until April 15, 2016 in order to assist in the transition of our new Chief Financial Officer, Mr. Ghose, whose information is set forth above. Upon termination of Mr. Matyczynski's employment, he will become entitled under his employment agreement to a lump-sum severance payment of six months' base salary and to the payment of his vested benefit under his deferred compensation plan discussed above in this section.

2010 Equity Incentive Plan

On May 13, 2010, our stockholders approved the 2010 Stock Incentive Plan (the "Plan") at the annual meeting of stockholders in accordance with the recommendation of the board of directors of the Company. The Plan provides for awards of stock options, restricted stock, bonus stock, and stock appreciation rights to eligible employees, directors, and consultants. The Plan permits issuance of a maximum of 1,250,000 shares of class A nonvoting common stock. The Plan expires automatically on March 11, 2020.

Equity incentive bonuses may be awarded to align our executives' long-term compensation to appreciation in stockholder value over time and, so long as such grants are within the parameters of the Plan, historically were entirely discretionary on the part of Mr. Cotter, Sr. Other stock grants are subject to board approval. Equity awards may include stock options, restricted stock, bonus stock, or stock appreciation rights. Apart from the stock award to Mr. Cotter, Sr., no stock bonuses were awarded to our executive officers in 2014.

If awarded, it is generally our policy to value stock options and restricted stock at the closing price of our common stock as reported on the NASDAQ Capital Market on the date the award is approved or on the date of hire, if the stock is granted as a recruitment incentive. When stock is granted as bonus compensation for a particular transaction, the award may be based on the market price on a date calculated from the closing date of the relevant transaction. Awards may also be subject to vesting and limitations on voting or other rights.

Certain Federal Income Tax Consequences

Non-qualified Stock Options. There will be no federal income tax consequences to either the Company or the participant upon the grant of a non-discounted NQSO. However, the participant will realize ordinary income on the exercise of the NQSO in an amount equal to the excess of the fair market value of the common stock acquired upon the exercise of such option over the exercise price, and the Company will receive a corresponding deduction. The gain, if any, realized upon the subsequent disposition by the participant of the common stock will constitute short-term or long-term capital gain, depending on the participant's holding period.

Incentive Stock Options. There will be no regular federal income tax consequences to either the Company or the participant upon the grant or exercise of an incentive stock option. If the participant does not dispose of the shares of common stock for two years after the date the option was granted and one year after the acquisition of such shares of common stock, the difference between the aggregate option price and the amount realized upon disposition of the shares of common stock will constitute long-term capital gain or loss, and the Company will not be entitled to a federal income tax deduction. If the shares of common stock are disposed of in a sale, exchange or other "disqualifying disposition" during those periods, the participant will realize taxable ordinary income in an amount equal to the excess of the fair market value of the common stock purchased at the time of exercise over the aggregate option price (adjusted for any loss of value at the time of disposition), and the Company will be entitled to a federal income tax deduction equal to such amount, subject to the limitations under Code Section 162(m).

While the exercise of an incentive stock option does not result in current taxable income, the excess of (1) the fair market value of the option shares at the time of exercise over (2) the exercise price, will be an item of adjustment for purposes of determining the participant's alternative minimum tax income.

SARs. A participant receiving an SAR will not recognize income, and the Company will not be allowed a tax deduction, at the time the award is granted. When a participant exercises the SAR, the amount of cash and the fair market value of any shares of common stock received will be ordinary income to the participant and will be allowed as a deduction for federal income tax purposes to the Company, subject to limitations under Code Section 162(m). In addition, the Board (or Committee), may at any time, in its discretion, declare any or all awards to be fully or partially exercisable and may discriminate among participants or among awards in exercising such discretion.

Restricted Stock. Unless a participant makes an election to accelerate recognition of the income to the date of grant, a participant receiving a restricted stock award will not recognize income, and the Company will not be allowed a tax deduction, at the time the award is granted. When the restrictions lapse, the participant will recognize ordinary income equal to the fair market value of the common stock, and the Company will be entitled to a corresponding tax deduction at that time, subject to the limitations under Code Section 162(m).

Outstanding Equity Awards

The following table sets forth outstanding equity awards held by our named executive officers as of December 31, 2014 under the Plan:

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Outstanding Equity Awards At Year Ended December 30, 2014

	Option Awards					Stock Awards	
	Class	Number of Shares Underlying Unexercised Options Exercisable	Number of Shares Underlying Unexercised Options Unexercisable	Option Exercise Price ($)	Option Expiration Date	Number of Shares or Units of Stock that Have Not Vested	Market Value of Shares or Units that Have Not Vested ($)
James J. Cotter, Sr.	B	100,000	--	10.24	09/05/2017	--	--
James J. Cotter, Jr.	A	12,500	--	3.87	07/07/2015	--	--
James J. Cotter, Jr.	A	10,000	--	8.35	01/19/2017	--	--
James J. Cotter, Jr.	A	100,000	--	6.31	02/06/2018	--	--
Ellen M. Cotter	A	20,000	--	5.55	03/06/2018	--	--
Ellen M. Cotter	B	50,000	--	10.24	09/05/2017	--	--
Andrzej Matyczynski	A	25,000	25,000	6.02	08/22/2022	--	--
Robert F. Smerling	A	43,750	--	10.24	09/05/2017	--	--

Option Exercises and Stock Vested

The following table contains information for our named executive officers concerning the option awards that were exercised and stock awards that vested during the year ended December 31, 2014:

	Option Awards		Stock Awards	
Name	Number of Shares Acquired on Exercise	Value Realized on Exercise ($)	Number of Shares Acquired on Vesting	Value Realized on Vesting ($)
James J. Cotter, Sr.	--	--	160,643	1,200,000
Andrzej Matyczynski	35,100	180,063	--	--

Pension Benefits

The following table contains information concerning pension plans for each of the named executive officers for the year ended December 31, 2014:

Name	Plan Name	Number of Years of Credited Service	Present Value of Accumulated Benefit ($)	Payments During Last Fiscal Year ($)
James J. Cotter, Sr.(1)	SERP	27	$ 7,595,000	$ --
Andrzej Matyczynski(2)	DCP	5	$ 450,000	$ --

Director Compensation

During 2014, all of our directors, except Mr. James J. Cotter Sr., Mr. James J. Cotter, Jr. and Ms. Ellen M. Cotter, received an annual fee of $35,000 (prorated for the year in which a director is first elected or appointed). In addition to their annual directors fee, the following directors received a one-time fee of $5,000 for their services as a member of the board and of all board committees on which they serve; Messrs. Adams, Gould, McEachern and Kane. Mr. Storey received a one-time fee of $10,000, for his services as a member of the board and of all board committees on which he served. Messrs. McEachern and Storey also each received an additional $6,000 for their participation in Special Committee Meetings. For 2014, the Chair of our Audit and Conflicts Committee received an additional fee of $7,000, the Chair of our Compensation Committee received an additional fee of $5,000, and the Chair of our Tax Oversight Committee received an additional fee of $18,000.

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Upon joining our board, new directors have historically received immediately vested five-year stock options to purchase 20,000 shares of our Class A Stock at an exercise price equal to the market price of the stock at the date of grant. From time to time our directors also are granted additional stock options as compensation for their service on our board. Historically, these awards were based upon the recommendations of our former Chair and principal shareholder, Mr. James J. Cotter, Sr., which recommendations were reviewed and acted upon by our entire board. When such additional awards have been made, typically, each sitting director (other than Mr. Cotter, Sr., who historically did not participate in such awards) was awarded the same number of options on the same terms. Historically, we have granted our officers and directors replacement options where their options would otherwise expire with exercise prices that were out of the money at the time of such expiration.

In November 2014, our board of directors determined to make grants to our non-employee directors on January 15 of each year of stock options to purchase 2,000 shares of our Class A Stock. The options will be for a term of five years, have an exercise price equal to the market price of Class A Stock on the grant date and be fully vested immediately upon grant.

The following table sets forth information concerning the compensation to persons who served as our non-employee directors during 2014 for their services as directors.

Director Compensation Table

Name	Fees Earned or Paid in Cash ($)	Option Awards ($)	All Other Compensation ($)	Total ($)
Margaret Cotter (1)	35,000	0	0	35,000
Guy W. Adams (2)	40,000	69,000	0	109,000
William D. Gould	35,000	0	0	35,000
Edward L. Kane	63,000	0	0	63,000
Douglas J. McEachern	53,000	0	0	53,000
Tim Storey	51,000	0	21,000(3)	72,000
Alfred Villaseñor (4)	10,000	0	0	10,000

(1) In addition to her director's fees, Ms. Margaret Cotter receives a combination of fixed and incentive management fees under the OBI Management Agreement described under the caption "Certain Transactions and Related Party Transactions - OBI Management Agreement," below.

(2) Mr. Adams joined the board on January 14, 2014 and was granted on that date a five-year stock option to purchase 20,000 shares of our Class A Stock at an exercise price of $7.40 per share.

(3) This amount represents fees paid to Mr. Storey as the sole independent director of our company's wholly-owned New Zealand subsidiary.

(4) Represents fees paid to Mr. Villaseñor prior to our 2014 Annual Meeting of Stockholders, when he declined to stand for re-nomination as a director.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

Except as described below, the following table sets forth the shares of Class A Stock and Class B Stock beneficially owned on April 30, 2015 by:

- each of our incumbent directors;
- each of our incumbent named executive officers set forth in the Summary Compensation Table of this Proxy Statement;

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- each person known to us to be the beneficial owner of more than 5% of our Class B Stock; and

- all of our incumbent directors and incumbent executive officers as a group.

The beneficial ownership of 327,808 shares of our outstanding Class B Stock, which we refer to as the "disputed shares," and 100,000 shares of Class B Stock underlying a currently exercisable stock option, which we refer to as the "disputed option," is disputed by the Cotter family members, and the following table does not ascribe to any person or entity the beneficial ownership of the disputed shares or of the shares underlying the disputed option.

Except as noted, we believe that each beneficial owner has sole voting power and sole investment power with respect to the shares shown. An asterisk (*) denotes beneficial ownership of less than 1%.

	Amount and Nature of Beneficial Ownership (1)			
	Class A Stock		Class B Stock	
Name and Address of Beneficial Owner	**Number of Shares**	**Percentage of Stock**	**Number of Shares**	**Percentage of Stock**
Directors and Named Executive Officers				
James J. Cotter, Jr. (2)(9)(10)	3,220,251	14.7	696,080	44.0
Ellen M. Cotter (3)(9)(10)	2,818,995	13.0	746,080	47.2
Margaret Cotter (4)(9)(10)	3,111,572	14.3	731,180	46.3
Guy W. Adams	- 0 -	--	- 0 -	--
William D. Gould (5)	54,340	*	--	--
Edward L. Kane (6)	19,500	*	100	*
Andrzej Matyczynski	25,789	*	--	--
Douglas J. McEachern (7)	37,300	*	--	--
Tim Storey (8)	27,000	*	--	--
Robert F. Smerling (8)	43,750	*	--	--
5% or Greater Stockholders				
James J. Cotter Living Trust (9)(10)	1,897,649	8.7	696,080	44.0
James J. Cotter Living Trust/Estate of James J. Cotter, Deceased(9)(10)	408,263	1.9	427,808	25.5
Mark Cuban (11) 5424 Deloache Avenue Dallas, Texas 75220	72,164	*	207,611	13.1
PICO Holdings, Inc. and PICO Deferred Holdings, LLC (12) 875 Prospect Street, Suite 301 La Jolla, California 92037	--	--	97,500	6.2
All directors and executive officers as a group (10 persons)(13)	5,476,570	24.9	1,209,088	71.9

(1) Percentage ownership is determined based on 21,745,484 shares of Class A Stock and 1,580,590 shares of Class B Stock outstanding on May 6, 2015. Except as described in footnote (13) with respect to the beneficial ownership of all directors and executive officers as a group, the table does not ascribe to any person or entity the beneficial ownership of the disputed shares or of the shares underlying the disputed option. Except as described with respect to the disputed shares and the disputed option, beneficial ownership has been determined in accordance with SEC rules. Shares subject to options that are presently exercisable, or exercisable within 60 days of May 6, 2015, which are indicated by footnote, are deemed to be

beneficially owned by the person holding the options and are deemed to be outstanding in computing the percentage ownership of that person, but not in computing the percentage ownership of any other person.

(2) The Class A Stock shown include 97,500 shares subject to stock options. The Class A Stock shown also include 289,390 shares held by a trust for the benefit of James J. Cotter, Sr.'s grandchildren (the "Cotter grandchildren's trust") and 102,751 held by the James J. Cotter Foundation. Mr. Cotter, Jr. is co-trustee of the Cotter grandchildren's trust and of the Cotter Foundation and, as such, is deemed to beneficially own such shares. Mr. Cotter, Jr. disclaims beneficial ownership of such shares except to the extent of his pecuniary interest, if any, in such shares. The Class A Stock shown also includes 1,897,649 shares held by the James J. Cotter Living Trust, or the "Living Trust," which became irrevocable upon Mr. Cotter, Sr.'s death on September 13, 2014. See footnotes (9) and (10) for information regarding beneficial ownership of the shares held by the Living Trust that is disputed by the Cotter family members.

(3) The Class A Stock shown includes 20,000 shares subject to stock options. The Class A Stock shown also include 102,751 shares held by the James J. Cotter Foundation. Ms. Cotter is co-trustee of the Cotter Foundation and, as such, is deemed to beneficially own such shares. Ms. Cotter disclaims beneficial ownership of such shares except to the extent of her pecuniary interest, if any, in such shares. The Class A Stock shown also includes 408,263 shares that Ms. Cotter maintains are part of the Estate of James J. Cotter, Deceased (the "Cotter Estate") that is being administered in the State of Nevada and that Mr. Cotter, Jr. contends are held by the Living Trust. On December 22, 2014, the District Court of Clark County, Nevada, appointed Ellen M. Cotter and Margaret Cotter as co-executors of the Cotter Estate. As such, Ellen M. Cotter would be deemed to beneficially own such shares. As co-trustees of the Living Trust, the three Cotter family members would be deemed to beneficially own such shares depending upon the outcome of the matters described in footnote (9). The shares shown also include 1,897,649 shares held by the Living Trust. See footnotes (9) and (10) for information regarding beneficial ownership of the shares held by the Living Trust that is disputed by the Cotter family members.

(4) The Class A Stock shown includes 17,000 shares subject to stock options. The Class A shares shown also include 289,390 shares held by the Cotter grandchildren's trust and 102,751 shares held by the James J. Cotter Foundation. Ms. Cotter is co-trustee of the Cotter grandchildren's trust and of the Cotter Foundation and, as such, is deemed to beneficially own such shares. Ms. Cotter disclaims beneficial ownership of such shares except to the extent of her pecuniary interest, if any, in such shares. The Class A Stock shown includes 408,263 shares that Ms. Cotter maintains are part of the Cotter Estate and that Mr. Cotter, Jr. contends are held by the Living Trust. As co-executor of the Cotter Estate, Ms. Cotter would be deemed to beneficially own such shares. As co-trustees of the Living Trust, the three Cotter family members would be deemed to beneficially own such shares depending upon the outcome of the matters described in footnote (9). The shares shown also include 1,897,649 shares held by the Living Trust. See footnotes (9) and (10) for information regarding beneficial ownership of the shares held by the Living Trust that is disputed by the Cotter family members.

(5) Includes 17,000 shares subject to stock options.

(6) The Class A Stock shown includes 2,000 shares subject to stock options.

(7) Includes 27,000 shares subject to stock options.

(8) Consists of shares subject to stock options.

(9) James J. Cotter, Jr., Ellen M. Cotter and Margaret Cotter are the Co-trustees of the Living Trust. On June 5, 2013, the Declaration of Trust establishing the Living Trust was amended and restated (the "2013 Restatement") to provide that, upon the death of James J. Cotter, Sr., the Trust's shares of Class B Stock were to be held in a separate trust, to be known as the "Reading Voting Trust," for the benefit of the grandchildren of Mr. Cotter, Sr. Mr. Cotter, Sr. passed away in September 2014. The 2013 Restatement also names Margaret Cotter the sole trustee of the Reading Voting Trust and names James J. Cotter, Jr. as the first alternate trustee in the event that Ms. Cotter is unable or unwilling to act as trustee. On June 19, 2014, Mr. Cotter, Sr. signed a 2014 Partial Amendment to Declaration of Trust (the "2014 Amendment") that names Margaret Cotter and James J. Cotter, Jr. as the co-trustees of the Reading Voting Trust and provides that, in the event they are unable to agree upon an important trust decision, they shall rotate the trusteeship between them annually on each January 1st. It further directs the trustees of the Reading Voting Trust to, among other things, vote the Class B Stock held by the Reading Voting Trust in favor of the appointment of Ellen Cotter, Margaret Cotter and James J. Cotter, Jr. to our board and to take all actions to rotate the chairmanship of our board among the three of them. On February 6, 2015, Ellen Cotter and Margaret Cotter filed a Petition in the Superior Court of the State of California, County of Los Angeles, captioned In re James J. Cotter Living Trust dated August 1, 2000 (Case No. BP159755). The Petition, among other things, seeks relief that could determine the validity of the 2014 Amendment and who between Margaret Cotter and James J. Cotter Jr. will have authority as trustee or co-trustees of the Reading Voting Trust to vote the shares of Class B Stock shown (in whole or in part) and the scope and extent of such authority. Mr. Cotter, Jr. has filed an opposition to the Petition. As co-trustees of the Living Trust, Mr. Cotter, Jr., Ellen M. Cotter and Margaret Cotter would share voting and investment power of the shares held by the Living Trust and, as such, would be deemed to beneficially own such shares. As trustee or co-trustees of the Reading Voting Trust, Margaret Cotter or Mr. Cotter, Jr., or both, would be deemed to beneficially own the Class B Stock shown. Each of Mr. Cotter, Jr., Ellen M. Cotter and Margaret Cotter disclaims beneficial ownership of the shares held by the Living Trust except to the extent of his or her pecuniary interest, if any, in such shares.

(10) Our stock register reflects that the 327,808 disputed shares of Class B Stock, which constitute approximately 20.7% of the voting power of our outstanding capital stock, and the disputed option to purchase 100,000 shares of Class B Stock, are standing in the name of Mr. Cotter, Sr. Ellen M. Cotter and Margaret Cotter dispute that Mr. Cotter, Sr. executed a written assignment that purported to transfer the disputed shares to the Living Trust and contend that, until such time as they pour over into the Living Trust, the disputed shares make up a part of the Cotter Estate. Ellen M. Cotter and Margaret Cotter also contend that the disputed option belongs to the Cotter Estate, while Mr. Cotter, Jr. disputes these contentions. Because the disputed shares and the shares underlying the disputed option together represent a material amount of our outstanding Class B stock, on April 29, 2015, we filed in the District Court of Clark County, Nevada, a petition requesting instructions from the Court regarding the disputed shares and the disputed option. A copy of our petition is set forth as an exhibit to our current report on Form 8 K filed with the SEC on May 4, 2015. Depending upon the outcome of this matter, the beneficial ownership of our Class B Stock will change, perhaps materially, from that presented in this table. The Cotter family also dispute whether the Class A Stock shown is held by the Living Trust or by the Cotter Estate.

(11) Based on Mr. Cuban's Form 4 filed with the SEC on July 18, 2011 and Schedule 13G filed on February 14, 2012.

(12) Based on the PICO Holdings, Inc. and PICO Deferred Holdings, LLC Schedule 13G filed with the SEC on February 15, 2011.

(13) The Class A Stock shown includes 408,263 disputed shares of Class A Stock and 251,250 shares subject to options. The Class B Stock shown includes the 327,808 disputed shares and the 100,000 shares subject to the disputed option.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE.

Certain Relationships and Related Transactions

The members of our Audit and Conflicts Committee are Edward Kane, Tim Storey, and Douglas McEachern, who serves as Chair. Management presents all potential related party transactions to the Conflicts Committee for review. Our Conflicts Committee reviews whether a given related party transaction is beneficial to our company, and approves or bars the transaction after a thorough analysis. Only Committee members disinterested in the transaction in question participate in the determination of whether the transaction may proceed.

Sutton Hill Capital

In 2001, we entered into a transaction with Sutton Hill Capital, LLC ("SHC") regarding the leasing with an option to purchase of certain cinemas located in Manhattan including our Village East and Cinemas 1, 2 & 3 theaters. In connection with that transaction, we also agreed to lend certain amounts to SHC, to provide liquidity in its investment, pending our determination whether or not to exercise our option to purchase and to manage the 86th Street Cinema on a fee basis. SHC is a limited liability company that is owned by Sutton Hill Associates, which was a 50/50 partnership between James J. Cotter, Sr. and Michael Forman. The Village East is the only cinema subject to this lease, and during 2014, 2013 and 2012 we paid rent to SHC in the amount of $590,000 annually.

On June 29, 2010, we agreed to extend our existing lease from SHC of the Village East Cinema in New York City by 10 years, with a new termination date of June 30, 2020. The Village East lease includes a sub-lease of the ground underlying the cinema that is subject to a longer-term ground lease between SHC and an unrelated third party that expires in June 2031 (the "cinema ground lease"). The extended lease provides for a call option pursuant to which Reading may purchase the cinema ground lease for $5.9 million at the end of the lease term. Additionally, the lease has a put option pursuant to which SHC may require us to purchase all or a portion of SHC's interest in the existing cinema lease and the cinema ground lease at any time between July 1, 2013 and December 4, 2019. SHC's put option may be exercised on one or more occasions in increments of not less than $100,000 each. In 2005, we acquired from a third party the fee interest and from SHC its interest in the ground lease estate underlying and the improvements constituting the Cinemas 1, 2 & 3. In connection with that transaction, we granted to SHC an option to acquire a 25% interest in the special purpose entity formed to acquire these interests at cost. On June 28, 2007, SHC exercised this option, paying the option exercise price through the application of its $3 million deposit plus the assumption of its proportionate share of SHP's liabilities, giving SHC a 25% non-managing membership interest in SHP. We manage this cinema property for an annual management fee equal to 5% of its annual gross income.

In February 2015, we and SHP entered into an amendment to the management agreement dated as of June 27, 2007 between us and SHC. The amendment, which was retroactive to December 1, 2014, memorialized our undertaking to SHP with respect to $750,000 (the "Renovation Funding Amount") of renovations to Cinemas 1, 2 & 3 funded or to be funded by us. In consideration of our funding of the renovations, our annual management fee under the management agreement was increased commencing January 1, 2015 by an amount equivalent to 100% of any incremental positive cash flow of Cinemas 1, 2 & 3 over the average annual positive cash flow of the Cinemas over the three-year period ended December 31, 2014 (not to exceed a cumulative aggregate amount equal to the Renovation Funding Amount), plus a 15% annual cash-on-cash return on the balance outstanding from time to time of the Renovation Funding Amount, payable at the time of the payment of the annual management fee. Under the amended management agreement, we are entitled to retain ownership of (and any right to depreciate) any furniture, fixtures and equipment purchased by us in connection with such renovation and have the right (but not the obligation) to remove all such furniture, fixtures and equipment (at our own cost and expense) from the Cinemas upon the termination of the management agreement. The amendment also provides that, during the term of the management agreement, SHP will be responsible for the cost of repair and maintenance of the renovations.

OBI Management Agreement

Pursuant to a Theater Management Agreement (the "Management Agreement"), our live theater operations are managed by OBI LLC ("OBI Management"), which is wholly owned by Ms. Margaret Cotter who is our Vice Chair and the sister of James J. Cotter, Jr. and Ellen M. Cotter.

The Management Agreement generally provides that we will pay OBI Management a combination of fixed and incentive fees, which historically have equated to approximately 21% of the net cash flow received by us from our live theaters in New York. Since the fixed fees are applicable only durimg such periods as the New York theaters are booked, OBI Management receives no compensation with respect to a theater at any time when it is not generating revenue for us. This arrangement provides an incentive to OBI Management to keep the theaters booked with the best available shows, and mitigates the negative cash flow that would result from having an empty theater. In addition, OBI Management manages our Royal George live theater complex in Chicago on a fee basis based on theater cash flow. In 2014, OBI Management earned $397,000, which was 20.9% of net cash flows for the year. In 2013, OBI Management earned $401,000, which was 20.1% of net cash flows for the year. In 2012, OBI Management earned $390,000, which was 19.7% of net cash flows for the year. In each year, we reimbursed travel related expenses for OBI Management personnel with respect to travel between New York City and Chicago in connection with the management of the Royal George complex.

OBI Management conducts its operations from our office facilities on a rent-free basis, and we share the cost of one administrative employee of OBI Management. Other than these expenses and travel-related expenses for OBI Management personnel to travel to Chicago as referred to above, OBI Management is responsible for all of its costs and expenses related to the performance of its management functions. The Management Agreement renews automatically each year unless either party gives at least six months' prior notice of its determination to allow the Management Agreement to expire. In addition, we may terminate the Management Agreement at any time for cause.

Live Theater Play Investment

From time to time, our officers and directors may invest in plays that lease our live theaters. The play STOMP has played in our Orpheum Theatre since prior to our acquisition of the theater in 2001. Mr. Cotter, Sr. owned an approximately 5% interest in that play.

Shadow View Land and Farming LLC

During 2012, Mr. Cotter, Sr., our former Chair, Chief Executive Officer and controlling shareholder, contributed $2.5 million of cash and $255,000 of his 2011 bonus as his 50% share of the purchase price of a land parcel in Coachella, California and to cover his 50% share of certain costs associated with that acquisition. This land is held in Shadow View Land and Farming, LLC, which is owned 50% by our company. Mr. Cotter, Jr. contends that the other 50% interest in Shadow View Land and Farming, LLC is

owned by the James J. Cotter, Sr. Trust, while Ellen Cotter and Margaret Cotter contend that such interest is owned by the Cotter Estate. We are the managing member of Shadow View Land and Farming, LLC, with oversight provided by our Audit and Conflicts Committee.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

Summary of Principal Accounting Fees for Professional Services Rendered

Our independent public accountants, Grant Thornton, LLP, have audited our financial statements for the fiscal year ended December 31, 2014, and are expected to have a representative present at the Annual Meeting who will have the opportunity to make a statement if he or she desires to do so and is expected to be available to respond to appropriate questions.

Audit Fees

The aggregate fees for professional services for the audit of our financial statements, audit of internal controls related to the Sarbanes-Oxley Act, and the reviews of the financial statements included in our Forms 10-K and 10-Q provided by Grant Thornton LLP for 2014 and 2013 were approximately $661,700 and $550,000, respectively.

Audit-Related Fees

Grant Thornton, LLP did not provide us any audit related services for 2014 or 2013.

Tax Fees

Grant Thornton, LLP did not provide us any products or any services for tax compliance, tax advice, or tax planning for 2014 or 2013.

All Other Fees

Grant Thornton, LLP did not provide us any services for 2014 or 2013 other than as set forth above.

Pre-Approval Policies and Procedures

Our Audit Committee must pre-approve, to the extent required by applicable law, all audit services and permissible non-audit services provided by our independent registered public accounting firm, except for any *de minimis* non-audit services. Non-audit services are considered *de minimis* if (i) the aggregate amount of all such non-audit services constitutes less than 5% of the total amount of revenues we paid to our independent registered public accounting firm during the fiscal year in which they are provided; (ii) we did not recognize such services at the time of the engagement to be non-audit services; and (iii) such services are promptly submitted to our Audit Committee for approval prior to the completion of the audit by our Audit Committee or any of its members who has authority to give such approval. Our Audit Committee pre-approved all services provided to us by Grant Thornton LLP for 2014 and 2013.

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

(a)(3) The following exhibits are filed as part of this report:

Exhibit No.	Description
31.1	Certification of Principal Executive Officer dated March 7, 2014 pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (filed herewith).
31.2	Certification of Principal Financial Officer dated March 7, 2014 pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (filed herewith).

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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

READING INTERNATIONAL, INC.

Date: May 8, 2015

By: /s/ ANDRZEJ MATYCZYNSKI
Name: Andrzej Matyczynski
Title: Chief Financial Officer

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CERTIFICATION OF PERIODIC REPORT UNDER SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, James J. Cotter, Jr., certify that:

1. I have reviewed this Annual Report on Form 10-K/A of Reading International, Inc.

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report.

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report.

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a–15(e) and 15d–15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a–15(f) and 15d–15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 8, 2015

/s/ JAMES J. COTTER, JR.
James J. Cotter, Jr.
Chief Executive Officer

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CERTIFICATION OF PERIODIC REPORT UNDER SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Andrzej Matyczynski, certify that:

1. I have reviewed this Annual Report on Form 10-K/A of Reading International, Inc.

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report.

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report.

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a–15(e) and 15d–15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a–15(f) and 15d–15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 8, 2015

/s/ ANDRZEJ MATYZYNSKI
Andrzej Matyczynski
Chief Financial Officer

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EXHIBIT 3

EIGHTH JUDICIAL DISTRICT COURT
CLARK COUNTY, NEVADA

JAMES J. COTTER, JR., derivatively on behalf of Reading International, Inc.,
Plaintiff,

vs. Case No.

MARGARET COTTER, ELLEN COTTER, GUY ADAMS, EDWARD KANE, DOUGLAS McEACHERN, TIMOTHY STOREY, WILLIAM GOULD, JUDY CODDING, MICHAEL WROTNIAK, and DOES 1 through 100, inclusive, Defendants. A-15-719860-B

and

READING INTERNATIONAL, INC., a Nevada corporation,
Nominal Defendant.

(CAPTION CONTINUED ON NEXT PAGE.)

VIDEOTAPED DEPOSITION OF JAMES COTTER, JR.

Los Angeles, California

Monday, May 16, 2016

Volume I

Reported by:
JANICE SCHUTZMAN, CSR No. 9509
Job No. 2312188
Pages 1 - 297

T2 PARTNERS MANAGEMENT, LP, a Delaware limited partnership, doing business as KASE CAPITAL MANAGEMENT, et al.,

Plaintiffs,

vs.

MARGARET COTTER, ELLEN COTTER, GUY ADAMS, EDWARD KANE, DOUGLAS McEACHERN, WILLIAM GOULD, JUDY CODDING, MICHAEL WROTNIAK, CRAIG TOMPKINS, and DOES 1 through 100, inclusive,

Defendants.

and

READING INTERNATIONAL, INC., a Nevada corporation,

Nominal Defendant.

Videotaped Deposition of JAMES COTTER, JR., Volume I, taken at 865 South Figueroa Street, 10th Floor, Los Angeles, California, commencing at 10:09 a.m. and ending at 5:40 p.m., Monday, May 16, 2016, before Janice Schutzman, CSR No. 9509.

PAGES 1 - 297

committee of four -- I think it's four members. It's been in existence for some time. It has never been utilized by the company for at least the last five to seven years and maybe longer, but it has never been utilized by the company. 10:45:41

I was the chairman of the executive committee, appointed in May of 2014, I believe. My sister Margaret was on the committee, Guy Adams and Ed Kane.

That committee, on or shortly after my termination, was reconstituted and reactivated so that it took all of the authority of the board, and it acted, in effect, as the board of directors, and it had the effect of disenfranchising the other directors because decisions were made by that executive committee. 10:45:59 10:46:25

Q. Was there a -- I think you said activation.

Was there a moment in time or a particular action at a board meeting or elsewhere where the executive committee became activated? 10:46:42

A. As I testified, shortly after my termination -- or, actually, on the date of my termination, I was removed from the executive committee. It was reconstituted. And then at some -- between that board meeting and the following 10:47:08

Q. And do you recall there being discussion about why they needed to appoint you to a committee that wasn't doing anything?

A. No.

Q. Did you ask any questions at that meeting about what would be possibly entailed or required of you to be on this executive committee? 10:50:03

A. No.

Q. Did that executive committee ever meet while you were on it? 10:50:15

A. Since 2002, when I was appointed to the Reading board, I have never known of an instance in which the executive committee met.

Q. Did you ever ask any questions about why we have an executive committee that never meets? 10:50:31

A. My assumption was that in the event that there was some calamity or some situation in which all of the directors could not meet or could not get together and there was some very important decision that needed to be made by the board in a very short amount of time, that the executive committee could be used. 10:50:50

Q. And that's your assumption based upon some of the materials you think you may have read; correct?

A. It's my assumption based on the historical practice of never utilizing the executive committee that clearly existed and based on my recollection of reading through Reading's filings.

Q. Now I want to ask you some questions about the executive committee after it was activated, to use your word. 10:51:19

What decisions are you aware of that that executive committee has made to which you object?

A. Sitting here right now, I cannot think of any specific decisions that were made by the executive committee. 10:51:33

Q. Can you think of any specific actions taken by the executive committee?

A. Again, sitting here today, I cannot recall specifically certain actions taken by the executive committee. 10:51:43

Q. Can you think of any --

Because you're still on the Reading board; correct?

A. Correct.

Q. The executive committee has reported to the board; correct?

A. Correct.

Q. And as you sit here now, you can't recall 10:52:04

any actions or decisions by the executive committee that were reported back to the board at which you were present to which you object; is that correct?

A. There were a number of actions taken by the executive committee that I cannot recall at this point, yes, that's correct. 10:52:27

Q. Meaning there were a number of actions but you can't recall any of them?

A. At this -- today, sitting here, I cannot recall. 10:52:36

Q. Okay. You understand this is your deposition in the derivative suit; right?

A. I do.

Q. Yeah.

A. Of course. 10:52:41

Q. You mentioned that the process for a search for the CEO as something that is a grievance of yours in this case -- withdraw that.

Back to the executive committee.

To redress the perceived wrong of activating this executive committee to take actions that you can't recall now, what do you want the company to do -- 10:53:05

MR. KRUM: Objection --

BY MR. TAYBACK:

EXHIBIT 4

EIGHTH JUDICIAL DISTRICT COURT
CLARK COUNTY, NEVADA

JAMES COTTER, JR., derivatively on behalf of Reading International, Inc.,
Plaintiff,

vs. Case No.

MARGARET COTTER, ELLEN COTTER, GUY ADAMS, EDWARD KANE, DOUGLAS McEACHERN, TIMOTHY STOREY, WILLIAM GOULD, JUDY CODDING, MICHAEL WROTNIAK, and DOES 1 through 100, inclusive,
Defendants.

and

READING INTERNATIONAL, INC., a Nevada corporation,
Nominal Defendant.

(CAPTION CONTINUED ON NEXT PAGE.)

VIDEOTAPED DEPOSITION OF JAMES COTTER, JR.
Los Angeles, California
Wednesday, July 6, 2016
Volume III

Reported by:
JANICE SCHUTZMAN, CSR No. 9509
Job No. 2343561
Pages 568 - 838

T2 PARTNERS MANAGEMENT, LP, a Delaware limited partnership, doing business as KASE CAPITAL MANAGEMENT, et al.,

Plaintiffs,

vs.

MARGARET COTTER, ELLEN COTTER, GUY ADAMS, EDWARD KANE, DOUGLAS McEACHERN, WILLIAM GOULD, JUDY CODDING, MICHAEL WROTNIAK, CRAIG TOMPKINS, and DOES 1 through 100, inclusive,

Defendants.

and

READING INTERNATIONAL, INC., a Nevada corporation,

Nominal Defendant.

Videotaped Deposition of JAMES COTTER, JR., Volume III, taken at 865 South Figueroa Street, 10th Floor, Los Angeles, California, commencing at 9:51 a.m. and ending at 5:13 p.m., Wednesday, July 6, 2016, before Janice Schutzman, CSR No. 9509.

PAGES 568 - 838

THE WITNESS: Right. Yes.

BY MR. TAYBACK:

Q. So my question is whether that's an accurate statement of the executive committee?

A. Appears to be. 04:22PM

Q. And whether it's taken action or not taken action is another fact, but the power that the executive committee has is the power that it has now and is the power it had in 2015; correct?

A. Right. 04:22PM

Q. And you didn't object to it having --

MR. KRUM: Objection --

BY MR. TAYBACK:

Q. -- that power?

MR. KRUM: -- vague and ambiguous. 04:22PM

THE WITNESS: I did not object to the executive committee having that power, no, because it had never exercised that power.

BY MR. TAYBACK:

Q. Let me just make sure. 04:22PM

Do you feel like that the power is okay as long as it's not used?

MR. KRUM: Objection.

BY MR. TAYBACK:

Q. Is that your contention? 04:22PM

MR. KRUM: Incomplete hypothetical.

THE WITNESS: Well, depends on how the power is used.

BY MR. TAYBACK:

Q. So it depends on the decisions that are made? 04:22PM

A. No. Depends on how the power is used.

Q. Okay. So if -- so the question isn't whether or not -- is your contention in this lawsuit that the executive committee is improper or that it just should not have been used? 04:22PM

MR. KRUM: Objection, incomplete hypothetical. Actually, no, no. Strike that.

Objection, assumes fact not in evidence, mischaracterizes the pending complaint, which speaks for itself. 04:23PM

THE WITNESS: The repopulation of the committee with those directors and the delegation and the use of the committee was improper in my opinion. It was used for improper reasons. 04:23PM

BY MR. TAYBACK:

Q. And the specific actions that this executive committee took that you object to are what?

A. Well, there were a number of actions that 04:23PM

it took, some of which I felt benefited Ellen and Margaret as stockholders, such as the determination of the record date, a simple determination that has always -- could easily have been made by the board and it had been made by the executive committee. 04:24PM

Q. And do you disagree with the determination it made or the fact that the executive committee made that determination?

A. I disagree with both.

Q. What are the other specific actions taken by the executive committee that you object to? 04:24PM

A. I believe that it appointed Michael Wrotniak to the audit committee, and I objected to the use of the executive committee to appoint a member who I felt was unqualified to serve on the audit committee. 04:24PM

Q. And do you have -- well, let me ask you.

Okay. Any other actions by the executive committee to which you object?

A. I can't think of any at this time. 04:25PM

Q. You agree with me that as you certified previously, whether the executive committee took action or not, that, in fact, the executive committee is authorized to the fullest extent of Nevada law to take action? 04:25PM

EXHIBIT 5

Confidential – Filed Under Seal

EXHIBIT 6

DISTRICT COURT

CLARK COUNTY, NEVADA

JAMES J. COTTER, JR., individually and derivatively on behalf of Reading International, Inc., Plaintiff, vs. MARGARET COTTER, et al., Defendants. and READING INTERNATIONAL, INC., a Nevada corporation, Nominal Defendant	Case No. A-15-719860-B Coordinated with: Case No. P-14-082942-E

VIDEOTAPED DEPOSITION OF ELLEN COTTER

TAKEN ON MAY 19, 2016

VOLUME II

Job Number 308469

REPORTED BY:

PATRICIA L. HUBBARD, CSR #3400

about September 1, 2015 -- well, strike that.

Is this -- this is an email exchange starting with an email from Mr. Storey to you on August -- on or about August 31, 2015, right?

A. Yes.

Q. Did you receive Mr. Storey's email on or about that date?

A. I did.

Q. And you see that he has several observations, the -- to the effect that he thought an executive committee was unnecessary?

A. I see that.

Q. Did you disagree with any of those observations?

A. I did.

Q. Did you ever respond to him?

A. It says that I did. I can't -- I don't recall if I emailed him. I called him on the phone.

Q. Okay. What -- with which of his observations made in his email dated August 31, 2015 did you disagree?

A. Well, having the executive committee in place in my mind was giving us the opportunity to get certain things done when the board couldn't be put together. We were having a lot of board

meetings, and there were certain things that could have been handled at -- by an executive committee.

I never -- I certainly never intended and I -- I know the other members of the executive committee never intended to take any responsibility away from the full board. We are very mindful of that.

I also thought that having an executive committee was a way for the C.E.O. to have a sounding board.

Q. Can you identify any board of directors meetings that had a sufficient number of directors unable to participate in person or by telephone that the meeting could not go forward?

MR. SEARCY: Objection. Vague, lacks foundation.

THE WITNESS: Are you asking do I recall of any board meeting that had less than a quorum available?

BY MR. KRUM:

Q. Okay. That's --

A. No.

Q. Okay. Do you recall any board meeting that at which you or anybody else said "We can't get together as a board, we need to have an executive

guess.

VIDEOTAPE OPERATOR: Got about two minutes.

BY MR. KRUM:

Q. So, how was it that you selected Margaret Cotter, Ed Kane and Guy Adams to be on the executive committee?

A. I don't remember the specific discussions.

Q. I mean as a practical matter, is it as simple as you put together an executive committee that consisted of only people that had -- who voted to terminate Jim Cotter, Jr., and everyone who had voted to terminate Jim Cotter, Jr., with the single exception being Doug McEachern?

MR. SEARCY: Objection. Argumentative and vague.

THE WITNESS: No. I had asked Bill Gould to be on the executive committee.

BY MR. KRUM:

Q. What did you say and what did he say?

A. I called him and I asked him to be on it. I -- you know, he has a lot of experience with the company, is a well respected attorney. I asked him to be on it.

EXHIBIT 7

DISTRICT COURT

CLARK COUNTY, NEVADA

JAMES J. COTTER, JR., individually and derivatively on behalf of Reading International, Inc., Plaintiff, vs. MARGARET COTTER, et al., Defendants. and READING INTERNATIONAL, INC., a Nevada corporation, Nominal Defendant	Case No. A-15-719860-B Coordinated with: Case No. P-14-082942-E

VIDEOTAPED DEPOSITION OF WILLIAM GOULD

TAKEN ON JUNE 8, 2016

VOLUME 1

JOB NUMBER 315485

REPORTED BY:

PATRICIA L. HUBBARD, CSR #3400

three members of the C.E.O. search committee?

A. No.

Q. Okay. So let me backfill a little bit. So the first step in the C.E.O. search process was formation of the committee; is that right?

A. Yes.

Q. And how did that come to pass?

A. Early on when -- there were two committees that were being formed. One committee was a committee -- was an executive committee, one committee was a search committee.

This happened, oh, I would say, in June of 2015, around that time, June or July.

Ellen asked me if I would like to be a member of the executive committee.

And I said "No, I don't have time for it." I knew that would be an extensive job. But I did tell her at that time that I would be willing to serve on the search committee.

So, when the board approved it, she basically included my name as one of the four persons who would be on that committee.

Q. Did Ellen select the four members of the committee?

EXHIBIT 8

DISTRICT COURT

CLARK COUNTY, NEVADA

JAMES J. COTTER, JR., individually and derivatively on behalf of Reading International, Inc., Plaintiff, vs. MARGARET COTTER, et al., Defendants. and READING INTERNATIONAL, INC., a Nevada corporation, Nominal Defendant	Case No. A-15-719860-B Coordinated with: Case No. P-14-082942-E

VIDEOTAPED DEPOSITION OF ELLEN COTTER

TAKEN ON MAY 18, 2016

VOLUME 1

REPORTED BY:

PATRICIA L. HUBBARD, CSR #3400

raised the subject of repopulating and providing a new charter for the executive committee of RDI -- executive committee of the RDI board of directors, I should have said?

A. I would have.

Q. Why did you do so?

A. Because we wanted to have an executive committee in place to support whoever the interim C.E.O. was.

Q. Why?

A. Because it would be a new role. And having that support, in my opinion, would have been important.

Q. What do you mean when you say "support"?

A. Having a committee of directors to bounce ideas off of.

Q. Whose idea was it to repopulate and provide a new charter to the executive committee of RDI's board of directors?

MR. SEARCY: Objection. Vague.

THE WITNESS: I don't know whose specific idea it was.

BY MR. KRUM:

Q. With whom did you consult before determining to propose that?

EXHIBIT 9

DISTRICT COURT

CLARK COUNTY, NEVADA

JAMES J. COTTER, JR., individually and derivatively on behalf of Reading International, Inc., Plaintiff, vs. MARGARET COTTER, et al., Defendants. and READING INTERNATIONAL, INC., a Nevada corporation, Nominal Defendant	Case No. A-15-719860-B Coordinated with: Case No. P-14-082942-E

VIDEOTAPED DEPOSITION OF WILLIAM GOULD

TAKEN ON JUNE 29, 2016

VOLUME 2

Job No.: 319129

REPORTED BY:

PATRICIA L. HUBBARD, CSR #3400

MR. RHOW: Join as well.

THE WITNESS: There was an executive committee formed, but it was not to supplant the board of directors in every respect. It was to take care of matters that came to the board -- would be necessary for a group to look at in between board meetings.

BY MR. KRUM:

Q. So, was it your expectation that that executive committee was going to continue after a new C.E.O. -- a permanent C.E.O. was hired?

A. I had no understanding on that.

Q. What discussions, if any, occurred with any of the C.E.O. candidates other than Ellen about the executive committee?

A. I don't recall any conversations with any candidate about the executive committee.

Q. Do you know if the executive committee -- strike that.

Do you know if any of the candidates had been apprised of the existence of the executive committee?

A. They didn't raise it. They saw the -- the public filings. But they all indicated they had read the RDI public filings. But that subject never

EXHIBIT 10

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

Current Report
Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of Earliest Event Reported): October 5, 2015

READING INTERNATIONAL, INC.
(Exact Name of Registrant as Specified in its Charter)

Nevada
(State or Other Jurisdiction of Incorporation)

1-8625	95-3885184
(Commission File Number)	(I.R.S. Employer Identification No.)
6100 Center Drive Suite 900 Los Angeles, California	90045
(Address of Principal Executive Offices)	(Zip Code)

(213) 235-2240
(Registrant's Telephone Number, Including Area Code)

n/a
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425).

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12).

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b)).

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c)).

Item 5.02 Departure of Directors or Principal Officers; Election of Directors; Appointment of Principal Officers

On October 5, 2015, the Board of Directors of Reading International, Inc. ("Reading") elected Dr. Judy Codding to the Board of Directors of Reading (the "Board") for an initial term expiring at Reading's next annual meeting of stockholders and thereafter until her successor is duly elected and qualified.

Effective October 11, 2015, Tim Storey retired from the Board. Mr. Storey has agreed to serve as a consultant to the Company for a year (for which he will be paid a $50,000 annual consulting fee, payable quarterly). He has also agreed to continue to serve as a Director of the Company's New Zealand subsidiary, on the same terms as he currently serves in that position ($21,000 per year).

On October 12, 2015, the Board elected Michael J. Wrotniak to the Board for an initial term expiring at Reading's next annual meeting of stockholders and thereafter until his successor is duly elected and qualified.

Dr. Codding (70) is a globally respected education leader. She is currently, and has since 2010 been, the Managing Director of "The System of Courses," a division of Pearson, PLC (NYSE:PSO), a leading education company providing education products and services to institutions, governments and direct to individual learners. Prior to that time, and for more than the past five years, Dr. Codding served as the Chief Executive Officer and President of America's Choice, Inc., which she founded in 1998 and which was acquired by Pearson in 2010. America's Choice, Inc. was a leading educational organization offering comprehensive, proven solutions to the complex problems educators face in the era of accountability.

Dr. Codding has a Doctorate from University of Massachusetts at Amherst, and completed post–doctoral work and served as a teaching associate in Education at Harvard University.

Dr. Codding serves on various boards including the Board of Trustees of Curtis School, Los Angeles, CA (2011 to present) and the Board of Trustees of Educational Development Center, Inc. (EDC) since 2012.

Mr. Wrotniak (48) is a specialist in foreign trade and brings to the Board considerable experience in international business, including foreign exchange risk mitigation. Since 2009, Mr. Wrotniak has been the Chief Executive Officer of Aminco Resources, LLC, a privately held international commodities trading firm. He is, and has been for more than the past five years, a trustee of St. Joseph's Church in Bronxville, New York and is a member of the Board of Advisors of the Little Sisters of the Poor (LSP) at their nursing home in the Bronx, New York.

Mr. Wrotniak graduated from Georgetown University in 1989 with a B.S.B.A (cum laude).

During the last five years, neither Dr. Codding nor Mr. Wrotniak has been (a) convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors) or (b) a party to any civil proceeding of a judicial or administrative body of competent jurisdiction and as a result of

which such person was or is subject to a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, Federal or State securities laws, or finding any violation with respect to such laws.

Item 5.03 Amendments to Articles of Incorporation or Bylaws; Change in Fiscal Year.

On October 5, 2015, the Board amended Reading's bylaws decreasing the number of directors from 10 to 9. Article, II, Section 2, has been amended to read as follows:

> The number of directors, which shall constitute the whole board, shall be nine (9). Thereafter, the number of directors may from time to time be increased or decreased to not less than one nor more than ten by action of the Board of Directors. The directors shall be elected by the holders of shares entitled to vote thereon at the annual meeting of stockholders, and except as provided in Section 4 of this Article, each director elected shall hold office until his successor is elected and qualified. Directors need not be stockholders.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized.

Dated: October 13, 2015

READING INTERNATIONAL, INC.

By: \s\ William D. Ellis
William D. Ellis
Corporate Secretary

RDI-A03241-3351
Filed Under Seal

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CLERK OF THE COURT

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EIGHTH JUDICIAL DISTRICT COURT

CLARK COUNTY, NEVADA

JAMES J. COTTER, JR. individually and derivatively on behalf of Reading International, Inc.,

Plaintiffs,

v.

MARGARET COTTER, ELLEN COTTER, GUY ADAMS, EDWARD KANE, DOUGLAS McEACHERN, WILLIAM GOULD, JUDY CODDING, MICHAEL WROTNIAK, and DOES 1 through 100, inclusive,

Defendants.

AND

READING INTERNATIONAL, INC., a Nevada corporation,

Nominal Defendant.

Case No.: A-15-719860-B
Dept. No.: XI

Case No.: P-14-082942-E
Dept. No.: XI

Related and Coordinated Cases

BUSINESS COURT

INDIVIDUAL DEFENDANTS' MOTION FOR PARTIAL SUMMARY JUDGMENT (NO. 5) ON PLAINTIFF'S CLAIMS RELATED TO THE APPOINTMENT OF ELLEN COTTER AS CEO

Judge: Hon. Elizabeth Gonzalez
Date of Hearing:
Time of Hearing:

TO ALL PARTIES, COUNSEL, AND THE COURT:

Pursuant to Nevada Rule of Civil Procedure 56, Defendants Margaret Cotter, Ellen Cotter, Guy Adams, Edward Kane, Douglas McEachern, Judy Codding, and Michael Wrotniak (collectively, the "Individual Defendants"), by and through their counsel of record, Cohen|Johnson|Parker|Edwards and Quinn Emanuel Urquhart & Sullivan, LLP, hereby submit this Motion for Partial Summary Judgment (No. 5) as to the First, Second, Third, and Fourth Causes of Action in Plaintiff's Second Amended Complaint ("SAC"), to the extent that they assert claims and damages related to the appointment of Ellen Cotter as CEO.

This Motion is based upon the following Memorandum of Points and Authorities, the accompanying Declaration of Noah S. Helpern and exhibits thereto, the pleadings and papers on file, and any oral argument at the time of a hearing on this motion.

/ / /

/ / /

/ / /

Dated: September 23, 2016

COHEN|JOHNSON|PARKER|EDWARDS

By: /s/ H. Stan Johnson

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NOTICE OF MOTION

TO: ALL PARTIES, COUNSEL, AND THE COURT:

PLEASE TAKE NOTICE that the above Motion will be heard on 10-25-16, 2016 at 8:30A in Department XXVII of the above designated Court or as soon thereafter as counsel can be heard.

Dated: September 23, 2016

COHEN|JOHNSON|PARKER|EDWARDS

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MEMORANDUM OF POINTS AND AUTHORITIES

I. INTRODUCTION

Plaintiff alleges that Defendants breached their fiduciary duties in selecting Ellen Cotter, who was the interim CEO of Reading International, Inc. ("RDI" or "the Company"), to become the Company's permanent CEO. According to Plaintiff, Defendants did not conduct an adequate search to fill the position. But Plaintiff cannot point to any statute or case law that supports his claim, or to any reason why Ellen Cotter should not be CEO. As Plaintiff admits, there is not any law that restricts directors in their appointment of corporate officers. In fact, before he was terminated in June 2015, Plaintiff was appointed as CEO of RDI without any search being conducted on behalf of the Company; nevertheless, Plaintiff believes that the Directors fulfilled their fiduciary duties in appointing **him** as CEO.

In any event, the undisputed facts are that the Directors appointed a CEO Search Committee ("Search Committee"), that Committee hired a third-party search firm and interviewed candidates, and terminated the search after concluding that it had found the right candidate for the CEO position—an executive who had already demonstrated her ability to run the company as interim CEO. After discussion and consideration of the Search Committee's findings, the Board of Directors—most of whom knew Ellen through her years of work at the Company—appointed Ellen Cotter as permanent CEO. Moreover, Plaintiff concedes that since the time that Ellen Cotter has become CEO, he does not have any criticism of any of the actions she has taken.

Under the business judgment rule, directors may not be held liable for their decision-making—even if their decisions are wrong—except under very limited circumstances. None of those circumstances are present here, where a Board of Directors has fully and thoughtfully decided to hire a CEO candidate. Additionally, Nevada law provides an additional protection to members of boards of directors. Under Nevada Revised Statute § 78.138(7), a director cannot be personally liable for breach of fiduciary duty unless "the breach of those duties involved intentional misconduct, fraud or a knowing violation of law." Nev. Rev. Stat. § 78.138(7). Here,

in connection with the hiring of the Company's CEO, Plaintiff cannot produce cognizable evidence to support an allegation of such an actionable breach of duty by any director.

Finally, even if Plaintiff could overcome the business judgment rule and Nevada Revised Statute § 78.138(7), his claims would still fail because he cannot show that RDI was injured. As Plaintiff admits, nothing leads him to believe Ellen Cotter is doing a bad job. Accordingly, Plaintiff's breach of fiduciary duty claims related to the hiring of Ellen Cotter as permanent CEO fail as a matter of law.

II. FACTUAL BACKGROUND

A. Without a Search Process, the RDI Board Appoints Plaintiff CEO in 2014

As Plaintiff admits, the RDI Board did not undertake a search when it appointed Plaintiff as CEO on August 7, 2014. (*See* Attached Declaration of Noah S. Helpern ("HD") Ex. 1 (May 16, 2016 James Cotter, Jr. Dep.) at 75:20-25.)[1] Plaintiff admits that he did not make any objection to the process by which he was appointed CEO at the board meeting on August 7, 2014 and that the did not consider the procedure for his appointment to be a breach of the RDI Board's fiduciary duties. (*See id.* at 191:8-192:19.)

B. After Plaintiff's Termination, the Board Appoints Ellen Cotter as Interim CEO

After Plaintiff was terminated as CEO, the Board appointed Ellen Cotter as interim CEO. (*See id.* Ex. 2 (2015 Proxy Statement) at 11.) At the time of her appointment as interim CEO, Ellen Cotter had been with the Company since 1998. (*Id.* at 14.) Since 2002, she had been the senior operating officer of the Company's domestic cinema operations, responsible for the acquisition and development, marketing and operation of the Company's cinemas. (*Id.*) Additionally, Ellen Cotter has been a member of the Board of Directors since March 13, 2013, and she was appointed chair of the Board on August 7, 2014. (*Id.*)

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[1] The documentary and testimonial evidence supporting this Motion is attached to the Declaration of Noah S. Helpern. The citations to the "HD" refer to the paragraph of that Declaration that authenticate and correspond to the relevant supporting evidence.

C. The Search Committee Conducts a Thorough Search for a Permanent CEO

After Plaintiff was terminated as CEO, the Board began a process for finding a permanent CEO. A Search Committee was formed, comprised of Ellen Cotter, William Gould, Douglas McEachern, and Margaret Cotter. (*See id.* Ex. 6.)

Despite being RDI's interim CEO, Ellen Cotter did not initially consider becoming a candidate for the position of permanent CEO and President of RDI. (*See id.* Ex. 4 (June 16, 2016 Ellen Cotter Dep.) at 84:6-85:4 ("But I remember looking at some of the candidates that Korn Ferry was having us consider. . . . And looking at their résumés, I thought, well, I could probably do this."); 87:3-8 ("I didn't consider myself being a permanent CEO until probably well after we got the résumés.").) However, before the candidate interviews commenced, Ellen Cotter informed the Search Committee that she was going recuse herself from the Search Committee. (*See id.* Ex. 5 (June 29, 2016 William Gould Dep.) at 356:6-19.)

1. The Search Committee Interviews Candidates

For its search for a permanent CEO and President to replace Plaintiff, RDI engaged Korn Ferry International ("Korn Ferry"). (*Id.* Ex. 3 at JCOTTER008291.) Korn Ferry "researched over 200 prospective candidates, had contact with approximately 60, interviewed 11, and ultimately presented six external candidates to [RDI's Search] Committee." (*Id.* at JCOTTER008292.)

On November 13, 2015, the remaining members of the Search Committee interviewed four candidates: [redacted] (*See id.* Ex. 6; Ex. 3 at JCOTTER008292.) On December 4, 2015, the Search Committee interviewed a fifth candidate, [redacted]. (*See id.* Ex. 7.)

After interviewing five candidates, the Search Committee reached a "preliminary consensus that, if, after the interview process, Ellen Cotter was the preferred candidate, then it likely would not make sense for the Company to incur the costs and expense of additional assessment activities by Korn Ferry given the Committee members' extensive past experience with Ellen Cotter." (*Id.* Ex. 3 at JCOTTER008293). Asked what was the expense that would have been saved by having Korn Ferry stand down, Gould testified: "It was, you know, maybe . .

. $50,000. It doesn't seem like much, but I don't throw money in the street unless I have to. Especially when it's other people's money." (*Id.* Ex. 5 (June 29, 2016 William Gould Dep.) at 405:23-406:3.)

On December 17, 2015, Korn Ferry identified an additional candidate, [redacted], for the Search Committee's consideration. (*Id.* Ex. 3 at JCOTTER008292.) On December 23, 2015, the Search Committee interviewed [redacted]. (*Id.* at JCOTTER008294.)

That same day, the Search Committee interviewed Ellen Cotter. (*Id.* Ex. 3 at JCOTTER008294.) Asked if it is fair to say his view was that, once Ellen announced her candidacy, she was the presumptive favorite, William Gould testified:

> No. It only became apparent to me after we had interviewed everybody, and I could see that . . . she was definitely the most well-known to the directors, she provided the continuity, and she had a stake in the venture. You know, she had major share holdings with her family. And a new person would be coming in without that. So she would . . . have her interests aligned with the shareholders.

(*Id.* Ex. 8 (June 8, 2016 William Gould Dep.) at 55:25-56:20.) Following the interviews of [redacted] and Ellen Cotter, the Search Committee reached a consensus that Ellen Cotter would likely be the Committee's recommended candidate.[2]

2. <u>The Search Committee Meets Again on December 29, 2016, Discusses Candidates, and Votes to Recommend Ellen Cotter</u>

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[2] *Id.* Ex. 3 at JCOTTER008294; *see also* Ex. 5 at 368:4-369:1 ("Well, I was actually the one that said after listening to Ellen, thinking about it, and looking at the prior candidates, even though they were all good, that she had probably made the most sense for where we were at this time. Because she had a great reputation, the people liked her at the company. . . . [W]e all thought highly of her, every one of us. She is intelligent. She had the kind of a personality that could help get through some of these difficulties dealing with other people. And she had theatrical experience. She was willing to bring in real estate help. And that this was a very tough time to bring in somebody from the outside given the fact that no one knew who would actually control this company a year down the line. And for all those reasons, you know, it became apparent to me, . . . I just said, 'This makes the most sense for the company.' And Doug said, 'You know, I agree with you.'"); *id.* Ex. 8 at 59:2-18 ("And we looked at each other and said, you know, 'It's pretty apparent that Ellen is the right candidate.' And we both discussed why we felt that. . . . We talked about those things, continuity, we talked about her stake in the venture, the Cotter family stake in the venture, we talked about how well received she was by the staff and . . . what a good job she had done as the co-head of the theatrical division.")

The Search Committee met again on December 29, 2015. (*Id.* Ex. 3 at JCOTTER008294.) The Search Committee noted that "the candidates presented by Korn Ferry had varying backgrounds, skill sets and compensation requirements, but were all of the highest caliber, and that any of them would likely be competent to run a company such as Reading." (*Id.* at JCOTTER008294-95.) After discussion, the Search Committee resolved to recommend to the RDI Board Ellen Cotter as CEO and President. (*Id.* Ex. 9.) William Gould and Douglas McEachern each voted in favor of the motion. (*Id.*) Margaret Cotter abstained, but stated her concurrence with and support of the Search Committee's recommendation. (*Id.*)

Plaintiff admits that both of the voting members of the Search Committee were independent: For William Gould, Plaintiff testified: "Again, technically, he may be independent. . . . Technically, I believe he's independent," (*Id.* Ex. 1 at 78:25-79:13.) and, "For a period of time, Bill was independent but has -- yes, I mean, he is independent." (*Id.* at 80:7-8.) For Douglas McEachern, Plaintiff testified: "[H]e's independent. He's got no relationship with Ellen and Margaret or, you know, no business relationship with Ellen and Margaret." (*Id.* at 84:21-85:1.)

D. The RDI Board Receives a Draft Report and Recommendation of the CEO Search Committee on January 5, 2016

Three days prior to an RDI Board meeting scheduled for January 8, 2016, a Draft Report and Recommendation of the CEO Search Committee (the "Search Committee Report") was circulated to all nine members of RDI's Board. (*See id.* Ex. 10 at JCOTTER008284-85.) The seven page Search Committee Report described, among other things, the background of the search, the work of the Search Committee, the topics discussed by the Search Committee, and the Search Committee's determination. (*Id.* Ex. 3 at JCOTTER008291-97.) Attached to the Search Committee Report were: (1) a copy of the Company's agreement with Korn Ferry; (2) a copy of the "position specification" prepared by Korn Ferry; and (3) copies of the resumes of each of the six external candidates identified presented by Korn Ferry and interviewed by the Search Committee. (*See id.* at JCOTTER008291-365.)

E. The RDI Board Votes to Appoint Ellen Cotter as CEO on January 8, 2016

On January 8, 2016, a telephonic meeting of the RDI Board was held for the sole purpose of considering the Search Committee Report. (*Id.* Ex. 11 at RDI0054762.) William Gould reviewed with the RDI Board the Search Committee Report, "going through in some detail the procedures followed by the CEO Search Committee . . . ." (*Id.*) The directors participated in a discussion, (*id.* at RDI0054763), and a motion was made to accept the Search Committee's Report and recommendation to appoint Ellen Cotter as permanent CEO and President. (*Id.* at RDI0054764.) The RDI Board discussed "the procedures followed, the appropriateness of such procedures, and the appropriateness of the appointment of Ellen Cotter as permanent President and Chief Executive Officer." (*Id.*) Seven of the nine RDI directors voted to appoint Ellen Cotter as permanent CEO and President. (*Id.*) Plaintiff voted against the motion, and Ellen Cotter, who had been excused from this portion of the Board meeting, did not participate. (*Id.*)

F. Plaintiff Does Not Give Negative Assessment of Ellen Cotter's Performance

At his deposition, when asked about Ellen Cotter's performance as CEO, Plaintiff admitted that "[t]here's nothing that would lead [him] to believe that she's doing a good job, a bad job." (*Id.* Ex. 12 (May 17, 2016 James Cotter, Jr. Dep.) at 558:25-559:15.)

III. LEGAL STANDARD

Summary judgment is warranted under Nevada Rule of Civil Procedure 56 whenever the "pleadings, depositions, answers to interrogatories, admissions, and affidavits, if any, that are properly before the court demonstrate that no genuine issue of material fact exists, and the moving party is entitled to judgment as a matter of law." *Wood v. Safeway, Inc.*, 121 Nev. 724, 731 (2005). "The substantive law controls which factual disputes are material and will preclude summary judgment; other factual disputes are irrelevant." *Id.*; *see also Anderson v. Liberty Lobby, Inc.*, 477 U.S. 242, 248 (1986) ("Factual disputes that are irrelevant or unnecessary will not be counted."). A factual dispute is "genuine" only "when the evidence is such that a rational trier of fact could return a verdict for the nonmoving party." *Holcomb v. Ga. Pac., LLC*, 289 P.3d 188, 192 (Nev. 2012) (citation omitted).

While the pleadings and other proof are "construed in the light most favorable to the

nonmoving party," *LaMantia v. Redisi*, 118 Nev. 27, 29 (2002), that party "bears the burden to more than simply show that there is some metaphysical doubt as to the operative facts in order to avoid summary judgment." *Wood*, 121 Nev. at 732 (citation and internal quotation marks omitted) (rejecting the "slightest doubt" standard). The nonmoving party "is not entitled to build a case on the gossamer threads of whimsy, speculation, and conjecture," *id.* (citation omitted), but instead must identify "admissible evidence" showing "a genuine issue for trial." *Posadas v. City of Reno*, 109 Nev. 448, 452 (1993); *Shuck v. Signature Flight Support of Nev., Inc.*, 126 Nev. 434, 436 (2010) ("bald allegations without supporting facts" are insufficient); *LaMantia*, 118 Nev. at 29 (nonmovant must "show specific facts, rather than general allegations and conclusions"). A nonmoving party that fails to make this showing will "have summary judgment entered against him." *Wood*, 121 Nev. at 732 (citation omitted).

IV. ARGUMENT

A. There Was No Breach Because No Search Was Required

Summary judgment is warranted for claims related to the appointment of Ellen Cotter as CEO because no search was required. Plaintiff cannot point to any statute or case law requiring that a Board of Directors undertake a search before hiring a CEO, much less that a Board must engage a third-party search firm or setting forth requirements for such a search. To the contrary, Nevada law does not specify how officers are to be chosen and provides only that officers "must be chosen in such manner. . . as may be prescribed by the bylaws or determined by the board of directors." *See* Nev. Rev. Stat. § 78.130. "[I]n corporate law, the election of officers is generally left to the board of directors." *Carlson v. Hallinan*, 925 A.2d 506, 527 (Del. Ch. 2006).[3]

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[3] As discussed in Section IV.A of Individual Defendants' Motion for Summary Judgment on Plaintiff's Termination and Reinstatement Claims, courts have, for good reason, regularly rejected attempts by former officers to use fiduciary duty law when challenging the propriety of their removals. So too should this Court reject Plaintiff's attempt to challenge the propriety of Ellen Cotter's appointment as CEO. Actions such as Plaintiff's threaten to transform every officer appointment into a derivative attack on a board's exercise of its duties, thereby requiring Nevada courts to become arbiters, months after the fact, of the intimate judgments a board must make in appointing officers. Plaintiff's attempted expansion of fiduciary duty law to cover appointments is bad policy.

Plaintiff's own purported "legal" expert, Myron Steele, admits: "I am aware of no case law that discusses the fiduciary duties and standards applicable to the appointment of officers." Report of Myron Steele at 29. Indeed, as Plaintiff admits, the RDI Board did not undertake a CEO search before appointing Plaintiff as CEO. (HD Ex. 1 at 75:20-25.)

B. The Business Judgment Rule Shields the Individual Defendants from Liability

The business judgment rule is a "presumption that in making a business decision the directors of a corporation acted on an informed basis, in good faith and in the honest belief that the action taken was in the best interests of the company." *Shoen v. SAC Holding Corp.*, 122 Nev. 621, 632 (2006) (citation omitted); *see also* NRS 78.138(3) (codifying the rule under Nevada law). "The business judgment rule postulates that if directors' actions can arguably be taken to have been done for the benefit of the corporation, then the directors are presumed to have been exercising their sound business judgment rather than to have been responding to self-interest motivation." *Horwitz v. Sw. Forest Indus., Inc.*, 604 F. Supp. 1130, 1135 (D. Nev. 1985). "An application of the traditional business judgment rule places the burden on the 'party challenging the [board's] decision to establish facts rebutting the presumption.'" *Unitrin, Inc. v. Am. Gen. Corp.*, 651 A.2d 1361, 1373 (Del. 1995) (citing *Aronson v. Lewis,* 473 A.2d 805, 812 (Del. 1984)). "[T]he business judgment rule shields directors from personal liability if, upon review, the court concludes the directors' decision can be attributed to any rational business purpose." *Unitrin, Inc.*, 651 A.2d at 1373. "[E]ven a bad decision is generally protected by the business judgment rule." *Shoen*, 122 Nev. at 636. Under Delaware law, the business judgment rule applies to decisions regarding employment of corporate officers. *See In re Walt Disney Co. Derivative Litig.*, 906 A.2d 27, 69-73 (Del. 2006).

Here, the business judgment rule shields the RDI Board from liability because the RDI Board's decision to appoint Ellen Cotter as permanent CEO can be attributed to a number of "rational business purpose[s]"—*e.g.*, as Director Gould testified, benefitting from selecting a CEO who has the confidence of the senior management team; is known to and respected by the

Board of Directors, knows the Company, and provides management stability.[4] When considering Ellen Cotter's qualifications to be permanent CEO, Directors Guy Adams and Edward Kane advised the RDI Board that, independent of the Search Committee Report and the recommendation of the Search Committee, "based on their own interaction and experience as Directors with Ellen Cotter, they believed that she was qualified and the right candidate for the job and that her appointment as President and Chief Executive Officer was in the best interests of the Company and its stockholders." (HD Ex. 11 at RDI0054763.) Judy Codding and Michael Wrotniak stated that, "based on their own more limited interaction and experience as Directors with Ellen Cotter, they too believed that she was qualified and the right candidate for the job, and that her appointment as President and Chief Executive Officer was in the best interests of the Company and its stockholders." (*Id.*)

Furthermore, the decision to appoint Ellen Cotter was fully deliberated and carefully considered by the Board of Directors. First, the uncontroverted evidence shows that, prior to their decision, the RDI Board received information about the CEO search and the Search Committee's recommendation. Three days prior to the RDI Board meeting scheduled for January 8, 2016, a Draft Report and Recommendation of the CEO Search Committee was circulated to all nine members of RDI's Board. (*See id.* Ex. 10 at JCOTTER008284-85.) The seven page Search Committee Report described, among other things, the background of the CEO search, the work of the Search Committee, the topics discussed by the Search Committee, and the Search Committee's Determination. (*Id.* Ex. 3 at JCOTTER008291-97.) Attached to the

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[4] Plaintiff's purported expert, Myron Steele, alleges that Ellen Cotter and Margaret Cotter "revised the search criteria to more closely align with their wishes, including adding a requirement that the CEO be aligned with the majority stockholders." Report of Myron Steele at 30. But Mr. Steele does not have any evidence, only idle speculation, to support this assertion. Moreover, the business judgment rule would still shield the Individual Defendants from liability, because even the decision to revise the search criteria to purportedly require that the CEO be aligned with the majority stockholders can be attributed to "rational business purpose[s]"—*e.g.*, decreasing the likelihood of distracting discord between the CEO and significant stockholders and thereby increasing the likelihood that the CEO wants to stay at RDI. *See Unitrin*, 651 A.2d at 1373 ("[T]he business judgment rule shields directors from personal liability if, upon review, the court concludes the directors' decision can be attributed to any rational business purpose.").

Search Committee Report were: (1) a copy of the Company's agreement with Korn Ferry; (2) a copy of the "position specification" prepared by Korn Ferry; and (3) copies of the resumes of each of the six external candidates presented by Korn Ferry and interviewed by the Search Committee. (*See id.* at JCOTTER008291-365.)

Second, the uncontroverted evidence shows that the RDI Board deliberated about the CEO search at an RDI Board meeting on January 8, 2016. (*See id.* Ex. 11 at RDI0054762-65.) After William Gould reviewed the Search Committee Report with the RDI Board, "going through in some detail the procedures followed by the CEO Search Committee," the directors participated in a discussion. (*Id.* at RDI0054762-73.) The RDI Board also discussed "the procedures followed, the appropriateness of such procedures, and the appropriateness of the appointment of Ellen Cotter as permanent President and Chief Executive Officer." (*Id.* at RDI0054764.) Seven of the nine RDI directors voted to appoint Ellen Cotter as permanent CEO and President. (*Id.*) Thus, the RDI Board's decision was protected by the business judgment rule.

C. Though Not Required, A Thorough Search Was Conducted

Accordingly, even if a search had been required (it was not), Plaintiff cannot meet the gross negligence showing required to strip the Individual Defendants of the protections of the business judgment rule. The Nevada Supreme Court has stated that, "[w]ith regard to the duty of care, the business judgment rule does not protect the gross negligence of uninformed directors and officers[.]" *Shoen*, 122 Nev. at 640. Gross negligence is the "'reckless indifference to or a deliberate disregard of the whole body of stockholders' or actions which are 'without the bounds of reason'." *Kahn v. Roberts*, No. C.A. 12324, 1995 WL 745056, at *4, 8, 9 (Del. Ch. Dec. 6, 1995) (finding "no evidence from which any reasonable person could infer Defendants were grossly negligent" and granting defendants' motion for summary judgment dismissing plaintiff's claims for breach of the duty of care and breach of duty of candor) (citations omitted), *aff'd sub nom. Kahn on Behalf of DeKalb Genetics Corp. v. Roberts*, 679 A.2d 460 (Del. 1996).

Here, there is no evidence of "reckless indifference to or a deliberate disregard of the whole body of stockholders' or actions which are 'without the bounds of reason'." *Kahn*, 1995

WL 745056, at *4. Nor can Plaintiff produce evidence that the Individual Defendants' actions were "so egregious" as to be grossly negligent. *See McMillan v. Intercargo Corp.*, 768 A.2d 492, 505 (Del. Ch. 2000) (stating that a plaintiff is "obligat[ed] to set forth facts from which one could infer that the defendants' lack of care was so egregious as to meet Delaware's onerous gross negligence standard[]" and granting directors' motion for judgment on the pleadings). Rather, the uncontroverted evidence shows that the Search Committee conducted a thorough search, decided to bring the search to an end once they found the appropriate candidate, then presented their results to the Board of Directors for discussion and consideration. There is nothing unusual, much less grossly negligent, about conducting the CEO search in such a manner.

D. The RDI Board Is Protected from Liability by Nevada Revised Statute § 78.138(7)

Even if Individual Defendants had breached some fiduciary duty, they are statutorily immune to individual liability where, like here, the breach did not involve intentional misconduct, fraud, or a knowing violation of law. Nevada Revised Statute § 78.138(7) provides, in relevant part:

> [A] director or officer is not individually liable to the corporation or its stockholders or creditors for any damages as a result of any act or failure to act in his or her capacity as a director or officer unless it is proven that: . . . (b) The breach of those duties involved intentional misconduct, fraud or a knowing violation of law.

In other words, "directors and officers may only be found personally liable for breaching their fiduciary duty of loyalty if that breach involves intentional misconduct, fraud, or a knowing violation of the law." *Shoen*, 122 Nev. at 640 (citing Nev. Rev. Stat. § 78.138(7)); *In re AgFeed USA, LLC*, 546 B.R. 318, 330-31 (Bankr. D. Del. 2016) (citing *Shoen* and concluding that "the second cause of action fail[ed] to state a claim for breach of the duty of loyalty because the complaint [fell] well short of alleging intentional misconduct, fraud, or a knowing violation of the law."); *see also Stewart v. Kroeker*, No. CV04-2130L, 2006 WL 167938, at *1, 2, 6-7 (W.D. Wash. Jan. 23, 2006) (stating that "plaintiffs are required to show not only that defendants' actions or omissions constituted a breach of their fiduciary duties, but also that the 'breach of

those duties involved intentional misconduct, fraud or a knowing violation of law[,]'" applying NRS § 78.138(7)(b) to multiple claims, and granting motion for summary judgment).

"As for the terms *knowing violation* and *intentional misconduct*," the Tenth Circuit has stated that "both require knowledge that the conduct was wrongful." *In re ZAGG Inc. S'holder Derivative Action*, No. 15-4001, 2016 WL 3389776, at *7, 11 (10th Cir. June 20, 2016) (affirming dismissal of complaint because Plaintiffs failed to adequately plead that presuit demand on the Board would have been futile) (emphasis in original). Thus, in order for Plaintiff to avoid summary judgment, Plaintiff must show either that (1) each Defendant engaged in misconduct or a violation of law, knowing that the conduct was wrongful; or (2) each Defendant engaged in fraud.

1. Plaintiff Cannot Show Intentional Misconduct or a Knowing Violation of the Law

Again, Plaintiff and his expert cannot point to any law governing fiduciary duties of directors applicable to the appointment of officers. As such, Plaintiff cannot show any intentional misconduct or knowing violation of the law in relation to the CEO search. Furthermore, Plaintiff cannot produce evidence showing that Individual Defendants engaged in misconduct or a violation of the law, knowing that the conduct was wrongful, because no such evidence exists.

2. Plaintiff Cannot Show Fraud

Plaintiff cannot produce evidence showing that the appointment of Ellen Cotter as CEO involved fraud, because no such evidence exists. Plaintiff alleges that statements in proxy statements and a press release were materially misleading; Plaintiff, however, cannot show fraud through such statements because they were made subsequent to the appointment of Ellen Cotter. Even if subsequent misleading statements could show fraud under Nevada Revised Statute § 78.138(7), for the reasons discussed below, the purportedly misleading statements identified by Plaintiff do not show fraud.

(a) Individual Defendants Are Protected from Liability Because There Is No Evidence of an Undisclosed Plan

Plaintiff alleges that page 11 of the 2015 Proxy Statement was materially misleading because "Plaintiff is informed and believes that the undisclosed plan is to make EC President and CEO after conducting a search the purpose of which is to create the misimpression of a bona fide process[.]" (SAC ¶ 135(d).) But Plaintiff cannot produce evidence showing that such a plan existed, because there is none. On the contrary, the uncontroverted evidence shows that RDI engaged a search firm, interviewed a number of candidates, and chose Ellen Cotter as CEO after a discussion by the full Board. (*See* HD Ex. 3 at JCOTTER008291; Ex. 6; Ex. 11 at RDI0054762-65.)

(b) Individual Defendants Are Protected from Liability Because the CEO Search Was Accurately Described as Thorough

Plaintiff alleges that the statement in a press release on January 11, 2016 was "materially misleading if not inaccurate, including because it implies erroneously that the selection of [Ellen Cotter] was the result of a (supposedly) 'thorough search process.'" (SAC ¶ 101(f).) But, as demonstrated above in Section IV.B, the uncontroverted evidence shows that the RDI Board did engage in a detailed search process. Therefore, the statement was not fraudulent, impliedly or otherwise.

(c) Individual Defendants Are Protected from Liability Because the Discussion of the CEO Search in the 2016 Proxy Was Not Misleading

Plaintiff alleges that 2016 Proxy Statement was materially misleading because "[i]t describes (at page 8) the supposed CEO search in a manner that implies that EC timely resigned from the CEO search committee, that that committee relied on Korn Ferry and that Korn Ferry evaluated EC as a candidate for the CEO position[.]" (SAC ¶ 136(b).) However, the text discussing the CEO search on page 8 of the 2016 Proxy Statement cannot be read to suggest such implications. First, the text states: "Ellen M. Cotter resigned from the Search Committee when she concluded that she was a serious candidate for the position." (HD Ex. 13 (2016 Proxy Statement) at 8.) This statement is indisputably accurate. Second, the text refers to Korn Ferry only twice, stating: (1) "The Board . . . retained Korn Ferry to evaluate candidates for the Chief

Executive Officer position[;]" and (2) "Korn Ferry screened over 200 candidates and ultimately presented six external candidates to the Search Committee." (*Id.*) This statement is also indisputably accurate. These two sentences do not suggest, as Plaintiff asserts, that the Search Committee "relied on Korn Ferry and that Korn Ferry evaluated EC as a candidate for the CEO position[.]" (SAC ¶ 136(b).)

In sum, in the absence of intentional misconduct, fraud, or a knowing violation of the law, Individual Defendants are therefore statutorily immune from any potential liability based on the appointment of Ellen Cotter and CEO and President.

E. <u>There Are No Damages from the Appointment of Ellen Cotter as CEO</u>

Another independent reason to grant Individual Defendants' motion is that Plaintiff cannot demonstrate any injury from the appointment of Ellen Cotter as CEO. To avoid summary judgment, Plaintiff must produce cognizable evidence showing damages, an essential element of a breach of fiduciary duty claim. *See Brown v. Kinross Gold U.S.A., Inc.*, 531 F. Supp. 2d 1234, 1245 (D. Nev. 2008) (A claim for breach of fiduciary duty requires a plaintiff to demonstrate "the existence of a fiduciary duty, the breach of that duty, and that the breach proximately caused the damages.") (applying Nevada law).

Plaintiff's testimony exposes his inability to demonstrate any damages from the appointment of Ellen Cotter as CEO. Asked about Ellen Cotter's performance as CEO, Plaintiff admitted that "[t]here's nothing that would lead [him] to believe that she's doing a good job, a bad job." (HD Ex. 12 at 558:25-559:15.)

In support of a damages claim, Plaintiff has served the report of his purported expert, Tiago Duarte-Silva. [redacted]. (Silva Rep., ¶ 36.) Nevertheless, Dr. Duarte-Silva's report does not provide any evidence of damages because it does not even try to establish that the appointment of Ellen Cotter as CEO, or any action or decision made by Ellen Cotter as CEO has caused any of the purported losses. There is not a single sentence in Dr. Duarte-Silva's report that attempts to tie

the supposed declines in Reading's stock value to anything Ellen Cotter has done as CEO.[5] Because Dr. Duarte-Silva has not reviewed any of the deposition testimony in this case, and has only looked at one document produced in discovery, he in fact has no idea what Ellen Cotter has done as CEO. (Silva Rep., Ex. 2.) Dr. Duarte-Silva does not know how, if it all, the direction or implementation of Reading's corporate strategy changed after Plaintiff was terminated. He does not know if Plaintiff would have done anything differently than Ellen Cotter had he remained CEO. He does not know how, if at all, the Company has changed its approach to cinema exhibition or real estate since Plaintiff was fired. A claim for breach of fiduciary duty requires that a plaintiff demonstrate "that the breach proximately caused the damages." *See Brown*, 531 F. Supp. 2d at 1245. Mr. Duarte-Silva's assertions regarding RDI's performance since Ellen Cotter's appointment as CEO are meaningless unless proximate causation is established, which Mr. Duarte-Silva does not and cannot purport to do.

Additionally, Plaintiff's allegation that "the engagement and payment of Korn Ferry . . . amounts to waste of at least the monies paid to Korn Ferry[,]" (SAC ¶ 166), fails as a matter of law. "To recover on a claim of corporate waste, the plaintiffs must shoulder the burden of proving that the exchange was 'so one sided that no business person of ordinary, sound judgment could conclude that the corporation has received adequate consideration.'" *Walt Disney*, 906 A.2d at 74. "A claim of waste will arise only in the rare, 'unconscionable case where directors irrationally squander or give away corporate assets.'" *Id.* Here, there is no genuine dispute that the exchange of RDI's money for Korn Ferry's services was not so one sided as to be unconscionable. Instead, the uncontroverted evidence shows that Korn Ferry "researched over 200 prospective candidates, had contact with approximately 60, interviewed 11, and ultimately presented six external candidates to [RDI's Search] Committee." (HD Ex. 3 at

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[5] Defendants have moved to exclude the proposed expert testimony of Dr. Duarte-Silva on the basis of, *inter alia*, his failure to offer testimony demonstrating or even suggesting there is any causal connection between the supposed losses he observes and any action by Defendants. *See* Defendants' Motion *In Limine* to Exclude Expert Testimony.

JCOTTER008292.) Even Plaintiff's own expert refers to Korn Ferry as a "reputable search firm." (Spitz Rep., ¶ 43). Accordingly, Plaintiff's waste claim fails as a matter of law.

Thus, Plaintiff cannot demonstrate injury—a deficiency fatal to all his fiduciary duty claims to the extent they are based on the appointment of Ellen Cotter as CEO.[6]

V. CONCLUSION

For the foregoing reasons, the Individual Defendants respectfully request that the Court grant them summary judgment as to the First, Second, Third, and Fourth Causes of Action set forth in Plaintiff's SAC, to the extent that they assert claims and damages related to the appointment of Ellen Cotter as CEO.

Dated: September 23, 2016

COHEN|JOHNSON|PARKER|EDWARDS

By: /s/ H. Stan Johnson
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[6] As discussed in Section IV.C of Individual Defendants' Motion for Summary Judgment on Plaintiff's Termination and Reinstatement Claims, Plaintiff's demand for reinstatement is untenable and unsupportable. So, too, is any demand to remove Ellen Cotter from the position of President and CEO. There are strong policy reasons against compelling the Board to remove Ellen Cotter against its wishes, including the difficulty of supervision. If removed, Ellen Cotter could simply be appointed again by the Board, another factor cutting against reinstatement since equity does not require the taking of futile actions. Months have elapsed since Ellen Cotter's appointment as interim CEO in June 2015 and permanent CEO in January 2016, which also counsels against her removal.

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Attorneys for Defendants Margaret Cotter, Ellen Cotter, Douglas McEachern, Guy Adams, Edward Kane, Judy Codding, and Michael Wrotniak

RDI-A03376

DECLARATION OF COUNSEL NOAH S. HELPERN IN SUPPORT OF THE INDIVIDUAL DEFENDANTS' MOTION FOR PARTIAL SUMMARY JUDGMENT (NO. 5) ON PLAINTIFF'S CLAIMS RELATED TO THE APPOINTMENT OF ELLEN COTTER AS CEO

I, Noah Helpern, state and declare as follows:

1. I am a member of the Bar of the State of California, and am an attorney with the law firm of Quinn Emanuel Urquhart & Sullivan, LLP ("Quinn Emanuel"), attorneys for Defendants Margaret Cotter, Ellen Cotter, Guy Adams, Edward Kane, Douglas McEachern, Judy Codding, and Michael Wrotniak. I make this declaration based upon personal, firsthand knowledge, except where stated to be on information and belief, and as to that information, I believe it to be true. If called upon to testify as to the contents of this Declaration, I am legally competent to testify to its contents in a court of law.

2. Attached hereto as Exhibit 1 is a true and correct copy of transcript excerpts from the deposition of James J. Cotter, Jr. ("Plaintiff"), taken on May 16, 2016.

3. Attached hereto as Exhibit 2 is a true and correct copy of RDI's 2015 Proxy Statement.

4. Attached hereto as Exhibit 3 is a true and correct copy of the Board Package containing Draft Report and Recommendation for the CEO Search Committee dated December 31, 2015 for the RDI Board Meeting, held on January 8, 2016.

5. Attached hereto as Exhibit 4 is a true and correct copy of transcript excerpts from the deposition of Ellen Cotter, taken on June 16, 2016.

6. Attached hereto as Exhibit 5 is a true and correct copy of transcript excerpts from the deposition of William Gould, taken on June 29, 2016.

7. Attached hereto as Exhibit 6 is a true and correct copy of an email sent by Anjelica Zalin at Korn Ferry re: interviews of [redacted], dated November 2, 2015.

8. Attached hereto as Exhibit 7 is a true and correct copy of an email sent by Laura Batista at RDI re: interview of [redacted], dated November 17, 2015.

9. Attached hereto as Exhibit 8 is a true and correct copy of transcript excerpts from

the deposition of William Gould, taken on June 8, 2016.

10. Attached hereto as Exhibit 9 is a true and correct copy of the Minutes of the Meeting of the Search Committee, held on December 29, 2015.

11. Attached hereto as Exhibit 10 is a true and correct copy of an email sent by Susan Villeda at RDI to all nine RDI Board Members re: Draft Report and Recommendation of the CEO Search Committee, dated January 5, 2016.

12. Attached hereto as Exhibit 11 is a true and correct copy of the Minutes of the Meeting of the RDI Board of Directors held on January 8, 2016.

13. Attached hereto as Exhibit 12 is a true and correct copy of transcript excerpts from the deposition of Plaintiff, taken on May 17, 2016.

14. Attached hereto as Exhibit 13 is a true and correct copy of RDI's 2016 Proxy Statement.

15. This declaration is made in good faith and not for the purpose of delay.

I declare under penalty of perjury under the laws of the State of Nevada that the foregoing is true and correct.

Executed on the 23rd day of September, 2016, in Los Angeles, California.

/s/ *Noah Helpern*
Noah Helpern

EXHIBIT 1

EIGHTH JUDICIAL DISTRICT COURT
CLARK COUNTY, NEVADA

JAMES J. COTTER, JR., derivatively on behalf of Reading International, Inc.,
Plaintiff,

vs. Case No.

MARGARET COTTER, ELLEN COTTER, GUY ADAMS, EDWARD KANE, DOUGLAS McEACHERN, TIMOTHY STOREY, WILLIAM GOULD, JUDY CODDING, MICHAEL WROTNIAK, and DOES 1 through 100, inclusive, Defendants. A-15-719860-B

and

READING INTERNATIONAL, INC., a Nevada corporation,
Nominal Defendant.

(CAPTION CONTINUED ON NEXT PAGE.)

VIDEOTAPED DEPOSITION OF JAMES COTTER, JR.
Los Angeles, California
Monday, May 16, 2016
Volume I

Reported by:
JANICE SCHUTZMAN, CSR No. 9509
Job No. 2312188
Pages 1 - 297

T2 PARTNERS MANAGEMENT, LP, a Delaware limited partnership, doing business as KASE CAPITAL MANAGEMENT, et al.,

Plaintiffs,

vs.

MARGARET COTTER, ELLEN COTTER, GUY ADAMS, EDWARD KANE, DOUGLAS McEACHERN, WILLIAM GOULD, JUDY CODDING, MICHAEL WROTNIAK, CRAIG TOMPKINS, and DOES 1 through 100, inclusive,

Defendants.

and

READING INTERNATIONAL, INC., a Nevada corporation,

Nominal Defendant.

Videotaped Deposition of JAMES COTTER, JR., Volume I, taken at 865 South Figueroa Street, 10th Floor, Los Angeles, California, commencing at 10:09 a.m. and ending at 5:40 p.m., Monday, May 16, 2016, before Janice Schutzman, CSR No. 9509.

PAGES 1 - 297

MR. KRUM: Objection --

BY MR. TAYBACK:

Q. -- because you're a Cotter?

MR. KRUM: Objection, foundation.

THE WITNESS: Mr. Tayback, you'd have to ask the directors who appointed me. I don't know what they were thinking. 11:22:32

BY MR. TAYBACK:

Q. Well, you were on the board; correct?

A. I was. 11:22:38

Q. Did the board -- before appointing you as CEO, did the board undertake a CEO search?

A. Since 2009, the board agreed to a succession plan that I would succeed my father in the event he became incapacitated or resigned from the board. And that succession plan was in place as early, to my knowledge, as 2009. 11:23:00

Q. So the answer's no?

A. Right.

Q. So when I say did the board -- before appointing you as CEO, did the board undertake a CEO search, the answer's no? 11:23:15

A. The answer is no.

Q. And the succession plan that you described, that was a succession plan that you understood 11:23:32

experience. The sole reason he was being appointed to the board was because Margaret Cotter wanted him on the board.

And so we had a special nominating committee, which is another illustration of the lack of process, where the members of the special nominating committee went out and interviewed directors but, at the end of the day, they made the decision that ultimately the decision that they could make -- had to make was the decision of whatever the controlling stockholder wanted them to make. And so, you know, Michael Wrotniak was appointed to the -- recommended to be appointed to the board. 11:26:38 11:27:00

And so on a general level, yes, I feel as though he was not independent. 11:27:16

BY MR. TAYBACK:

Q. And the lack -- his lack of independence stems from his -- I may not have followed it.

His sister's best friend was friends with Margaret Cotter? 11:27:32

A. Michael's wife is my sister Margaret Cotter's best friend whom Margaret has known since, I believe, the first year of college.

Q. Mr. Gould, is he independent? 11:27:52

MR. KRUM: Same objections.

THE WITNESS: Again, technically, he may be independent. Yes. I mean --

BY MR. TAYBACK:

Q. Yes, he's independent, in your view? 11:28:22

A. I mean, I'm -- again, Mr. Tayback, I'm not a lawyer. I -- so I don't --

Q. I'm not asking the legal definition. I'm asking your view. You've stated that some people in your view aren't independent, and so now I'm asking 11:28:33 about these other people.

Mr. Gould, in your view, is he independent?

A. Technically, I believe he's independent.

Q. Technically.

Are you giving me a legal definition there, 11:28:47 or are you telling me --

A. I don't --

Q. -- what you think?

You don't know.

So with respect to -- I mean, all the other 11:28:54 people we've asked about, Ms. Codding, Mr. Wrotniak, you said, I'm not giving you the legal definition, I'm telling you what I think.

A. Right.

Q. Because you expressed a concern that there 11:29:03

aren't enough independent directors on the board and on this executive committee, and I'm trying to find out if you have a view as to whether Mr. Gould is independent or not.

And you think, in your view, he's independent? 11:29:13

A. For a period of time, Bill was independent but has -- yes, I mean, he is independent.

Q. Okay. And why do you think he's independent? 11:29:23

Does he have no connection to your family?

A. At least he doesn't have a relationship going back with me and my two sisters that would be of such that would question his independence.

Q. How long have you known Mr. Gould? 11:29:44

A. Maybe since -- at least since 2002.

Q. Was he a friend of your father's?

A. He was.

Q. A close friend?

A. I don't know. I mean, he was a business associate with my dad's. I wouldn't describe him as a close friend. 11:30:03

Q. So he did business with your father?

A. He's -- I think he's been on the board for a number years, going back to perhaps 1985. 11:30:16

He would often go out to dinner with the two of them and his family.

I really didn't have that level. So I would describe my two sisters' relationship with Ed Kane and his family to be different than the one that I had. 11:33:59

BY MR. TAYBACK:

Q. And do you feel that was your choice or his choice to not have that kind of relationship with Mr. Kane? 11:34:08

A. I mean, I don't know what he was thinking. I just didn't have it with him. I mean, I --

Q. Were there occasions where you asked him to go to dinner more and he --

A. No.

Q. -- wouldn't?

A. No, no, no. No. I would never -- outside of Reading, my interaction with Ed Kane and his family was limited, or certainly much more limited than Ellen and Margaret's. 11:34:37

Q. Mr. McEachern, is he independent, in your view?

A. Yes. I mean, he's -- I mean, again, he's independent. He's got no relationship with Ellen and Margaret or, you know, no business relationship 11:34:58

with Ellen and Margaret. So --

Q. No business relationship -- Mr. Kane has no business relationship with Ellen and Margaret also; correct?

A. That's correct. 11:35:20

Q. So in your view, Mr. McEachern is independent and has always been independent?

MR. KRUM: Asked and answered.

THE WITNESS: Yeah, the testimony speaks for itself. 11:35:30

BY MR. TAYBACK:

Q. So the answer's yes?

MR. KRUM: Well, asked and answered. He said what he said.

BY MR. TAYBACK:

Q. Well, was your answer --

MR. KRUM: But it was yes with an explanation.

Do you want him to withdraw the explanation? 11:35:41

MR. TAYBACK: No. I was going to say, he's independent and he's always been independent.

BY MR. TAYBACK:

Q. I think you can answer it yes -- or not. But I think the answer's yes, and I want to make 11:35:48

BY MR. TAYBACK:

Q. So it's true, but you don't believe that you or your sisters said it?

A. I can't recall.

Q. Did you make any objection to the process by which you were appointed as CEO at this meeting? 03:02:08

A. No.

Q. Did you think the process was consistent with the fiduciary duty that these directors owed to the Reading shareholders? 03:02:29

MR. KRUM: Objection, vague and ambiguous.

THE WITNESS: Given the circumstances, I think it was.

BY MR. TAYBACK:

Q. What were the circumstances? 03:02:36

A. Well, my father had suddenly resigned from the company. In light of the succession plan, in light of the years I had been work at the company, I did not think it was a breach of fiduciary duty for the board to appoint me to serve as the company's chief executive officer. 03:02:59

Q. You think they needed to go through some larger process to maybe make a search for some replacement?

A. Again, given that I had been working since 03:03:12

2007 at the company in the capacity as vice chairman and in the capacity as president since June of 2013 and given that our bylaws provided that the president shall also be the chief executive officer unless the board appoints the chairman as the chief executive officer, I didn't even think that it was necessary for the board to take any action at that meeting on August 7th. 03:03:36

It would have happened by operation of our bylaws unless the board wanted to appoint the chairman at that time, who would have been Ellen, I guess. I don't know the sequencing here. But if they wanted to do that, they could have made her CEO. 03:03:53

So no, I don't think this board meeting was necessary. I mean, I don't think this appointment of me to the chief executive officer position was required. It would have happened by operation of our bylaws. 03:04:13

Q. As you understand it, if the board had made Ellen as chair, chairman, chairperson -- 03:04:27

A. Right.

Q. -- CEO, that would have under the circumstances also been consistent with their fiduciary duties; correct? 03:04:42

EXHIBIT 2

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A
Proxy Statement Pursuant to Section 14(a) of the Securities Exchange Act of 1934

Filed by the Registrant ☑
Filed by a party other than the Registrant ☐

Check the appropriate box:
- ☐ Preliminary Proxy Statement
- ☐ Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- ☑ Definitive Proxy Statement
- ☐ Definitive Additional Materials
- ☐ Soliciting Material under Sec. 240.14a-12

READING INTERNATIONAL, INC.
(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

☑ No fee required

☐ Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11
(1) Title of each class of securities to which transaction applies: _____
(2) Aggregate number of securities to which transaction applies: _____
(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined): _____
(4) Proposed maximum aggregate value of transaction: _____
(5) Total fee paid: _____

☐ Fee paid previously with preliminary materials.

☐ Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid: _____
(2) Form, Schedule or Registration Statement No.: _____
(3) Filing Party: _____
(4) Date Filed: _____

READING INTERNATIONAL, INC.
6100 Center Drive, Suite 900
Los Angeles, California 90045

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS
TO BE HELD ON TUESDAY, NOVEMBER 10 , 201 5

TO THE STOCKHOLDERS:

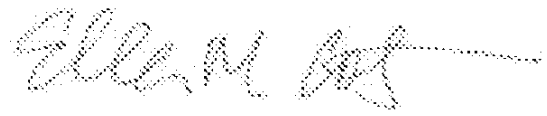
The 201 5 Annual Meeting of Stockholders (the "Annual Meeting") of Reading International, Inc., a Nevada corporation, will be held at The Ritz Carlton – Marina Del Rey , located at 4375 Admiralty Way , Marina Del Rey , California 90292 , on Tuesday, November 10 , 201 5 , at 11:00 a.m., local time, for the following purposes:

1. To elect nine Director s to serve until the Company's 201 6 Annual Meeting of Stockholders and thereafter until their successors are duly elected and qualified ;
2. To ratify the appointment of Grant Thornton LLP as the Company's independent auditors for the fiscal year ending December 31, 201 5 ; and
3 . To transact such other business as may properly come before the Annual Meeting and any adjournment or postponement thereof.

A copy of our Annual Report on Form 10-K for the fiscal year ended December 31, 201 4 is enclosed (the "Annual Report") . Only holders of record of our C l ass B V oting C ommon S tock at the close of business on October 6 , 2015 are entitled to notice of and to vote at the meeting and any adjournment or postponement thereof.

Whether or not you plan on attending the Annual Meeting, we ask that you take the time to vote by following the Internet or telephone voting instructions provided or by completing and mailing the enclosed proxy as promptly as possible. We have enclosed a self-addressed, postage-paid envelope for your convenience. If you later decide to attend the Annual Meeting, you may vote your shares even if you have submitted a proxy.

By Order of the Board of Directors



Ellen M . Cotter
Chai rperson of the Board

October 16 , 2015

READING INTERNATIONAL, INC.
6100 Center Drive, Suite 900
Los Angeles, California 90045

PROXY STATEMENT

Annual Meeting of Stockholders
Tuesday, November 10 , 2015

INTRODUCTION

This Proxy Statement is furnished in connection with the solicitation by the Board of Directors of Reading International, Inc. (the "Company," "Reading," "we," "us," or "our") of proxies for use at our 201 5 Annual Meeting of Stockholders (the "Annual Meeting") to be held on Tuesday, November 10, 2015 , at 11:00 a.m., local time, at The Ritz Carlton – Marina Del Rey, located at 4375 Admiralty Way, Marina Del Rey, California 90292 , and at any adjournment or postponement thereof. This Proxy Statement and form of proxy are first being sent or given to stockholders on or about Tuesday, October 20 , 201 5 .

At our Annual Meeting, you will be asked to (1) elect nine Directors to our Board of Directors (the "Board") to serve until the 201 6 Annual Meeting of Stockholders, (2) ratify the appointment of Grant Thornton LLP as our independent auditors for the fiscal year ending December 31, 2015 , and (3) act on any other business that may properly come before the Annual Meeting or any adjournment or postponement of the Annual Meeting.

As of October 6 , 2015 , the record date for the Annual Meeting (the "Record Date"), there were outstanding 1 , 6 80 , 5 90 shares of our C lass B V oting C ommon S tock ("Class B Stock").

When proxies are properly executed and received, the shares represented thereby will be voted at the Annual Meeting in accordance with the directions noted thereon. If no direction is indicated, the shares will be voted: FOR each of the nine nominees named in this Proxy S tatement for election to the Board of Directors under Proposal 1 and FOR the ratification of the appointment of Grant Thornton LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2015 under Proposal 2.

INTERNET AVAILABILITY OF PROXY DOCUMENTS

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE STOCKHOLDERS MEETING TO BE HELD ON NOVEMBER 10 , 2015 – This Proxy Statement, along with the proxy card, and our Annual Report for the year ended December 31, 201 4 , as filed with the Securities and Exchange Commission , are available at our website, http://www.readingrdi. com, under "Investor Relations ."

ABOUT THE ANNUAL MEETING AND VOTING

Why am I receiving these proxy materials?

This proxy statement is being sent to all of our stock holders of record as of the close of business on October 6, 2015 , by Reading's Board of Directors to solicit the proxy of holders of our Class B Stock to be voted at Reading's 2015 Annual Meeting of Stockholders , which will be held on Tuesday , November 10, 2015, at 11 :00 a.m. Pacific Time, at The Ritz Carlton – Marina Del Rey, located at 4375 Admiralty Way, Marina Del Rey, California 90292 .

What items of business will be voted on at the annual meeting?

There are two items of business scheduled to be voted on at the 2015 Annual Meeting:

" PROPOSAL 1: Election of nine directors to the Board of Directors.

" PROPOSAL 2: Ratification of the appointment of Grant Thor n ton LLP as our independent auditors for the year ending December 31, 2015.

We will also consider any other business that may properly come before the Annual Meeting or any adjournments or postponements thereof, including approving any such adjournment, if necessary . Please note that at this time we are not aware of any such business .

How does the Board of D irectors recommend that I vote?

Our Board of Directors recommends that you vote:

" On PROPOSAL 1: "FOR" the election of its nominees to the Board of Directors.

" On PROPOSAL 2: "FOR" the ratification of the appointment of Grant Thor n ton LLP as our independent auditors for the year ending December 31, 2015.

What happens if additional matters are presented at the A nnual M eeting?

Other than the two items of business described in this Proxy Statement, we are not aware of any other business to be acted upon at the Annual Meeting. If you grant a proxy, the persons named as proxies will have the discretion to vote your shares on any additional matters properly presented for a vote at the Annual Meeting.

Am I eligible to vote?

You may vote your shares of Class B Stock at the Annual Meeting if you were a holder of record of Class B Stock at the close of business on October 6, 201 5 . Your shares of Class B Stock are entitled to one vote per share. At that time, there were 1,680,590 shares of Class B Stock outstanding, and approximately 85 holders of record. Each share of Class B Stock is entitled to one vote on each matter properly brought before the Annual Meeting.

What if I own Class A Nonvoting Common Stock?

If you do not own any C lass B Stock, then you have received this proxy statement only for your information. You and other holders of our C lass A N onvoting C ommon S tock ("Class A Stock") have no voting rights with respect to the matters to be voted on at the Annual Meeting.

How can I get electronic access to the proxy materials?

This Proxy Statement, along with the proxy card, and our Annual Report for the year ended December 31, 2014 as filed with the Securities and Exchange Commission are available at our website, http://www.readingrdi.com, under "Investor Relations."

What should I do if I receive more than one copy of the proxy materials?

You may receive more than one copy of this Proxy Statement and multiple proxy cards or voting instruction cards. For example, if you hold your shares in more than one brokerage account, you may receive a separate notice or a separate voting instruction card for each brokerage account in which you hold shares. If you are a stockholder of record and your shares are registered in more than one name, you may receive more than one copy of this Proxy Statement or more than one proxy card.

To vote all of your shares of Class B Stock by proxy, you must either (i) complete, date, sign and return each proxy card and voting instruction card that you receive or (ii) vote over the Internet or by telephone the shares represented by each notice that you receive.

What is the difference between holding shares as a stockholder of record and as a beneficial owner?

Many stockholders of our Company hold their shares through a broker, bank or other nominee rather than directly in their own name. As summarized below , there are some differences in how stockholders of record and beneficial owners are treated.

Stockholders of Record . If your shares of Class B Stock are registered directly in your name with our Transfer Agent, you are considered the stockholder of record with respect to those shares and the proxy materials are being sent directly to you by Reading. As the stockholder of record of Class B Stock, you have the right to vote in person at the meeting. If you choose to do so, you can vote using the ballot provided at the Annual Meeting. Even if you plan to attend the Annual Meeting, we recommend that you vote your shares in advance as described below so that your vote will be counted if you decide later not to attend the Annual Meeting.

Beneficial Owner . If you hold your shares of Class B Stock through a broker, bank or other nominee rather than directly in your own name, you are considered the beneficial owner of shares held in street name and the proxy materials are being forwarded to you by your broker, bank or other nominee, who is considered the stockholder o f record with respect to those shares. As the beneficial owner, you are also invited to attend the Annual Meeting. Because a beneficial owner is not the stockholder of record, you may not vote these shares in person at the Annual Meeting , unless you obtain a proxy from the broker, trustee or nominee that holds your shares, giving you the right to vote the shares at the meeting. You will need to contact your broker, trustee or nominee to obtain a proxy, and you will need to bring it to the Annual Meeting in order to vote in person.

How do I vote?

Proxies are solicited to give all holders of our Class B Stock who are entitled to vote on the matters that come before the meeting the opportunity to vote their shares , whether or not they attend the meeting in person. If you are a holder of record of shares of our Class B Stock, you have the right to vote in person at the meeting. If you choose to do so, you can vote using the ballot provided at the Annual Meeting. Even if you plan to attend the Annual Meeting, we recommend that you vote your shares in advance as described below so that your vote will be counted if you decide later not to attend the Annual Meeting. You can vote by one of the following manners:

- By Internet — Holders of our Class B Stock of record may submit proxies over the Internet by following the instructions on the proxy card. Holders of our Class B Stock who are beneficial owners may vote by Internet by following the instructions on the voting instruction card sent to them by their bank, broker, trustee or nominee. Proxies submitted by th e Internet must be received by 11:59 p .m., Pacific Time, on November 9 , 2015 (the day before the Annual Meeting) .
- By Telephone — Holders of our Class B Stock of record who live in the United States or Canada may submit proxies by telephone by calling the toll-free number on the proxy card and following the instructions. Holders of our Class B Stock of record will need to have the control number that appears on their proxy card available when voting. In addition, beneficial owners of shares living in the United States or Canada and who have received a voting instruction card by mail from their bank, broker, trustee or nominee may vote by phone by calling the number specified on the voting instruction card. Those stockholders should check the voting instruction card for telephone voting availability. Proxies submitted by telephone must be received by 11:59 p .m., Pacific Time, on November 9, 2015 (the day before the Annual Meeting) .
- By Mail — Holders of our Class B Stock of record who have received a paper copy of a proxy card by mail may submit proxies by completing, signing and dating their proxy card and mailing it in the accompanying pre-addressed envelope. Holders of our Class B Stock who are beneficial owners who have received a voting

instruction card from their bank, broker or nominee may return the voting instruction card by mail as set forth on the card. Proxies submitted by mail must be received before the polls are closed at the Annual Meeting.

" In Person — Holders of our Class B Stock of record may vote shares held in their name in person at the Annual Meeting. You also may be represented by another person at the Annual Meeting by executing a proxy designating that person. Shares of Class B Stock for which a stockholder is the beneficial holder but not the stockholder of record may be voted in person at the Annual Meeting only if such stockholder is able to obtain a proxy from the bank, broker or nominee that holds the stockholder's shares, indicating that the stockholder was the beneficial holder as of the record date and the number of shares for which the stockholder was the beneficial owner on the record date.

Holders of our Class B Stock are encouraged to vote their proxies by Internet, telephone or by completing, signing, dating and returning a proxy card or voting instruction card, but not by more than one method. If you vote by more than one method, or vote multiple times using the same method, only the last-dated vote that is received by the inspector of election will be counted, and each previous vote will be disregarded. If you vote in person at the Annual Meetin g , you will revoke any prio r proxy that you may have given. You will need to bring a valid form of identification (such as a driver's license or passport) to the Annual Meeting to vote shares held of record by you in person.

What if my shares are held of record by an entity such as a corporation, limited liability company, general partnership, limited partnership or trust (an "Entity") , or in the name of mo re th a n one person, or I am voting in a representative or fiduciary capacity ?

Shares held of record by an Entity: In order to vote shares on behalf of an E ntity, you need to provide evidence (such as a sealed resolution) of your authority to vote such shares, unless you are listed o f record as a holder of such shares.

Shares held of record by a trust: The trustee of a trust is entitled to vote the shares held by the trust, either by proxy or by attending and voting in person at the Annual Meeting. If you are voting as a trustee, and are not identified as a record owner of the shares, then you must provide suitable evidence of your status as a trustee of the record trust owner. If the record owner is a trust and there are multiple trustees, then if only one trustee votes, that trustee' s vote applies to all of the shares held of record by the trust. If more than one trustee votes, the votes of the majority of the voting trustees apply to all of the shares held of record by the trust. If more than one trustee votes and the votes are split evenly on any particular Proposal, each trustee may vote proportionally the shares held of record by the trust.

Shares held of record in the name of more than one person: If onl y one individual vo t es, that individual 's vote applies to all of the shares so held of record . If more than one person votes, the votes of the majority of the voting individuals apply to all of such shares. If more than one individual votes and the votes are split evenly on any particular Proposa l, each individual m ay vote such shares proportionally.

What is a broker non-vote?

Applicable rules permit brokers to vote shares held in street name on routine matters . Shares that are not voted on non-routine matters , such as the election of directors or any proposed amendment of our Articles or By laws, are called broker non-votes. Broker non-votes will have no effect on the vote for the election of directors, but could affect the outcome of any matter requiring the approval of the holders of an absolute majority of the Class B Stock . We are not currently aware of any matter to be presented to the Annual Meeting that would require the approval of the hol d ers of an absolute majority of the Class B Stock .

What routine matters will be voted on at the annual meeting?

T he ratification of Grant Thornton LLP as our independent auditors for 2015 is the only routine matter to be presented at the Annual Meeting by the Board on which brokers may vote in their discretion on behalf of beneficial owners who have not provided voting instructions.

What non-routine matters will be voted on at the annual meeting?

T he election of nine members to the Board of Directors is the only non-routine matter included among the Board's proposals on which brokers may not vote , unless they have received specific voting instructions from beneficial owners of our Class B Stock.

How are abstentions and broker non-votes counted?

Abstentions and broker non-votes are included in determining whether a quorum is present. In tabulating the voting results for the items to be voted on at the 2015 Annual Meeting, shares that constitute abstentions and broker non-votes are not considered entitled to vote on that matter and will not affect the outcome of any matter being voted on at the meeting , unless the matter requires the approval of the holders of a majority of the outstanding shares of Class B Stock .

How can I change my vote after I submit a proxy?

If you are a stockholder of record, there are three ways you can change your vote or revoke your proxy after yo u have submitted your proxy:

- First, you may send a written notice to Reading International , Inc. , posting or other delivery charges pre-paid, c/o Office of the Secretary, 6100 Center Drive, Suite 900, Los Angeles, C A, 90045 , stating that you revoke your proxy . To be effective, we must receive your written notice prior to the closing of the polls at the Annual Meeting.
- Second, you may complete and submit a new proxy in one of the manners described above under the caption, "How Do I Vote . " Any earlier proxies will be revoked automatically.
- Third, you may attend the Annual Meeting and vote in person. Any earlier proxy will be revoked. However, attending the Annual Meeting without voting in person will not revoke your proxy.

How will you solicit proxies and who will pay the costs?

We will pay the costs of the solicitation of proxies. We may reimburse brokerage firms and other persons representing beneficial owners of shares for expenses incurred in forwarding the voting materials to their customers who are beneficial owners and obtaining their voting instructions. In addition to soliciting proxies by mail, our board members, officers and employees may solicit proxies on our behalf, without additional compensation, personally or by telephone.

Is there a list of stockholders entitled to vote at the A nnual M eeting?

The names of stockholders of record entitled to vote at the Annual Meeting will be available at the Annual Meeting and for ten days prior to the Annual Meeting at our principal executive offices between the hours of 9:00 a.m. and 5:00 p.m. for any purpose relevant to the Annual Meeting. To arrange to view this list during the times specified above, please contact the Secretary of the Company.

What constitutes a quorum?

The presence in person or by proxy of the holders of record of a majority of our outstanding shares of Class B Stock entitled to vote will constitute a quorum at the Annual Meeting. Each share of our Class B Stock entitles the holder o f record to one vote on all matters to come before the Annual Meeting.

How are votes counted and who will certify the results ?

First Coast Results, Inc. will act as the independent Inspector of Elections and will count the votes, determine whether a quorum is present, evaluate the validity of proxies and ballots, and certify the results. A representative of First Coast Results, Inc. will be present at the Annual Meeting. The final voting results will be reported by us on a Current Report on Form 8-K to be filed with the SEC within four business days following the Annual Meeting.

W hat is the vote r equired for a P roposal to pass?

The nine nominees for election as D irectors at the Annual Meeting who receive the highest number of "FOR" votes will be elected as D irectors. This is called plurality voting. Unless you indicate otherwise, the persons named as your proxies will vote your shares FOR all the nominees for D irector named in Proposal 1. If your shares are held by a broker or other nominee and you would like to vote your shares for the election of D irectors in Proposal 1, you must instru c t the broker or nominee to vote "FOR" for each member of the slate. If you give no instructions to your broker or nominee, then your shares will not be voted. If you instruct your broker or nominee to "WITHHOLD," then your vote will not be counted in determining the election.

Proposal 2 require s the affirmative "FOR" vote of a majority of the votes cast by the stockholders present in person or represented by proxy at the Annual Meeting and entitled to vote thereon.

Except with respect to the P roposal to ratify our independent auditors, where broker non-votes will be counted, only votes for or against P roposal 1 at the Annual Meeting will be counted as votes cast and abstentions and broker non-votes will not be counted for voting purposes.

Is my vote kept confidential?

Proxies, ballots and voting tabulations identifying stockholders are kept confidential and will not be disclosed to third parties , except as may be necessary to meet legal requirements.

How will the Annual Meeting be conducted?

In accordance with our Bylaws, Ellen M. Cotter , as the Chairperson of the Board of Directors, will be the Presiding Officer of the Annual Meeting. Craig Tompkins has been designated by Ms. Cotter to serve as Secretary for the Annual Meeting .

Ms. Cotter and other members of management will address attendees following the Annual M ee ting . Stockholders desiring to pose questions to our m anagement are encourage d to send their questions to us, care of the Annual Meeting Secretary, in advance of the Annual Meeting, so as to assist our m anagement in preparing appro priate responses and to facilitate compliance with applicable securities laws.

The Presiding Officer has broad authority to conduct the Annual Meeting in an orderly and timely manner. This authority includes establishing rules for stockholders who wish to address the meeting or bring matters before the Annual M eeting. The Presiding Officer may also exercise broad discretion in recognizing stockholders who wish to speak and in determining the extent of discussion on each item of business. In light of the need to conclude the Annual M eeting within a reasonable period of time, there can be no assurance that every stockholder who wishes to speak will be able to do so. The Presiding Officer has authority, in her discretion, to at any time recess or adjourn the Annual Meeting. Only stockholders are entitled to attend and address the Annual Meeting. Any questions or disputes as to who may or may not attend and address the Annual Meeting will be determined by the Presiding Officer .

Only such business as shall have been properly brought before the Annual Meeting shall be conducted. Pursuant to our governing docume nts and applicable Nevada law , in order to be properly brought before the Annual M eeting , such business must be brought by or at the direction of (1) the Chairperson, (2) our Board of Directors, or (3) holders of record of our Class B Stock. At the appropriate time, any stockholder who wishes to address the Annual Meeting should do so only upon being recognized by the Presiding Officer .

CORPORATE GOVERNANCE

Director Leadership Structure

Ellen M. Cotter is our current Chairperson and also serv es as our interim Chief Executive Officer and President and serves as the Chief Operating Officer for our Domestic Cinemas. Ellen M. Cotter has been w ith our C ompany for more than 17 years, focusing principally on the cinema operations aspects of our business. During this time period, we have grown our Domestic Cinema Operations from 42 to 248 screens and our cinema revenues have grown from US $15.5 million to US $125.7 million. Margaret Cotter is our current Vic e-Chairperson. Margaret Cotter has been responsible for the operation of our live theaters for more than the past 14 years and has for more than the past five years been actively involv ed in the re-development of our New York properties.

Ellen M. Cotter has a substantial stake in our business, owning directly 799,765 share s of Class A Stock and 50,000 shares of Class B Stock. Margaret Cotter likewise has a substantial stake in our business , owning direc tly 804,173 shares of Class A Stock and 35,100 shares of Class B Stock. Ellen and Margaret Cotter are the C o- E xecutors of their father's (James J. Cotter , Sr .) estate and C o- T rustees of a trust (the "Living Trust") established for the benefit of his heirs. Together they have shared voting control over an aggregate of 1, 208,9 88 share s or 71. 9 % of our Class B Stock. Ellen and Margaret Cotter have informed the Board that they intend to vote the shares beneficially held by them for each of the nine nominees named in this Proxy S tatement for election to the Board of Directors under Proposal 1 .

James Cotter, Jr. alleges he has the right to vote the shares held by the Living Trust. The Company believes that, under applicable Nevada Law, where there are multiple trustees of a trust that is a record owner of voting shares of a Nevada Corporation, and more than one trustee votes, the votes of the majority of the voting trustees apply to all of the shares held of record by the trust. If more than one trustee votes and the votes are split evenly on any particular proposal, each trustee may vote proportionally the shares held of record by the trust. Ellen M. Cotter and Margaret Cotter, who collectively constitute a majority of the Co-Trustees of the Living Trust, have informed the Board that they intend to vote the shares held by the Living Trust for each of the nine nominees named in this Proxy S tatement for election to the Board of Directors under Proposal 1 . Accordingly, the Company believes that Ellen M. Cotter and Margaret Cotter collectively have the power and authority to vote all of the shares of Class B Stock held of record by the Living Trust, which, when added to the other shares they report as being beneficially owned by them, will constitute 71.9% of the shares of Class B Stock entitled to vote for directors at the Annual Meeting.

The Company has elected to take the "controlled company" exception under applicable listing rules of The NASDAQ Capital Stock Market (the NASDAQ Listing Rules"). Accordingly, the Company is exempted from the requirement to have an independent nominating committee and to have a board comprised of at least a majority of independent directors, we are nevertheless nominating six independent direc tors for election to our Board. We have an Audit and Conflicts Committee (the "Audit Committee") and a Compensation and Stock Options Committee (the "Compensation Committee") comprised entir ely of independent directors. And, we have a four member Executive C ommittee comprised of our Chairperson and Vice-Chairperson and two independent directors (Messrs. Guy W. Adams and Edward L. Kane) . Due to this structure, the concurrence of at least one independent member of the Executive Committee is required in order for the Executive Committee to take action.

We believe that our Directors bring a broad range of leadership experience to our Company and regularly contribute to the thoughtful discussion involved in effectively overseeing the business and affairs of the Company. We believe that all Board members are well engaged in their responsibilities and that all Board members express their views and consider the opinions expressed by other Directors. Six Directors on our Board are independent under the NASDAQ Listing Rules and SEC rules, and William D. Gould serves as the lead director among our I ndependent Directors. In that capacity, Mr. Gould chairs meetings of the I ndependent Directors and acts as liaison between our Chair person of the Board and interim Chief Executive Officer and our I ndependent Directors. Our I ndependent Directors are involved in the leadership structure of our Board by serving on our Audit Committee, the Compensation Committee, and the Tax Oversight Committee, each having a separate independent chairperson. In connection with the Annual Meeting, we have established a Special Nominating Committee comprised of the chairs of our Executive, Audit and Compensation Committees.

Management Succession

James J. Cotter, Sr., our Company's controlling stockholder, Chair person and Chief Executive Officer , resigned from all positions at our Company on August 7, 2014 , and passed away on September 13, 2014 . Upon his resignation, Ellen M. Cotter was appointed Chairperson, Margaret Cotter, her sister, was appointed Vice Chairperson and James J. Cotter, Jr., her brother, was appointed Chief Executive Officer , while continuing his position as President.

On June 12, 2015, the Board terminated the employment of James J. Cotter, Jr. as our President and Chief Executive Officer, and appointed Ellen M. Cotter to serve as the Company's interim President and Chief Executive Officer. The Board has established an Executive Search C ommittee (the "Search Committee") comp rised of our Chairperson, our Vice Chairperson and directors Adams , Gould and McEachern and has retained Korn Ferry to seek out candidates for the Ch ief Executive Officer position. The Search C ommittee will consider both internal and external candidates.

Board's Role in Risk Oversight

Our management is responsible for the day-to-day management of risks we face as a Company, while our Board, as a whole and through its committees, has responsibility for the oversight of risk management. In its risk oversight role, our Board has the responsibility to satisfy itself that the risk management processes designed and implemented by management are adequate and functioning as designed.

The Board plays an important role in risk oversight at Reading through direct decision-making authority with respect to significant matters, as well as through the oversight of management by the Board and its committees. In particular, the Board administers its risk oversight function through (1) the review and discussion of regular periodic reports by the Board and its committees on topics relating to the risks that the Company faces, (2) the required approval by the Board (or a committee of the Board) of significant transactions and other decisions, (3) the direct oversight of specific areas of the Company's business by the Audit Committee, the Compensation Committee and the Tax Oversight Committee, and (4) regular periodic reports from the auditors and other outside consultants regarding various areas of potential risk, including, among others, those relating to our internal control over financial reporting. The Board also relies on management to bring significant matters impacting the Company to the attention of the Board.

"Controlled C ompany" S tatus

Under section 5615(c)(1) of the NASDAQ Listing Rules , a "controlled company" is a company in which 50% of the voting power for the election of directors is held by an individual, a group or another company. Together , Margaret Cotter and Ellen M. Cotter beneficially own 1,208,988 shares of Class B Stock. Based on advice of counsel, our Board has determined that therefore the Company is a "controlled company" within the NASDAQ Listing Rules.

After reviewing the benefits and detriments of taking advantage of the exceptions to the corporate governance rules set forth in the NASDAQ Listing Rules, our Board has determined to take advantage of certain exceptions from the NASDAQ Listing Rules afforded to our Company as a Controlled Company. In reliance on a "controlled company" exception, the Company does not maintain a separate standing N ominating C ommittee. The Company nevertheless at this time maintains a full Board comprised of a majority of independent Directors and fully independent Audit and Compensation C ommittees , and has no present intention to vary from that structure . For purposes of selecting nominees for our 2015 Annual Meeting, the Board formed a Special Nominating Committee comprised of the Chairs of our Executive, Audit and Compensation Committees (Messrs. Adams, McEachern and Kane, respectively), and delegated to that committee authority to recommend nominees to the Board for the Board's approval and nomination . Proposal 1 is comprised of the nominees recommended by the Special Nominating Committee and approved and nominated by our Board.

Board Committees

Our B oard has a standing Executive Committee, Audit Committee, Compensation Committee, and Tax Oversight Committee. These committees are discussed in greater detail below.

Executiv e Committee . The Executive Committee operates pursuant to a Charter adopted by our B oard . Our Executive Committee is currently comprised of Ms. Ellen M. Cotter, Ms. Margare t Cotter and Messrs. Adams and Kane . Pursuant to its Charter, the Executive Committee is authorized, to the fullest extent permitted by Nevada law and our Bylaws , to take any and all actions that could have been taken by the full Board between meetings of the full Board. T he Executive Committee held no meetings during 2014.

Audit Committee . The Audit Committee operates pursuant to Charter adopted by our B oard that is available on our website at www.readingrdi.com. Our B oard has determined that the Audit Committee is comprised entirely of independent

D irectors (as defined in section 5605(a)(2) of the NASDAQ Listing Rules), and that Mr. McEachern, the Chair of our Audit Committee, is qualified as an Audit Committee Financial Expert. O ur Audit Committee is currently comprised of Mr. McEachern, who serve s as Chair, and Mr. Kane. Mr. Storey, who served on our Board in 2014 and through October 11, 2015, served on our Audit Committee throughout 2014. The Audit Committee held four meetings during 2014.

Compensation Committee . The Compensation Committee is currently comprised of Mr. Kan e, who serves as Chair, and M r. Adams. Mr. Alfred Villaseñor , a former Director, served on our Compensation Committee during 2014 until his term expired at the time of our 2014 Annual Meeting. Mr. Storey served on our Compensation Committee throughout 2014. The Compensation Committee evaluates and makes recommendations to the full Board regarding the compensation of our Chief Executive Officer and Cotter family members and performs other compensation related functions as delegated by our Board . The Compensation Committee held three meetings during 2014.

Tax Oversight Committee . Given our operations in the United States, Australia, and New Zealand and our historic net operating loss carry forwards, our Board formed a Tax Oversight Committee to review with management and to keep the Board informed about our Company's tax planning and such tax issues as may arise from time to time. This c ommittee is currently comprised of Mr. Kane, who serves as Chair , and Mr. Cotter, Jr. The Tax Oversight Committee held four meetings during 2014.

Consideration and Selection of the Board's Director Nominees

The Company has elected to take the "controlled company" exception under applicable NASDAQ Listing Rules . Accordingly , the Company does not maintain a standing Nominating Committee. However, in connection with the Annual Meeting, the Board established a Special Nominating Committee consisting of Mr. Guy W. Adams (the Chair of our Executive Committee), Mr. Edward L. Kane (the Chair of our Compensation Committee) and Mr. Doug McEachern (the Chair of our Audit Committee) and delegated to that committee authority to evaluate and recommend nominees to the full Board for the Board's consideration, approval and nomination. Proposal 1 (Election of Directors) sets forth the names of the nominees recommended by the Special Nominating Committee and approved and nominated by our full Board.

The Special Nominating Committee considered for nomination incumbent Directors and candidates proposed by Ellen M. Cotter, Margaret Cotter and Mr. James Cotter, Jr. As part of its deliberations, the Special Nominating Committee reviewed the qualifications of each candidate submitted and conducted interviews with certain of the candidates. Since Ellen M. Cotter and Margaret Cotter vote a majority of the Class B Stock, the Special Nominating Committee and the Board accordingly considered their views with respect to the 2015 Director nominees.

Following a review of the experience and overall qualifications of the Director candidates evaluated by the Special Nominating Committee, the Committee recommended that the full Board nominate , and the full Board resolved to nominate, each of the individuals named in Proposal 1 for election as Directors of the Company at our 2015 Annual Meeting of Stockholders .

The Special Nominating Committee reported to the Board that in reaching the decision to recommend the nomination of Mr. James J. Cotter, Jr. for re-election to the Board, the Special Nominating Committee had taken a number of factors into considera tion. Without attempting to place any particular priority on any particular consideration or to enumerate all of the matters discussed, the Special Nominating Committee reported to the Board that it had considered, among other factors, Mr. Cotter Jr . 's pending litigation against certain of the other Directors and arbitration proceedings with the Company; the Board's recent determination to terminate Mr. Cotter, Jr. as the Company's Chief Executive Officer and President of the Company; the potential that this personnel action and resultant legal proceeding s could contribute to dissension among B oard members and impact the otherwise collegial nature of Board meetings ; Mr. Cotter , Jr.'s longevity on the Board and his broad knowledge of our Company; Mr. Cotter , Jr.'s beneficial holdings of the Company's securities ; and the fact that Ellen M. Cotter and Margaret Cotter had notified the Special Nominating Committee that, if Mr. Cotter , Jr. was not nominated by the Board, they intend to vote in their capacity as stockholders , as the Co-Executors of the Cotter Estate and as a majority of the Co-Trustees of the Trust, to nominate Mr. Cotter , Jr. from the floor and to vote the more than 70% of the v oting s tock that they collectively control for the election of Mr. Cotter, Jr . After considering these factors and their deliberations, the Special Nominating Committee recommended that Mr. Cotter , Jr. be nominated to serve another term as a Director of the Company.

The Board approved each of the nominees recommended by t he Special Nominating Committee , with James J. Cotter, Jr. voting against each of the recommended nominees (including himself) and Dr . Codding abstaining (Mr. Wrotniak was not present for the meeting). Mr. Cotter, Jr. subsequently executed a consent to being named as a nominee in these material s and

has agreed to serve as a D irector if he is elected. Director Codding informed the Board that she abstained in view of the fact that she had just recently joined our Board. Director Wrotniak was not present at the meeting, having only recently been appointed to the Board earlier in the day.

Code of Ethics

We have adopted a Code of Ethics designed to help our D irectors and employees resolve ethical issues. Our Code of Ethics applies to all D irectors and employees, including the Chief Executive Officer, the Chief Financial Officer, principal accounting officer , controller and persons performing similar functions. Our Code of Ethics is posted on our website , www.readingrdi.com, under the "Investor Relations — Governance Documents " caption.

The Board has established a means for employees to report a violation or suspected violation of the Code of Ethics anonymously . In addition, we have adopted a " Whistleblower Policy " that establishes a process by which employees may anonymously disclose to the Audit Committee alleged fraud or violations of accounting, internal accounting controls or auditing matters.

Review, Approval or Ratification of Transactions with Related Persons

The Audit Committee has adopted a written policy for approval of transactions between the Company and its directors, director nominees, executive officers, greater than five percent beneficial owners and their respective immediate family members, where the amount involved in the transaction exceeds or is expected to exceed $120,000 in a single calendar year and the party to the transaction has or will have a direct or indirect interest. A copy of this policy is available at www.readingrdi.com under the "Investor Relations" caption . The policy provides that the Audit Committee reviews transactions subject to the policy and determines whether or not to approve or ratify those transactions. In doing so, the Audit Committee takes into account, among other factors it deems appropriate:

- The related person's interest in the transaction;
- The approximate dollar value of the amount involved in the transaction;
- The approximate dollar value of the amount of the related person's interest in the transaction without regard to the amount of any profit or loss;
- Whether the transaction was undertaken in the ordinary course of business of the Company;
- Whether the transaction with the related person is proposed to be, or was, entered into on terms no less favorable to the Company than terms that could have been reached with an unrelated third party;
- The purpose of, and the potential benefits to the Company of, the transaction;
- Required public disclosure, if any; and
- Any other information regarding the transaction or the related person in the context of the proposed transaction that would be material to investors in light of the circumstances of the particular transaction.

PROPO SAL 1: Election of Directors

Nominees for Election

N ine Directors are to be elected at our Annual Meeting to serve until the annual meeting of stockholders to be held in 201 6 or until their successors are duly elected and qualified. Unless otherwise instructed, the proxy holders will vote the proxies received by us "FOR" the election of the nominees below, all of whom currently serve as Directors. The nine nominees for election to the Board of Directors who receive the greatest number of votes cast for the election of Directors by the shares present and entitled to vote will be elected Directors. If any nominee becomes unavailable for any reason, it is intended that the proxies will be voted for a substitute nominee designated by the Board of Directors. We believe the nominees named will be able to serve if elected.

The names of the nominees for Director, together with certain information regarding them, are as follows:

Name	Age	Position
Ellen M. Cotter	49	Chair person of the Board , Interim Chief Executive Officer and President, and Chief Operating Officer – Domestic Cinemas (1)
Guy W. Adams	64	Director(1) (2)
Judy Codding	70	Director
James J. Cotter, Jr.	46	Director (3)
Margaret Cotter	47	Vice Chair person of the Board(1)
William D. Gould	76	Director(4)
Edward L. Kane	77	Director(1) (2) (3) (5)
Douglas J. McEachern	64	Director(5)
Michael Wrotniak	48	Director

(1) Member of the Executive Committee.

(2) Member of the Compensation and Stock Options Committee.

(3) Member of the Tax Oversight Committee.

(4) Lead independent Director.

(5) Member of the Audit and Conflicts Committee.

Ellen M. Cotter . Ellen M. Cotter has been a member of the Board of Directors since March 13, 2013, was appointed Chair person of our Board on August 7, 2014 and has served as our interim Chief Executive Officer and President since June 12, 2015. She joined the Company in March 1998, is a graduate of Smith College and holds a Juris Doctorate from Georgetown Law School. Prior to joining the Company, Ms. Cotter spent four years in private practice as a corporate attorney with the law firm of White & Case in Manhattan. Ms. Cotter is the sister of Margaret Cotter and James J. Cotter, Jr. For more than the past ten years, Ms. Cotter has served as the Chief Operating Officer ("COO") of our domestic cinema operations, in which capacity she has, among other things, been responsible for the acquisition and development, marketing and operation of our cinemas. Prior to her appointment as COO Domestic Cinemas, she spent one year in Australia and New Zealand, working to develop our cinema and real estate assets in those countries. Ms. Cotter is the Co-Executor of her father's estate, which is the record owner of 427,808 shares of our Class B Stock (representing 25.5 % of such Class B Stock). Ms. Cotter is also a Co-Trustee of the James J. Cotter, Sr. Trust, which is the record owner of 696,080 shares of Class B Stock (representing an additional 44.0% of such Class B Stock).

Ms. Cotter brings to the Board her 1 7 years of experience working in our Company's cinema operations, both in the United States and Australia. For the past 13 years, she has served as the senior operating officer of our Company's domestic cinema operations. She has also served as the Chief Executive Officer of Reading's subsidiary, Consolidated Entertainment, LLC, which operates substantially all of our cinemas in Hawaii and California. In addition, with h er direct ow nership of 799,765 shares of Class A Stock and 50,000 shares of Class B Stock and her position s as C o- E xecutor of her father's (James J. Cotter, Sr.) estate and Co-Trustee of the James J. Cotter, Sr. Trust , M s . Cotter is a significant stake holder in our Company.

Guy W. Adams . Guy W. Adams has been a Director of the Company since January 14, 2014. He is a Managing Member of GWA Capital Partners, LLC, a registered investment adviser managing GWA Investments, LLC , a fund investing in various publicly traded securities . Mr. Adams has served as an independent director on the boards of directors of Lone Star Steakhouse & Saloon, Mercer International, Exar Corporation and Vitesse Semiconductor. He has held a variety of p ublic company board positions, including lead director, a udit c ommittee c hair and c ompensation c ommittee c hair. Mr. Adams provided investment advice to various family offices and invests his own capital in public and private equity transactions. He has served as an advisor to James J. Cotter, Sr . and to various enterprises now owned by the James J. Cotter, S r. Estate or the James J. Cotter, Sr. Trust. Mr. Adams received his Bachelor of Science degree in Petroleum Engineering from Louisiana State University and his Masters of Business Administration from Harvard Graduate School of Business Administration.

Mr. Adams brings many years of experience serving as an independent director on public company boards, and in investing and providing financial advice with respect to investments in public companies.

Dr. Judy Codding . Dr. Judy Codding was elected to serve as a Director of the Com pany on October 5, 2015. Dr. Codding is a globally respected education leader. She is currently, and has since 2010 been, the Managing Director of "The System of Courses," a division of Pearson, PLC (NYSE:PSO), a leading education company providing education products and services to institutions, governments and direct to individual learners. Prior to that time, and for more than the past five years, Dr. Codding served as the Chief Executive Officer and President of America's Choice, Inc., which she founded in 1998 and which was acquired by Pears on in 2010. America's Choice, Inc. was a leading educational organization offering com prehensive, proven solutions to the complex problems educators face in the era of accountability. Dr . Codding has a Doctorate from University of Massachusetts at Amherst, and completed post–doctoral work and served as a teaching associate in Education at Harvard University. Dr. Codding serves on various boards , including the Board of Trustees of Curtis School, Los Angeles, CA (2011 to present) and the Board of Trustees of Educational Development Center, Inc. (EDC) since 2012.

Dr. Codding brings to the Board her experience as an entrepreneur and as an advisor and researcher in the areas of leadership training and leadership decision making .

James J. Cotter, Jr. James J. Cotter, Jr. has been a Director of the Company since March 21, 2002, serving as Vice Chair person from June 2007 until he was succeeded by Margaret Cotter on August 7, 2014. Mr. Cotter, Jr. served as our President from June 1, 2013 through June 12, 2015 and as our Chief Executive Officer from August 7, 2014 through June 12, 2015. He served as Chief Executive Officer of Cecelia Packing Corporation (a Cotter family-owned citrus grower, packer, and marketer) from July 2004 until 2013. Mr. Cotter, Jr. served as a Director to Cecelia Packing Corporation from February 1996 to September 1997 and as a Director of Gish Biomedical from September 1999 to March 2002. He was an attorney in the law firm of Winston & Strawn, specializing in corporate law, from September 1997 to May 2004. Mr. Cotter, Jr. is the brother of Margaret Cotter and Ellen M. Cotter. Mr. Cotter, Jr. is a Co-Trustee of the James J. Cotter, Sr. Trust, which is the record owner of 696,080 shares of Class B Stock (r epresenting 44.0% of such Class B Stock).

James J. Cotter, Jr. brings to the Board his experience as a business professional and corporate attorney , as well as his many years of experience in, and knowledge of, the Company's business and affairs . In addition, with his direct ow nership of 8 59,286 shares of our Company's Class A Common Stock and his position as Co-Trustee of the James J. Cotter, Sr. Trust , Mr. Cotter, Jr. is a significant stake holder in our Company. Further, depending on the outcome of ongoing litigation among members of the Cotter family, in the future Mr. Cotter, Jr. may be a controlling shareholder in the Company.

Margaret Cotter . Margaret Cotter has been a Director of the Company since September 27, 2002, and on August 7, 2014 was appointed Vice Chair person of our Board. Ms. Cotter is the owner and President of OBI, LLC ("OBI"), which ha s, since 2002, managed our live-theater operations. Pursuant to the OBI management arrangement, Ms. Cotter also serves as the President of Liberty Theaters, LLC, the subsidiary through which we own our live theaters. While she receives management fees through OBI, Ms. Cotter receives no compensation for her duties as President of Liberty Theaters, LLC, other than the right to participate in our Company's medical insurance program. Ms. Cotter, through OBI and Liberty Theaters, LLC, manages the real estate which houses each of our four live theaters in Manhattan and Chicago. Based in New York, Ms. Cotter secures leases, manages tenancies, oversees maintenance and regulatory compliance of these properties and heads up the re-development process with respect to these properties and our Cinemas 1, 2 & 3. Ms. Cotter is also a theatrical producer who has produced shows in Chicago and New York and a board member of the League of Off-Broadway Theaters and Producers. Ms. Cotter, a former Assistant District Attorney for King's County in Brooklyn, New York, graduated from Georgetown University and Georgetown University Law Center. She is the sister of Ellen M. Cotter and James J. Cotter, Jr. Ms. Margaret Cotter is a Co-Executor of her father's estate, which is the record owner of 427,808 shares of our Class B

Stock (representing 25.5 % of such Class B Stock). Ms. Margaret Cotter is also a Co-Trustee of the James J. Cotter, Sr. Trust, which is the record owner of 696,080 shares of Class B Voting Common Stock (representing an additional 44.0% of such Class B Stock).

Ms. Cotter brings to the Board her experience as a live theater producer, theater operator and an active member of the New York theatre community, which gives her insight into live theater business trends that affect our business in this sector. Operating and overseeing these properties for over 16 years, Ms. Cotter contributes to the strategic direction for our developments. In addition, with her direct ownership of 804,173 shares of Class A Stock and 35,100 shares of Class B Stock and her positions as Co-E xecutor of her father's estate and Co-Trustee of the James J. Cotter, Sr. Trust , M s . Cotter is a significant stake holder in our Company.

William D. Gould . William D. Gould has been a Director of our Company since October 15, 2004 and has been a member of the law firm of TroyGould PC since 1986. Previously, he was a partner of the law firm of O'Melveny & Myers. We have from time to time retained TroyGould PC for legal advice. Total fees paid to Mr. Gould's law firm during 2014 were $ 41,642 . Mr . Gould is an author and lecturer on the subjects of corporate governance and mergers and acquisitions .

Edward L. Kane . Edward L. Kane has been a Director of our Company since October 15, 2004. Mr. Kane was also a Director of our Company from 1985 to 1998, and served as President from 1987 to 1988. Mr. Kane currently serves as the Chair of our Tax Oversight Committee and of our Compensation Committee. He also serves as a member of our Executive Committee and our Audit Committee. At various times during the past three decades, he has been Adjunct Professo r of Law at two of San Diego's law s chools, most recently in 2008 and 2009 at Thomas Jefferson School of Law, and prior thereto at California Western School of Law.

Mr. Kane brings to the Board his many years as a tax attorney and law professor, which experience well-serves our Company in addressing tax matters. Mr. Kane also brings his experience as a past President of Craig Corporation and of Reading Company, two of our corporate predecessors, as well as a former member of the boards of directors of several publicly held corporations.

Douglas J. McEachern . Douglas J. McEachern has been a Director of our Company since May 17, 2012 and Chair of our Audit Committee since August 1, 2012. He has served as a member of the Board and of the Audit and Compensation Committee for Willdan Group, a NASDAQ listed engineering company, since 2009. Mr. McEachern is also the Chair of the board of Community Bank in Pasadena, California and a member of its Audit Committee. He also is a member of the Finance Committee of the Methodist Hospital of Arcadia. Since September 2009, Mr. McEachern has also served as an instructor of auditing and accountancy at Claremont McKenna College. Mr. McEachern was an audit partner from July 1985 to May 2009 with the audit firm of Deloitte and Touche, LLP, with client concentrations in financial institutions and real estate. Mr. McEachern was also a Professional Accounting Fellow with the Federal Home Loan Bank board in Washington DC, from June 1983 to July 1985. From June 1976 to June 1983, Mr. McEachern was a staff member and subsequentl y a manager with the audit firm of Touche Ross & Co. (predecessor to Deloitte & Touche, LLP). Mr. McEachern received a B.S. in Business Administration in 1974 from the University of California, Berkeley, and an M.B.A. in 1976 from the University of Southern California.

Mr. McEachern brings to the Board his more than 37 years' experience meeting the accounting and auditing needs of financial institutions and real estate clients, including our Company. Mr. McEachern also brings his experience reporting as an independent auditor to the boards of directors of a variety of public reporting companies and as a board member himself for various companies and not-for-profit organizations.

Michael Wrotniak . Michael Wrotniak was elected to serve as a Director of the Com pany on October 12, 2015. Since 2009, Mr. Wrotniak has been the Chief Executive Officer of Aminco Resources, LLC ("Aminco") , a privately held international commodities trading firm. Mr. Wrotniak joined Aminco in 1991 and is credited with expanding Aminco's activities in Europe and Asia. By establishing a joint venture with a Swiss engineering company , as well as creating partnerships with Asia- based businesses, Mr. Wrotniak successfully diversified Aminco's product portfolio. Mr. Wrotniak became a partner of Aminco in 2002. Mr. Wrotniak has been for more than the past five years, a trustee of St. Joseph's Church in Bronxville, New York , and is a member of the Board of Advisors of the Little Sisters of the Poor at their nursing home in the Bronx, New York since approximately 2004 . Mr. Wrotniak graduated from Georgetown University in 1989 with a B.S.B.A (cum laude).

Mr. Wrotniak is a specialist in foreign trade, and brings to the Board his considerable experience in international business, including foreign exchange risk mitigation.

Attendance at Board and Committee Meetings

During the year ended December 31, 201 4 , our Board of Directors met seven times. The Audit Committee held four meetings and the Compensation Committee held three meetings, while the Tax Oversight Committee held four meetings. Each Director attended at least 75% of these Board meetings and at least 75% of the meetings of all committees on which he or she served.

Indemnity Agreements

We currently have indemnity agreements in place with each of our current Directors and senior officers, as well as certain of the Directors and senior officers of our subsidiaries. Under these agreements, we have agreed, subject to certain exceptions, to indemnify each of these individuals against all expenses, liabilities and losses incurred in connection with any threatened, pending or contemplated action, suit or proceeding, whether civil or criminal, administrative or investigative, to

which such individual is a party or is threatened to be made a party, in any manner, based upon, arising from, relating to or by reason of the fact that such individual is, was, shall be or has been a Director, officer , employee, agent or fiduciary of the Company.

Compensation of Directors

During 2014, we paid our non-employee directors $35 ,000 per year. This amount was increased to $50,000 in 2015. We pay the Chairman of our Audit Committee an additional $7,000 per year , the Chairman of our Compensation Committee an additional $ 5 ,000 per year , the Chairman of our Tax Oversight Committee an additional $18,000 per year and the Lead Independent Director an additional $5,000 per year .

During 2014 we paid an additional one-time fee of $5,000 to each of Messrs. Adams, Gould, McEachern and Kane and an additional one-time fee of $10,000 to Mr. Storey . Messrs. McEachern and Storey also each received an additional $6,000 for their additional committee work. In 2015 we paid an additional one-time fee of $25,000 to each of Messrs. Adams, Gould, McEachern and Kane and an additional one-time fee of $75,000 to Mr. Storey. These fees were awarded in each case in recognition of their service on our B oard and C ommittees.

Upon joining our Board , new Directors have historically received immediately vested five-year stock options to purchase 20,000 shares of our Class A Stock at an exercise price equal to the market price of the stock at the date of grant. Initial grants to be made to Ms. Codding and Mr. Wrotniak , our recently appointed Directors, are being reviewed by our Compensation Committee. Commencing January 15, 2015, each of our non-employee Directors will receive an additional annual grant of stock options to purchase 2,000 shares of our Class A Stock. The award will be on January 15 of the applicable year, will be for a term of five years, have an exercise price equal to the market price of Class A Stock on the grant date and be fully vested immediately upon grant.

Director Compensation Table

The following table sets forth information concerning the compensation to persons who served as our non-employee Directors during 2014 for their services as Directors .

Name	Fees Earned or Paid in Cash ($)	Option Awards ($)	All Other Compensation ($)	Total ($)
Margaret Cotter (1)				
Guy W. Adams (2)	40,000	69,000	0	109,000
William D. Gould				
Edward L. Kane	63,000	0	0	63,000

Douglas J. McEachern				
Tim Storey	51,000	0	21,000(3)	72,000
Alfred Villaseñor (4)				

(1) In addition to her D irector's fees, Ms. Margaret Cotter receives a combination of fixed and incentive management fees under the OBI Management Agreement described under the caption "Certain Transactions and Related Party Transactions - OBI Management Agreement," below.

(2) Mr. Adams joined the B oard on January 14, 2014 and was granted on that date a five-year stock option to purchase 20,000 shares of our Class A Stock at an exercise price of $7.40 per share . In accord ance with SEC rules, the amount shown reflect s the aggregate grant date fair value of the option award , computed in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 718.

(3) R epresents fees paid to Mr. Storey as the sole independent D irector of our Company 's wholly-owned New Zealand subsidiary.

(4) Represents fees paid to Mr. Villaseñor prior to our 2014 Annual Meeting of Stockholders, when he declined to stand for re-nomination as a D irector.

Vote Required

The nine nominees receiving the greatest number of votes cast at the Annual Meeting will be elected to the Board of Directors.

The Board has nominated each of the nominees discussed above to hold office until the 201 6 A nnual Meeting of Stockholders and thereafter until his or her respective successor has been duly elected and qualified. In the event that any nominee shall be unable or unwilling to serve as a D irector, the Board shall reserve discretionary authority to vote for a substitute or substitutes. The Board has no reason to believe that any nominee will be unable or unwilling to serve.

Recommendation of the Board

THE BOARD RECOMMENDS A VOTE "FOR" EACH OF THE DIRECTOR NOMINEES.

Ellen M. Cotter and Margaret Cotter, who together have shared voting control over an aggregate of 1,208,988 shares , or 71.9% , of our Class B Stock, have informed the Board that they intend to vote the shares beneficially held by them in favor of the nine nominees named in this Proxy S tatement for election to the Board of Directors under Proposal 1 . Of the shares of Class B Stock beneficially held by them, 696,080 shares are held of record by the Living Trust. James Cotter, Jr. alleges he has the right to vote the shares held by the Living Trust. The Company believes that, under applicable Nevada Law, where there are multiple trustees of a trust that is a record owner of voting shares of a Nevada Corporation, and more than one trustee votes, the votes of the majority of the voting trustees apply to all of the shares held of record by the trust. If more than one trustee votes and the votes are split evenly on any particular proposal, each trustee may vote proportionally the shares held of record by the trust. Ellen M. Cotter and Margaret Cotter, who collectively constitute a majority of the Co-Trustees of the Living Trust, have informed the Board that they intend to vote the shares held by the Living Trust for the nine nominees named in this Proxy S tatement for election to the Board of Directors under Proposal 1 . Accordingly, the Company believes that Ellen M. Cotter and Margaret Cotter collectively have the power and authority to vote all of the shares of Class B Stock held of record by the Living Trust.

PROPOSAL 2 : Ratification of Appointment of Independent Registered Public Accounting Firm

The Audit Committee has selected Grant Thornton LLP as our independent registered public accounting firm for the year ending December 31, 201 5 , and the Board has ratified such appointment. The Board has directed that our management submit the selection of Grant Thornton LLP as our independent registered public accounting firm for 201 5 for ratification by the stockholders at the Annual Meeting.

Grant Thornton LLP has audited our consolidated financial statements since 2011. Representatives of Grant Thornton LLP are expected to be at the Annual Meeting, will have an opportunity to make a statement if they so desire and will be available to respond to appropriate questions.

Stockholder ratification of the selection of Grant Thornton LLP as our independent registered public accounting firm for 201 5 is not required by our Byl aws or otherwise. However, the Board has directed our management to submit this selection to the stockholders for ratification as a matter of good corporate practice. In the event the stockholders fail to ratify the selection of Grant Thornton LLP, the Audit Committee will not be required to replace Grant Thornton LLP as our independent registered public accounting firm. In the event of such a failure to ratify, the Audit Committee and the Board will reconsider whether or not to retain Grant Thornton LLP as our independent registered public accounting firm in future years. Even if the selection is ratified, the Audit Committee in its discretion may direct the appointment of a different independent registered public accounting firm at any time if the Audit Committee determines that such a change would be in our and our stockholders' best interests.

Vote Required

The affirmative vote of the holders of a majority of the shares present in person or represented by proxy and entitled to vote at the Annual Meeting is required to ratify the selection of Grant Thornton LLP as our independent registered public accounting firm for 201 5.

Recommendation of the Board

THE BOARD RECOMMENDS A VOTE "FOR" THE RATIFICATION OF THE SELECTION OF GRANT THORNTON LLP AS OUR INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FOR 2015 .

REPORT OF THE AUDIT AND CONFLICTS COMMITTEE

The following is the report of the Audit Committee of our Board of Directors with respect to our audited financial statements for the fiscal year ended December 31, 201 4 .

The information contained in this report shall not be deemed to be "soliciting material" or "filed" with the SEC or subject to the liabilities of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), except to the extent that we specifically incorporate it by reference into a document filed under the Securities Act of 1933, as amended, or the Exchange Act.

The purpose of the Audit Committee is to assist the Board in its general oversight of our financial reporting, internal controls and audit functions. The Audit Committee operates under a written Charter adopted by our Board of Directors. The Charter is reviewed periodically and subject to change, as appropriate. The Audit Committee Charter describes in greater detail the full responsibilities of the Audit Committee.

In this context, the Audit Committee has reviewed and discussed the Company's audited financial statements wit h management and Grant Thornton LLP, our independent auditors. Management is responsible for: the preparation, presentation and integrity of our financial statements; accounting and financial reporting principles; establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rule 13a-15(e)); establishing and maintaining internal control over financial reporting (as defined in Exchange Act Rule 13a-15(f)); evaluating the effectiveness of disclosure controls and procedures; evaluating the effectiveness of internal control over financial reporting; and evaluating any change in internal control over financial reporting that has materially affected, or is reasonably likely to materially affect, internal control over fina ncial reporting. Grant Thornton LLP is responsible for performing an independent audit of the consolidated financial statements and expressing an opinion on the conformity of those financial statements with accounting principles generally accepted in the United States of America, as well as an opinion on (i) management's assessment of the effectiveness of internal control over financial reporting and (ii) the effectiveness of internal control over financial reporting.

The Audit Committee has discussed with Grant Thornton LLP the matters required to be discussed by Auditing Standard No. 16, "Communications with Audit Committees" a nd PCAOB Auditing Standard No. 5 , "An Audit of Internal Control Over Financial Reporting that is integrated with Audit of Financial Statements ." In addition, Grant Thornton LLP has provided the Audit Committee with the written disclosures and the letter required by the Independence Standards Board Standard No. 1, as amended, "Independence Discussions with Audit Committees," and the Audit Committee ha s discussed with Grant Thornton LLP their firm's independence.

Based on their review of the consolidated financial statements and discussions with and representations fro m management and Grant Thornton LLP referred to above, the Audit Committee recommended to our Board of Directors that the audited financial statements be included in our Annual Report on Form 10-K for fiscal year 201 4 for filing with the SEC.

It is not the duty of the Audit Committee to plan or conduct audits or to determine that the Company's financial statements are complete and accurate and in accordance with accounting principles generally accepted in the United States. That is the responsibility of management and the Company's independent registered public accounting firm. In giving its recommendation to the Board of Directors, the Audit Committee relied on (1) management's representation that such financial statements have been prepared with integrity and objectivity and in conformity with accounting principles generally accepted in the United States and (2) the report of the Company's independent registered public accounting firm with respect to such financial statements.

Respectfully submitted by the Audit Committee.

Douglas J. McEachern, Chairman
Edward L. Kane
Tim Storey

BENEFICIAL OWNERSHIP OF SECURITIES

Except as described below, the following table sets forth the shares of Class A Stock and Class B Stock beneficially owned on October 6 , 2015 by:

- each of our incumbent D irectors and Director nominees ;
- each of our incumbent executive officer s and named executive officers set forth in the Summary Compensation Table of this Proxy Statement;
- each person known to us to be the beneficial owner of more than 5% of our Class B Stock; and
- all of our incumbent D irectors and incumbe nt executive officers as a group.

Except as noted, and except pursuant to applicable community property laws, we believe that each beneficial owner has sole voting power and sole investment power with respect to the shares shown. An asterisk (*) denotes beneficial ownership of less than 1%.

	Amount and Nature of Beneficial Ownership (1)			
	Class A Stock		Class B Stock	
Name and Address of Beneficial Owner	**Number of Shares**	**Percentage of Stock**	**Number of Shares**	**Percentage of Stock**
Directors and Named Executive Officers				
Ellen M. Cotter (2)(8)	3,146,965	14.0	1,173,888	69.8
James J. Cotter, Jr. (8) (9)				
Margaret Cotter (3)(8)				
Guy W. Adams	--	--	--	--
Judy Codding	--	--	--	--
William D. Gould (4)		*	--	--
Edward L. Kane (5)	17,500	*	100	*
Andrzej Matyczynski (12)		*	--	--
Douglas J. McEachern (6)	37,300	*	--	--
Michael Wrotniak	--	--	--	--
Robert F. Smerling (7)	43,750	*	--	--
Wayne Smith		*	--	--
5% or Greater Stockholders				
James J. Cotter Living Trust (8)				
Estate of James J. Cotter , Sr. (Deceased) (8)	326,800	1.5	427,808	25.5
Mark Cuban (10) 5424 Deloache Avenue Dallas, Texas 75220	72,164	*	207,611	13.1
PICO Holdings, Inc. and PICO Deferred Holdings, LLC (1 1) 875 Prospect Street, Suite 301 La Jolla, California 92037	--	--	97,500	6.2

All Director s and executive officers as a group (1 2 persons) (1 3)	5,315,993	23.7	1,209,088	71.9

(1) Percentage ownership is determined based on 22,425,056 shares of Class A Stock and 1,680,590 shares of Class B Stock outstanding on October 6 , 2015 . B eneficial ownership has been determined in accordance with SEC rules. Shares subject to options that are presently exercisable, or exercisable within 60 days following the date as of which this information is provided, and not subject to repurchase as of that date, which are indicated by footnote, are deemed to be beneficially owned by the person holding the options and are deemed to be outstanding in computing the percentage ownership of that person, but not in computing the percentage ownership of any other person.

(2) The Class A Stock shown includes 20,000 shares subject to stock options as well as 799,765 shares held directly . The Class A Stock shown also include s 102,751 shares held by the James J. Cotter Foundation (the "Cotter Foundation") . Ellen M. Cotter is C o- T rustee of the Cotter Foundation and, as such, is deemed to beneficially own such shares. Ms. Cotter disclaims beneficial ownership of such shares except to the extent of her pecuniary interest, if any, in such shares. The Class A Stock shown also includes 297,070 shares that are part of the Estate of James J. Cotter, Deceased (the "Cotter Estate") that is being administered in the State of Nevada and 29,730 shares from the Cotter Profit Sharing Plan . On December 22, 2014, the District Court of Clark County, Nevada, appointed Ellen M. Cotter and Margaret Cotter as co-executors of the Cotter Estate. As such, Ellen M. Cotter would be deemed to beneficially own such shares. The shares of Class A Stock shown also include 1,897,649 shares held by the James J. Cotter Living Trust (the "Living Trust") . See footnotes (8) for information regarding beneficial ownership of the shares held by the Living Trust . As Co-T rustees of the Living Trust, the three Cotter family members would be deemed to beneficially own such shares depending upon the outcome of the matters described in footnote (8). Together Margaret Cotter an d Ellen M. Cotter beneficially own 1,208,988 shares of Class B Stock.

(3) The Class A Stock shown includes 17,000 shares subject to stock options as well as 804,173 shares held directly. The Class A Stock shown also include s 289,390 shares held by the Cotter 2005 G randchi ldren's T rust and and 29,730 shares from the Cotter Profit Sharing Plan . Margaret Cotter is Co-T rustee of the Cotter 2005 G randchi ldren's T rust and, as such, is deemed to beneficially own such shares. Ms. Cotter disclaims beneficial ownership of such shares except to the extent of her pecuniary interest, if any, in such shares. The Class A Stoc k shown includes 297,070 shares of Class A Stock that are part of the Cotter Estate . As Co-E xecutor of the Cotter Estate, Ms. Cotter would be deemed to beneficially own such shares. The shares of Class A Stock shown also include 1,897,649 shares held by the Living Trust. See footnotes (8) for information regarding beneficial ownership of the shares held by the Living Trust . As Co-T rustees of the Living Trust, the three Cotter family members would be deemed to beneficially own such shares depending upon the outcome of the matters described in footnote (8). Together Margaret Cotter and Ellen M. Cotter beneficially own 1,208,988 shares of Class B Stock.

(4) The Class A Stock shown includes 17,000 shares subject to stock options.

(5) The Class A Stock shown includes 2,000 shares subject to stock options.

(6) The Class A Stock shown includes 27,000 shares subject to stock options .

(7) The Class A Stock shown consists of shares subject to stock options.

(8) On June 5, 2013, the Declaration of Trust establishing the Living Trust was amended and restated (the "2013 Restatement") to provide that, upon the death of James J. Cotter, Sr., the Trust's shares of Class B Stock were to be held in a separate trust, to be known as the "Reading Voting Trust," for the benefit of the grandchildren of Mr. Cotter, Sr. Mr. Cotter, Sr. passed away on September 13, 2014. The 2013 Restatement also names Margaret Cotter the sole trustee of the Reading Voting Trust and names James J. Cotter, Jr. as the first alternate trustee in the event that Ms. Cotter is unable or unwilling to act as trustee. The trustees of the Living Trust, as of the 2013 Restatement, were Ellen M. Cotter and Margaret Cotter. On June 19, 2014, Mr. Cotter, Sr. signed a 2014 Partial Amendment to Declaration of Trust (the "2014 Amendment") that names Margaret Cotter and James J. Cotter, Jr. as the co-trustees of the Reading Voting Trust and provides that, in the event they are unable to agree upon an important trust decision, they shall rotate the trusteeship between them annually on each January 1st. It further directs the trustees of the Reading Voting Trust to, among other things, vote the Class B Stock held by the Reading Voting Trust in favor of the appointment of Ellen M. Cotter , Margaret Cotter and James J. Cotter, Jr. to our Board and to take all actions to rotate the chairmanship of our Board among the three of them. The 2014 Amendment states that James J. Cotter, Jr., Ellen M. Cotter and Margaret Cotter are Co-T rustees of the Living Trust. On February 6, 2015, Ellen M. Cotter and Margaret Cotter filed a Petition in the Superior Court of the State of California, County of Los Angeles, captioned In re James J. Cotter Living Trust dated August 1, 2000 (Case No. BP159755). The Petition, among other things, seeks relief that could determine the validity of the 2014 Amendment and who between Margaret Cotter and James J. Cotter Jr. will have authority as trustee or co-trustees of the Reading Voting Trust to vote the shares of Class B Stock shown (in whole or in part) and the scope and extent of such authority. Mr. Cotter, Jr. has filed an opposition to the Petition. The 696,080 shares of Class B Stock shown in the table as being beneficially owned by the Living Trust are reflected on the Company's stock register as being held by the Living Trust and not by the Reading Voting Trust. The information in the table reflects direct ownership of the 696,080 shares of Class B Stock by the Living Trust in accordance with the Company's stock register and beneficial ownership of such shares as being held by each of the three potential Co-T rustees, Mr. Cotter, Jr., Elle n M. Cotter and Margaret Cotter, who, unless a court determines otherwise, are deemed to share voting and investment power of the shares held by the Living Trust .

(9) The Class A Stock shown include s 859,286 shares held directly. The Class A Stock shown also includes 289,390 shares held by the Cotter 2005 G randchi ldren's T rust and 102,751 held by the Cotter Foundation. Mr. Cotter, Jr. is Co-T rustee of the Cotter 2005 G randchi ldren's T rust and of the Cotter Foundation and, as such, is deemed to beneficially own such shares. Mr. Cotter, Jr. disclaims beneficial ownership of such shares except to the extent of his pecuniary interest, if any, in such shares. The Class A Stock shown also includes 1,897,649 shares held by the Living Trust, which became irrevocable upon Mr. Cotter, Sr.'s death on Septe mber 13, 2014. See footnotes (8) for information regarding beneficial ownership of the shares held by the Living Trust . As Co-T rustees of the Living Trust, the three Cotter family members would be deemed to beneficially own such shares depending upon the outcome of the matters described in footnote (8). The Class A Stock shown includes 811,661 shares pledged as security for a margin loan.

(1 0) Based on Mr. Cuban's Form 4 filed with the SEC on July 18, 2011 and Schedule 13D filed on August 3, 2015.

(1 1) Based on the PICO Holdings, Inc. and PICO Deferred Holdings, LLC Schedule 13G filed with the SEC on February 15, 2011.

(1 2) The Class A Stock shown includes 12,500 shares subject to stock options.

(13) T he Class A Stock shown includes 13 9,25 0 shares subject to options.

SECTION 16(A) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Exchange Act requires our executive officers and Directors, and persons who own more than 10% of our common stock, to file reports regarding ownership of, and transactions in, our securities with the Securities and Exchange Commission (the "SEC") and to provide us with copies of those filings. Based solely on our review of the copies received by us and on the written representations of certain reporting persons, we believe that the following Forms 3 and 4 for transaction that occurred in 2014 were filed later than is required under Section 16(a) of the Securities Exchange Act of 1934:

- James J. Cotter, Sr. failed to timely file 16 Forms 4 with respect to 70 transactions in our common stock;
- James J. Cotter, Jr. failed to timely file two Form s 4 with respect to one transaction in our common stock;
- Ellen M. Cotter failed to timely file three Form s 4 with respect to one transaction in our common stock;
- Margaret Cotter failed to timely file two Form s 4 with respect to one tran saction in our common stock;
- Mr. Storey failed to timely file one Form 4 with respect to one transaction in our common stock;
- The Estate of James Cotter, Sr. (Deceased) failed to timely file one Form 3 with respect to one transaction in our common stock; and
- The James J. Cotter Living Trust failed to timely file one Form 3 with respect to one transaction in our common stock .

All of the transactions involved were between the individual involved and our Company or related to certain inter-family or estate planning transfers, and did not involve transactions with the public. Insofar as we are aware, all required filings have now been made.

EXECUTIVE OFFICERS

The following table sets forth information regarding our executive officers other than Ellen M. Cotter, whose information is set forth above under "Proposal 1: Election of Directors – Nominees for Election."

Name	Age	Title
Devasis Ghose	62	Chief Financial Officer
Robert F. Smerling	80	President - Domestic Cinemas
William D. Ellis	58	General Counsel and Secretary
Wayne D. Smith	57	Managing Director – Australia and New Zealand
James J. Cotter , Sr.		Former Chief Executive Officer (Deceased)
James J. Cotter, Jr.	4 6	Former Chief Executive Officer
Andrzej Matyczynski	6 3	Former Chief Financial Officer , Treasurer and Corporate Secretary

Devasis ("Dev") Ghose . Devasis Ghose was appointed Chief Financial Officer and Treasurer on May 11, 2015. Over the past 25 years, Mr. Ghose served as Executive Vice President and Chief Financial Officer and in a number of senior finance roles wi th three NYSE-listed companies: Skilled Healthcare Group (a health services company, now part of Genesis HealthCare) from 2008 to 2013, Shurgard Storage Centers, Inc. (an international company focused on the acquisition, development and operation of self-storage centers in the US and Europe; now part of Public Storage) from 2004 to 2006, and HCP, Inc., (which invests primarily in real estate serving the healthcare industry) from 1986 to 2003, and as Managing Director-International for Green Street Advisors (an independent research and trading firm concentrating on publicly traded real estate corporate securities in the US & Europe) from 2006 to 2007. Prior thereto, Mr. Ghose worked for 10 years for PricewaterhouseCoopers in the U.S. from 1975 to 1985, and KPMG in the UK. He qualified as a Certified Public Accountant in the U.S. and a Chartered Accountant in the U.K., and holds an Honors Degree in Physics from the University of Delhi, India and an Executive M.B.A. from the University of California, Los Angeles.

Robert F. Smerling . Robert F. Smerling has served as President of our domestic cinema operations since 1994. Mr. Smerling has been in the cinema industry for 57 years and, immediately before joining our Company, served as the President of Loews Theatres Management Corporation.

William D. Ellis . William D. Ellis was appointed our General Counsel and Secretary in October 2014. Mr. Ellis has more than 30 years of hands-on legal experience as a real estate lawyer. Before joining our Company, he was a partner in the real estate group at Sidley Austin LLP for 16 years. Before that, he worked at the law firm of Morgan Lewis & Bockius LLP. Mr. Ellis began his career as a corporate and securities lawyer (handling corporate acquisitions, IPO's, mergers, etc.) and then moved on to real estate specialization (handling leasing, acquisitions, dispositions, financing, development and land use and entitlement across the United States). He had a substantial real estate practice in New York and Hawaii, areas in which we have particular asset concentrations. Mr. Ellis graduated Phi Beta Kappa from Occidental College in 1979 with a Bachelor of Arts degree in Political Science. He received his J.D. degree in 1982 from the University of Michigan Law School.

Wayne D. Smith . Wayne D. Smith joined our Company in April 2004 as our Managing Director - Australia and New Zealand, after 23 years with Hoyts Cinemas. During his time with Hoyts, he was a key driver, as Head of Property, in growing that company's Australian and New Zealand operations via an AUD$250 million expansion to more than 50 sites and 400 screens. While at Hoyts, his career included heading up the group's car parking company, cinema operations, representing Hoyts as a director on various joint venture interests, and coordinating many asset acquisitions and disposals the company made.

James J. Cotter Sr. James J. Cotter Sr. served as our Chair man and Chief Executive Officer during 2014 until his resignation on August 7, 2014.

James J. Cotter Jr. James J. Cotter Jr. served as our President during all of 2014 and was appointed our Chief Executive Officer on August 7, 2014 . He served as our Vice Chair man during 2014 through August 7, 2014. Mr. Cotter's position as President and Chief Executive Officer continued until June 12, 2015.

Andrzej Matyczynski . Andrzej Matyczynski served as our Chief Financial Officer , Treasurer and Corporate Secretary during 2014. Mr. Matyczynski resigned as Corporate Secretary on October 20, 2014 and as our Chief Financial Officer and Treasurer effective May 11, 2015.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

Role and Authority of the Compensation Committee

Our B oard has established a standing Compensation Committee consisting of two or more of our non-employee Director s. As a Controlled Company, we are exempt from the NASDAQ Listing Rules regarding the determination of executive compensation.

The Compensation Committee recommends to the full Board the compensation of our Chief Executive Officer and of the other Cotter family members who serve as officers of our Company . Our Board , with the Cotter family Director s abstaining, typically has accepted without modification the compensation recommendations of the Compensation Committee, but reserves the right to modify the recommendations or take other compensation actions of its own. Prior to his resignation as our Chai rman and Chief Executive Officer on August 7, 2014, during 2014, as in prior years, James J. Cotter, Sr. was delegated responsibility by our Board for determining the compensation of our executive officers other than himself and his family members. The Board exercised oversight of Mr. Cotter, Sr.'s executive compensation decisions as a part of his performance as our former Chief Executive Officer.

Throughout this proxy statement , the individuals named in the Summary Compensation Table, below, are referred to as the "named executive officers."

CEO Compensation

The Compensation Committee recommends to our Board the annual compensation of our Chief Executive Officer, based primarily upon the Compensation Committee's annual review of peer group practices and the advice of an independent third-party compensation consultant. The Compensation Committee has established three components of our Chief Executive Officer's compensation —a base cash salary, a discretionary annual cash bonus, and a fixed stock grant. The objective of each element is to reasonably reward our Chief Executive Officer for his or her performance and leadership.

In 2007, our Board approved a supplemental executive retirement plan ("SERP ") pursuant to which we agreed to provide Mr. Cotter, Sr. supplemental retirement benefits as a reward for his more than 25 years of service to our Company and its predecessors. None of Mr. James J. Cotter , Jr. , our former Chief Executive Officer, Ms. Ellen M. Cotter , our interim Chief Executive Officer, or any of our other current or former officers or employees, is eligible to participate in the SERP, which is described in greater detail below under the caption "Supplemental Executive Retirement Plan." Because this plan was adopted as a reward to Mr. Cotter, Sr. for his past services and the amounts to be paid under that plan are determined by an agreed-upon formula, the Compensation Committee did not take into account the benefits under that plan in determining Mr. Cotter, Sr.'s annual compensation for 2014 or previous years. The amounts reflected in the Executive Compensation Table under the heading "Change in Pension Value and Nonqualified Deferred Compensation Earnings" reflect any increase in the present value of the SERP benefit based upon the actuarial impact of the payment of Mr. Cotter, Sr.'s cash compensation and changes in interest rates. Since the SERP is unfunded, this amount does not reflect any actual payment by our Company into the plan or the value of any assets in the plan (of which there are none). The benefits to Mr. Cotter, Sr. under the SERP were tied to the cash portion only of his compensation, and not to compensation in the form of stock options or stock grants.

2014 CEO Compensation

The Compensation Committee engaged Towers Watson, formerly Towers Perrin, executive compensation consultants, in 2012 to analyze our Chief Executive Officer's total direct compensation compared to a peer group of companies. In preparing the analysis, Towers Watson, in consultation with our management, including James J. Cotter, Sr., identified a peer group of companies in the real estate and cinema exhibition industries, our two business segments, based on market value, industry, and business description.

For purposes of establishing our Chief Executive Officer's 2014 compensation, the Compensation Committee engaged Towers Watson to update its analysis of Mr. Cotter, Sr.'s compensation as compared to his peers, which updated report was received on February 26, 2014. The Company paid Towers Watson $11,461 for the updated report.

The Towers Watson analysis focused on the competitiveness of Mr. Cotter, Sr.'s annual base salary, total cash compensation and total direct compensation (*i.e* ., total cash compensation plus expected value of long-term compensation) relative to a peer group of United States and Australian companies and published compensation survey data, and to our

Company 's compensation philosophy, which was to target Mr. Cotter, Sr.'s total direct compensation to the 66th percentile of the peer group.

The peer group consisted of the following 18 companies:

Acadia Realty Trust	Inland Real Estate Corp.
Amalgamated Holdings Ltd.	Kite Realty Group Trust
Associated Estates Realty Corp.	LTC Properties Inc.
Carmike Cinemas Inc.	Ramco-Gershenson Properties Trust
Cedar Shopping Centers Inc.	Regal Entertainment Group
Cinemark Holdings Inc.	The Marcus Corporation
Entertainment Properties Trust	Urstadt Biddle Properties Inc.
Glimcher Realty Trust	Village Roadshow Ltd.
IMAX Corporation	

Towers Watson predicted 2014 pay levels by using regression analysis to adjust compensation data based on estimated annual revenues of $260 million (*i.e.* , our Company 's approximate annual revenues) for all companies, excluding financial services companies. Towers Watson did not evaluate Mr. Cotter, Sr.'s SERP, because the SERP is fully vested and accrues no additional benefits, except as Mr. Cotter, Sr.'s annual cash compensation may change.

The Towers Watson analysis indicated that the peer group data, with the exception of annual base salary, was above Mr. Cotter, Sr.'s pay levels in 2013. The peer group is partially comprised of companies that are larger than our Company , and the 66th percentile level tends to reflect the larger peers. However, Towers Watson analysis also indicated that the size of the peers does not materially affect the pay levels at the peer companies. The published survey data of companies of comparable size reviewed by Towers Watson was below our Chief Executive Officer pay levels.

Towers Watson averaged the data from the peer group and the published survey data to compile "blended" market data. As compared to the blended market data, Mr. Cotter, Sr.'s 2013 cash compensation and total direct compensation, which includes the expected value of long-term incentive compensation, was in line with the 66th percentile.

Because our Company is comparable to the smaller companies in the peer group, Towers Watson reviewed whether the size of the proxy peer group of companies had a meaningful impact on reported CEO pay levels, and concluded that there is a weak correlation between company size and CEO compensation. It concluded, therefore, that it was not necessary to separately adjust the peer group data based on the size of our Company .

The Compensation Committee met on February 27, 2014 to consider the Towers Watson analysis. At the meeting, the Compensation Committee determined to recommend to our Board the following compensation for Mr. Cotter, Sr. for 2014 and on March 13, 2014, our Board accepted the Compensation Committee's recommendation without modification:

Salary: $750,000

The Compensation Committee recommended maintaining Mr. Cotter, Sr.'s 2014 annual base salary at its 2013 level of $750,000, which approximates the 75th percentile of the peer group.

Discretionary Cash Bonus: Up to $750,000.

In 2013, the Compensation Committee recommended and our Board approved a total cash bonus to Mr. Cotter, Sr. of $1,000,000, as compared to the target bonus of $500,000. This resulted in total 2013 compensation to Mr. Cotter, Sr. above the 75th percentile of the peer group and total direct compensation near the 66th percentile. At its meeting on February 27, 2014, the Compensation Committee determined to increase the upper range of Mr. Cotter, Sr.'s discretionary cash bonus for 2014 to $750,000 from the 2013 target level of $500,000. The bonus was subject to Mr. Cotter, Sr. being employed by our Company at year-end, unless his employment were to terminate earlier due to his death or disability. No other benchmarks, formulas or

quantitative or qualitative measurements were specified for use in determining the amount of cash bonus to be awarded within this range. As in 2013, the Compensation Committee also reserved the right to increase the upper range of discretionary cash bonus amount based upon exceptional results of our Company or Mr. Cotter, Sr.'s exceptional performance, as determined in the Compensation Committee's discretion.

At its meeting on August 14, 2014, the Compensation Committee determined that Mr. Cotter, Sr.'s successful completion of our sale of the Burwood property in Australia and other accomplishments in 2014 justified the award to Mr. Cotter, Sr. of the full $750,000 cash bonus, plus an additional cash bonus of $300,000. The Compensation Committee's determination to award the extraordinary cash bonus was based in part on the advice of Towers Watson.

Stock Bonus: $1,200,000 (160,643 shares of Class A Stock).

At its meeting on February 27, 2014, the Compensation Committee determined that, so long as Mr. Cotter, Sr.'s employment with the Company is not terminated prior to December 31, 2014 other than as a result of his death or disability, he was to receive 160,643 shares of our Company's Class A Stock; the number of shares of Class A nonvoting common stock equal to $1,200,000 divided by the closing price of the stock on February 27, 2104, the date the Committee approved the stock bonus. This compares to a similar stock bonus to Mr. Cotter, Sr. of $750,000 in 2013.

The stock bonus was paid to the Estate of Mr. Cotter, Sr. in February 2015.

Following his appointment on August 7, 2014 as our Chief Executive Officer and until his termination from that position on June 12, 2015 , James J. Cotter, Jr. continued to receive the same base salary of $335,000 that he had previously been receiving in his capacity as our President.

Mr. Cotter, Jr. was not awarded a discretionary cash bonus for 2014.

Total Direct Compensation

We and our Compensation Committee have no policy regarding the amount of salary and cash bonus paid to our Chief Executive Officer or other named executive officers in proportion to their total direct compensation.

Compensation of Other Named Executive Officers

The compensation of the Cotter family members as executive officers of our Company is determined by the Compensation Committee based on the same compensation philosophy used to determined Mr. Cotter, Sr.'s 2014 compensation. The Cotter family members' respective compensation consists of a base cash salary, discretionary cash bonus and periodic discretionary grants of stock options.

Mr. Cotter, Sr. set the 2014 base salaries of our executive officers other than himself and members of his family. Mr. Cotter, Sr.'s decisions were not subject to approval by the Compensation Committee or our Board , but our Compensation Committee and our Board considered Mr. Cotter, Sr.'s decisions with respect to executive compensation in evaluating his performance as our Chief Executive Officer. Mr. Cotter, Sr. informed us that he did not use any formula, benchmark or other quantitative measure to establish or award any component of executive compensation, nor did he consult with compensation consultants on the matter. Mr. Cotter, Sr. also advised us that he considered the following guidelines in setting the type and amount of executive compensation:

1. Executive compensation should primarily be used to:
    - attract and retain talented executives;
    - reward executives appropriately for their individual efforts and job performance; and
    - afford executives appropriate incentives to achieve the short-term and long-term business objectives established by management and our Board .
2. In support of the foregoing, the total compensation paid to our named executive officers should be:
    - f air , both to our Company and to the named executive officers;
    - reasonable in nature and amount; and
    - competitive with market compensation rates.

Personal and Company performances were just two factors considered by Mr. Cotter, Sr. in establishing base salaries. We have no pre-established policy or target for allocating total executive compensation between base and discretionary or incentive compensation, or between cash and stock-based incentive compensation. Historically, including in 2014, a majority of total compensation to our named executive officers has been in the form of annual base salaries and discretionary cash bonuses, although stock bonuses have been granted from time to time under special circumstances.

These elements of our executive compensation are discussed further below.

Salary : Annual base salary is intended to compensate named executive officers for services rendered during the fiscal year in the ordinary course of performing their job responsibilities. Factors considered by Mr. Cotter, Sr. in setting the base salaries may have included (i) the negotiated terms of each executive's employment agreement or the original terms of employment, (ii) the individual's position and level of responsibility with our Company, (iii) periodic review of the executive's compensation, both individually and relative to our other named executive officers, and (iv) a subjective evaluation of individual job performance of the executive.

Cash Bonus : Historically, we have awarded annual cash bonuses to supplement the base salaries of our named executive officers, and our Board has delegated to our Chief Executive Officer the authority to determine in his discretion the annual cash bonuses, if any, to be paid to our executive officers other than the Cotter family executives. Any discretionary annual bonuses to the Cotter family executive have historically been determined by our Board based upon the recommendation of our Compensation Committee.

No cash bonuses were awarded to Cotter family members other than Mr. Cotter, Sr. for 2014. Factors to be considered in determining or recommending any such cash bonuses include (i) the level of the executive's responsibilities, (ii) the efficiency and effectiveness with which he or she oversees the matters under his or her supervision, and (iii) the degree to which the officer has contributed to the accomplishment of major tasks that advance the Company 's goals.

Stock Bonus : Equity incentive bonuses may be awarded to align our executives' long-term compensation to appreciation in stockholder value over time and, so long as such grants are within the parameters set by our 2010 Stock Incentive Plan, historically were entirely discretionary on the part of Mr. Cotter, Sr. Other stock grants are subject to approval by the Compensation Committee . Equity awards may include stock options, restricted stock, bonus stock, or stock appreciation rights.

If awarded, it is generally our policy to value stock options and restricted stock at the closing price of our common stock as reported on the NASDAQ Capital Market on the date the award is approved or on the date of hire, if the stock is granted as a recruitment incentive. When stock is granted as bonus compensation for a particular transaction, the award may be based on the market price on a date calculated from the closing date of the relevant transaction. Awards may also be subject to vesting and limitations on voting or other rights.

Andrzej Matyczynski, our former Chief Financial Officer, Treasurer and Corporate Secretary, has a written employment agreement with our Company that provides for a specified annual base salary and other compensation. Mr. Matyczynski resigned effective September 1, 2014, but he and our Company agreed to postpone the effective date of his resignation until April 15 , 2016 . Upon Mr. Matyczynski's Retirement Date, he will become entitled under his employment agreement to a lump-sum severance payment of $244,500 and to the payment of his vested benefit under his deferred compensation plan discussed below in this section.

Other than Mr. Cotter, Sr.'s and Mr. Cotter, Jr.'s role s as Chief Executive Officer in setting compensation, none of our executive officers play a role in determining the compensation of our named executive officers.

2014 Base Salaries and Target Bonuses

We have historically established base salaries and target discretionary cash bonuses for our named executive officers through negotiations with the individual named executive officer, generally at the time the named executive officer commenced employment with us, with the intent of providing annual cash compensation at a level sufficient to attract and retain talented and experienced individuals. Our Compensation Committee recommended and our Board approved the following base salaries for Mr. Cotter, Jr. and Ellen M. Cotter for 2014:

Name	2013 Base Salary ($)	2014 Base Salary ($)
James J. Cotter, Jr.	195,417	335,000
Ellen M. Cotter	335,000	335,000

The base salaries of our other named executive officers were established by Mr. Cotter, Sr. as shown in the following table:

Name	2013 Base Salary ($)	2014 Base Salary ($)
Andrzej Matyczynski	309,000	309,000
Robert F. Smerling	350,000	350,000
Wayne Smith	3 51,5 00	3 59 ,2 50

All named executive officers are eligible to receive a discretionary annual cash bonus. Cash bonuses are typically prorated to reflect a partial year of service. Our Board reserves discretion to adjust bonuses for the Cotter family members based on its own evaluations of the recommendations of our Compensation Committee as it did in both 2013 and 2014 in Mr. Cotter, Sr.'s case.

We offer stock options and stock awards to our employees, including named executive officers, as the long-term incentive component of our compensation program. We sometimes grant equity awards to new hires upon their commencing employment with us and from time to time thereafter. Our stock options allow employees to purchase shares of our common stock at a price per share equal to the fair market value of our common stock on the date of grant and may or may not be intended to qualify as "incentive stock options" for U.S. federal income tax purposes. Generally, the stock options we grant to our employees vest over four years in equal installments upon the annual anniversaries of the date of grant, subject to their continued employment with us on each vesting date.

Other Elements of Compensation

Retirement Plans

We maintain a 401(k) retirement savings plan that allows eligible employees to defer a portion of their compensation, within limits prescribed by the Internal Revenue Code, on a pre-tax basis through contributions to the plan. Our named executive officers other than Mr. Smith, who is a non-resident of the U.S., are eligible to participate in the 401(k) plan on the same terms as other full-time employees generally. Currently, we match contributions made by participants in the 401(k) plan up to a specified percentage, and these matching contributions are fully vested as of the date on which the contribution is made. We believe that providing a vehicle for tax-deferred retirement savings though our 401(k) plan, and making fully vested matching contributions, adds to the overall desirability of our executive compensation package and further incentivizes our employees, including our named executive officers, in accordance with our compensation policies.

Supplemental Executive Retirement Plan

In March 2007, our Board approved the SERP pursuant to which we agreed to provide Mr. Cotter, Sr. supplemental retirement benefits. Under the SERP, following his separation from our Company , Mr. Cotter, Sr. was to be entitled to receive from our Company for the remainder of his life or 180 months, whichever is longer, a monthly payment of 40% of his average monthly base salary and cash bonuses over the highest consecutive 36-month period of earnings prior to Mr. Cotter, Sr.'s separation from service with us. The benefits under the SERP are fully vested.

The SERP is unfunded and, as such, the SERP benefits are unsecured, general obligations of our Company . We may choose in the future to establish one or more grantor trusts from which to pay the SERP benefits. The SERP is administered by the Compensation Committee.

Other Retirement Plans

During 2012, Mr. Matyczynski was granted an unfunded, nonqualified deferred compensation plan ("DCP") that was

partially vested and was to vest further so long as he remained in our continuous employ. If Mr. Matyczynski were to be terminated for cause, then the total vested amount would be reduced to zero. The incremental amount vested each year was made subject to review and approval by our Board . Mr. Matyczynski's DCP vested as follows:

December 31	Total Vested Amount at the End of Each Vesting Year
2013	$300,000
2014	$4 5 0,000

Mr. Matyczynski resigned his employment with the Company effective September 1, 2014, but he and our Company agreed to postpone the effective date of his resignation until April, 2016 . Upon the termination of Mr. Matyczynski's employment, he would become entitled under the DCP agreement to payment of the vested benefits under his DCP in annual installments following the later of (a) 30 days following Mr. Matyczynski's 65th birthday or (b) six months after his separation from service, unless his employment were to be terminated for cause.

We currently maintain no other retirement plan for our named executive officers.

Key Person Insurance

Our Company maintains life insurance on certain individuals who we believe to be key to our management. In 2014, these individuals include d James J. Cotter, Sr., James J. Cotter, Jr., Ellen M. Cotter, Margaret Cotter and Messrs. Ma tyczynski, Smerling and Smith. If such individual ceases to be an employee, Director or independent contractor of our Company , as the case may be, she or he is permitted, by assuming responsibility for all future premium payments, to replace our Company as the beneficiary under such policy. These policies allow each such individual to purchase up to an equal amount of insurance for such individual's own benefit. In the case of our employees, the premium for both the insurance as to which our Company is the beneficiary and the insurance as to which our employee is the beneficiary, is paid by our Company . In the case of named executive officers, the premium paid by our Company for the benefit of such individual is reflected in the Compensation Table in the column captioned "All Other Compensation."

Employee Benefits and Perquisites

Our named executive officers are eligible to participate in our health and welfare plans to the same extent as all full-time employees generally. We do not generally provide our named executive officers with perquisites or other personal benefits, although in the past we provided Mr. Cotter, Sr. the personal use of our West Hollywood, California, condominium, which was used as an executive meeting place and office and sold in February 2015, a Company -owned automobile and a health club membership. Historically, all of our other named executive officers also have received an automobile allowance. From time to time, we may provide other perquisites to one or more of our other named executive officers.

Tax Gross-Ups

As a general rule, we do not make gross-up payments to cover our named executive officers' personal income taxes that may pertain to any of the compensation paid or provided by our Company . In 2014, however, we reimbursed Ms. Ellen M. Cotter $50,000 for income taxes she incurred as a result of her exercise of stock options that were deemed to be nonqualified stock options for income tax purposes, but which were intended by the Compensation Committee and her to be so-called incentive stock options, or "ISOs", when originally granted. Our Compensation Committee believe d it was appropriate to reimburse Ms. Cotter because it was our Company 's intention at the time of the issuance to give her the tax deferral feature applicable to ISOs. Due to the application of complex attribution rules, she did not in fact qualify for such tax deferral. Accordingly, upon exercise, she received less compensation than the Compensation Committee had intended.

Tax and Accounting Considerations

Deductibility of Executive Compensation

Subject to an exception for "performance-based compensation," Section 162(m) of the Internal Revenue Code generally prohibits publicly held corporations from deducting for federal income tax purposes annual compensation paid to any senior executive officer to the extent that such annual compensation exceeds $1.0 million. The Compensation Committee and our Board consider the limits on deductibility under Section 162(m) in establishing executive compensation, but retain the

discretion to authorize the payment of compensation that exceeds the limit on deductibility under this Section as in the case of Mr. Cotter, Sr.

Nonqualified Deferred Compensation

We believe we are operating, where applicable, in compliance with the tax rules applicable to nonqualified deferred compensation arrangements.

Accounting for Stock-Based Compensation

Beginning on January 1, 2006, we began accounting for stock-based payments in accordance with the requirements of Statement of Accounting Standards No. 123(R). Our decision to award restricted stock to Mr. Cotter, Sr. and other named executive officers from time to time was based in part upon the change in accounting treatment for stock options. Accounting treatment otherwise has had no significant effect on our compensation decisions.

Say on Pay

At our Annual Meeting of Stockholders held on May 15, 2014, we held an advisory vote on executive compensation. Our stockholders voted in favor of our Company 's executive compensation. The Compensation Committee reviewed the results of the advisory vote on executive compensation in 2014 and did not make any changes to our compensation based on the results of the vote.

REPORT OF THE COMPENSATION COMMITTEE

The Compensation Committee has reviewed and discussed with management the "Compensation Discussion and Analysis" required by Item 401(b) of Regulation S-K and, based on such review and discussions, has recommended to our Board that the foregoing "Compensation Discussion and Analysis" be included in this Proxy Statement .

Respectfully submitted,

Edward L. Kane , Chair
Guy W. Adams
Tim Storey

Compensation Committee Interlocks and Insider Participation

Our Compensation Committee is currently comprised of Mr. Kane , who serves as Chair, and Mr. Adams . Mr. Storey, who served on our Board in 2014 and through October 11, 2015, served on our Compensation Committee throughout 2014. None of the members of the Compensation Committee was an officer or employee of the Company at any time during 2014. None of our executive officers serves as a member of the board of directors or compensation committee of any entity that has or had one or more executive officers serving as a member of our Board of Directors or Compensation Committee.

Executive Compensation

This section discusses the material components of the compensation program for our executive officers named in the 2014 Summary Compensation Table below. In 2014, our named executive officers and their positions were as follows:

- James J. Cotter, Sr., former Chair man of the Board and former Chief Executive Officer.
- James J. Cotter, Jr., former Vice Chairman, Chief Executive Officer and President.
- Andrzej Matyczynski, former Chief Financial Officer , Treasurer and Corporate Secretary .
- Robert F. Smerling, President – Domestic Cinema Operations.
- Ellen M. Cotter, Chair person of the Board, interim President and Chief Executive Officer, Chief Operating Officer – Domestic Cinemas and Chief Executive Officer of Consolidated Entertainment , LLC.
- Wayne Smith, Managing Director – Australia and New Zealand.

Summary Compensation Table

The following table shows the compensation paid or accrued during the last three fiscal years ended December 31, 2014 to (i) Mr. James J. Cotter, Sr., who served as our principal executive officer until August 7, 2014, (ii) Mr. James J. Cotter, Jr., who served as our principal executive officer from August 7, 2014 through December 31, 2014, (iii) Mr. Andrzej Matyczynski, who served as our C hief Financial O fficer through December 31, 2014 , and (iv) the other three most highly compensated persons who served as executive officers in 2014. The following executives are herein referred to as our "named executive officers."

	Year	Salary ($)	Bonus ($)	Stock Awards ($)(1)	Option Awards ($)(1)	Change in Pension Value and Nonqualified Deferred Compensation Earnings ($)	All Other Compensation ($)	Total ($)
James J. Cotter, Sr.(2) Former Chair man of the Board and Chief Executive Officer	2014	452,000	1,050,000	1,200,000	--	197,000 (3)	20,000 (4)	2,919,000
	2013	750,000	1,000,000	750,000	--	1,455,000 (3)	25,000 (4)	3,980,000
	2012	700,000	500,000	950,000	--	2,433,000 (3)	24,000 (4)	4,607,000

James J. Cotter, Jr.(5) Former President and Chief Executive Officer	2014 2013 2012	335,000 195,000 --	-- --	-- --	-- --	-- --	27,000 (7) 20,000 (7) 0	362,000 215,000 0
Andrzej Matyczynski (9) Former Chief Financial Officer , Treasurer and Corporate Secretary	2014 2013 2012	309,000 309,000 309,000	 35,000 --	 -- --	33,000 33,000 11,000	150,000 (6) 50,000 (6) 250,000 (6)	26,000 (7) 26,000 (7) 25,000 (7)	518,000 453,000 617,000
Robert F. Smerling President – Domestic Cinema Operations	2014 2013 2012	350,000 350,000 350,000	25,000 50,000 50,000	-- -- --	-- -- --	-- -- --	22,000 (7) 22,000 (7) 22,000 (7)	397,000 422,000 422,000
Ellen M. Cotter (10) Interim President and Chief Executive Officer, Chief Operating Officer - Domestic Cinemas	2014 2013 2012	335,000 335,000 335,000	-- -- 60,000	-- -- --	-- -- --	-- -- --	75,000 (7)(8) 25,000 (7) 25,000 (7)	410,000 360,000 420,000
Wayne Smith Managing D irector - Australia and New Zealand	2014 2013 2012	324,000 339,000 357,000	56,000 -- 16,000	-- -- --	-- -- 22,000	-- -- --	19,000 (7) 20,000 (7) 19,000 (7)	388,000 359,000 414,000

(1) Amounts represent the aggregate grant date fair value of awards computed in accordance with ASC Topic 718, excluding the effects of any estimated forfeitures. The assumptions used in the valuation of these awards are discussed in Note 3 to our consolidated financial statements included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2014, filed with the SEC on March 17, 2015.

(2) Mr. Cotter, Sr. resigned as our Chair man and Chief Executive Officer on August 7, 2014.

(3) Represents the present value of the vested benefits under Mr. Cotter. Sr.'s SERP. In October 2014, we began accruing monthly supplemental retirement benefits of $57,000 in accordance with the SERP, but have not yet paid any such benefits to Mr. Cotter, Sr.'s designated beneficiaries. Under the SERP, such payments are to continue for a 180-month period.

(4) Until February 25, 2015, we owned a condominium in West Hollywood, California, which we used as an executive meeting place and office. "All Other Compensation" includes the estimated incremental cost to our Company of providing the use of the West Hollywood Condominium to Mr. Cotter, Sr., our matching contributions under our 401(k) plan, the cost of a Company automobile used by Mr. Cotter, Sr., and health club dues paid by our Company .

(5) Mr. Cotter, Jr. was appointed as our Chief Execu tive Officer on August 7, 2014 and served until June 12, 2015 .

(6) Represents the increase in the vested benefit of the DCP for Mr. Matyczynski. Payment of the vested benefit under his DCP will be made in accordance with the terms of the DCP.

(7) Represents our matching contributions under our 401(k) plan, the cost of key person insurance, and any automobile allowances.

(8) Includes the $50,000 tax gross-up described in the "Tax Gross-Up" section of the Compensation Discussion and Analysis.

(9) Mr. Matyczynski resigned as our Corporate Secretary on October 20, 2014 and as our Chief Financial Officer and Treasurer on May 11, 201 5 .

(1 0) Ms. Ellen M. Cotter was appointed our interim President and Chief Executive Officer on June 12, 2015.

Grants of Plan-Based Awards

The following table contains information concerning the stock grants made to our named executive officers for the year ended December 31, 2014:

		Estimated Future Payouts Under Non-Equity Incentive Plan Awards	Estimated Future Payouts Under Equity Incentive Plan Awards	All Other Stock Awards: Number of Shares of Stock or Units	All Other Option Awards: Number of Securities Underlying Options (#)	Exercise or Base Price of Option Award	Grant Date Fair Value of Stock and Option Awards
Grant Date							

Name	Threshold ($)	Target ($)	Maximum ($)	Threshold (#)	Target (#)	Maximum (#)

James J. Cotter, Sr.	12/31/2014	$	1,200,000 $	1,200,000 $	1,200,000						
Wayne Smith (1)	12/31/2014					6,000	6,000	6,000			
William Ellis	10/20/2014								60,000 $	8.94	171,457

(1) The awards issued to Mr. Wayne Smith are related to his prior-year performance and will vest in equal installments in 2015 and 2016.

Employment Agreements

James J. Cotter, Jr. On June 3, 2013, we entered into an employment agreement with Mr. James J. Cotter, Jr. to serve as our President. T he employment agreement provided Mr. Cotter, Jr. with an annual base salary of $335,000, with employee benefits in line with those received by our other senior executives. Mr. Cotter, Jr. also was granted a stock option to purchase 100,000 shares of our Class A Stock at an exercise price equal to the market price of our Class A Stock on the date of grant and which vest ed in equal annual increments over a four-year period, subject to his remaining in our continuous employ through each annual vesting date.

On June 12, 2015, the Board terminated the employment of James J. Cotter, Jr. as our President and Chief Executive Officer . Under Mr. Cotter, Jr.'s employment agreement with the Company , he is entitled to the compensation and benefits he was receiving at the time of a termination without cause for a period of twelve months from notice of termination. At the time of termination, Mr. Cotter Jr.'s annual salary was $335,000. A dispute has arisen between the Company and Mr. Cotter as to whether the Company is required to continue to make these payments, which is currently subject to arbitration.

Devasis Ghose . On April 20, 2015 , we entered into an employment agreement with Mr. Devasis Ghose , pursuant to which he agreed to serve as our Chief Financial Officer for a one year term commencing on May 11, 2015 . The employment agreement provides that Mr. Ghose is to receive an annual base salary of $ 400 ,000, with an annual target bonus of $ 20 0,000 , and employee benefits in line with those received by our other senior executives . Mr. Ghose was also granted stock options to purchase 10 0,000 share s of Class A Stock at an exercise price equal to the closing price of our Class A Stock on the date of grant and which will vest in equal annual increments over a four -year period, subject to his remaining in our continuous employ through each annual vesting date.

Under his employment agreement, we may terminate Mr. Ghose's employment with or without cause (as defined) at any time. If we terminate his employment without cause or fail to renew his employment agreement upon expiration without cause , Mr. Ghose will be entitled to receive severance in an amount equal to the salary and benefits he was receiving for a period of 12 months following such termination or non-ren e wal. If the termination is in connection with a "change of control" (as defined), Mr. Ghose would be entitled to severance in an amount equal to the compensation he would have received for a period two years from such termination .

William D. Ellis . On October 20, 2014, we entered into an employment agreement with Mr. William D. Ellis, which was amended in September 2015 , pursuant to which he agreed to serve as our General Counsel for a term of three years. The employment agreement provides that Mr. Ellis is to receive an annual base salary of $350,000, with an annual target bonus of at least $60,000. Mr. Ellis also received a "sign-up" bonus of $10,000 and is entitled to employee benefits in line with those received by our other senior executives. In addition, Mr. Ellis was granted stock options to purchase 60,000 share s of Class A Stock at an exercise price equal to the closing price of our Class A Stock on the date of grant and which will vest in equal annual increments over a three-year period, subject to his remaining in our continuous employ through each annual vesting date.

Under his employment agreement, we may terminate Mr. Ellis' employment with or without cause (as defined) at any time. If we terminate his employment without cause, Mr. Ellis will be entitled , subject to receipt of a general release, to receive severance in an amount equal to the compensation he would have received for the remainder of the term of his employment agreement, or 24 months, whichever is less , but in no event less than 12 months . If the termination is in connection with a "change of control" (as defined), Mr. Ellis would be entitled to severance in an amount equal to the compensation he would have received for a period of twice the number of months remaining in the term of his employment agreement.

Andrzej Matyczynski . Mr. Matyczynski, our former Chief Financial Officer , Treasurer and Corporate Secretary , has a written employment agreement with our Company that provides for a n annual base salary of $312,000 and other compensation. Mr. Matyczynski resigned as our Corporate Secretary on October 20, 2014 and as our Chief Financial Officer and Treasurer effective May 11, 2015, but will continue as an employee until April 15, 2016 (the "Retirement Date") in order to assist in the transition of our new Chief Financial Officer, Mr. Ghose, whose information is set forth above. Upon Mr. Matyczynski's Retirement Date , he will become entitled under his employment agreement to a lump-sum severance payment of $244,500 and to the payment of his vested benefit under his deferred compensation plan discussed above in this section.

2010 Equity Incentive Plan

On May 13, 2010, our stockholders approved the 2010 Stock Incentive Plan (the "Plan") at the annual meeting of stockholders in accordance with the recommendation of the Board of Directors of the Company. The Plan provides for awards of stock options, restricted stock, bonus stock, and stock appreciation rights to eligible employees, Director s, and consultants. The Plan permits issuance of a maximum of 1,250,000 shares of C lass A S tock. The Plan expires automatically on March 11, 2020.

Equity incentive bonuses may be awarded to align our executives' long-term compensation to appreciation in stockholder value over time and, so long as such grants are within the parameters of the Plan, historically were entirely discretionary on the part of Mr. Cotter, Sr. Other stock grants are subject to Board approval. Equity awards may include stock options, restricted stock, bonus stock, or stock appreciation rights.

If awarded, it is generally our policy to value stock options and restricted stock at the closing price of our common stock as reported on the NASDAQ Capital Market on the date the award is approved or on the date of hire, if the stock is granted as a recruitment incentive. When stock is granted as bonus compensation for a particular transaction, the award may be based on the market price on a date calculated from the closing date of the relevant transaction. Awards may also be subject to vesting and limitations on voting or other rights.

Certain Federal Income Tax Consequences

Non qualified Stock Options . There will be no federal income tax consequences to either the Company or the participant upon the grant of a non-discounted nonqualified stock option . However, the participant will realize ordinary income on the exercise of the nonqualified stock option in an amount equal to the excess of the fair market value of the common stock acquired upon the exercise of such option over the exercise price, and the Company will receive a corresponding deduction. The gain, if any, realized upon the subsequent disposition by the participant of the common stock will constitute short-term or long-term capital gain, depending on the participant's holding period.

Incentive Stock Options . There will be no regular federal income tax consequences to either the Company or the participant upon the grant or exercise of an incentive stock option. If the participant does not dispose of the shares of common stock for two years after the date the option was granted and one year after the acquisition of such shares of common stock, the difference between the aggregate option price and the amount realized upon disposition of the shares of common stock will constitute long-term capital gain or loss, and the Company will not be entitled to a federal income tax deduction. If the shares of common stock are disposed of in a sale, exchange or other "disqualifying disposition" during those periods, the participant will realize taxable ordinary income in an amount equal to the excess of the fair market value of the common stock purchased at the time of exercise over the aggregate option price (adjusted for any loss of value at the time of disposition), and the Company will be entitled to a federal income tax deduction equal to such amount, subject to the limitations under Code Section 162(m).

While the exercise of an incentive stock option does not result in current taxable income, the excess of (1) the fair market value of the option shares at the time of exercise over (2) the exercise price, will be an item of adjustment for purposes of determining the participant's alternative minimum tax income.

SARs . A participant receiving an SAR will not recognize income, and the Company will not be allowed a tax deduction, at the time the award is granted. When a participant exercises the SAR, the amount of cash and the fair market value of any shares of common stock received will be ordinary income to the participant and will be allowed as a deduction for federal income tax purposes to the Company, subject to limitations under Code Section 162(m). In addition, the Board (or Committee), may at any time, in its discretion, declare any or all awards to be fully or partially exercisable and may

discriminate among participants or among awards in exercising such discretion.

Restricted Stock. Unless a participant makes an election to accelerate recognition of the income to the date of grant, a participant receiving a restricted stock award will not recognize income, and the Company will not be allowed a tax deduction, at the time the award is granted. When the restrictions lapse, the participant will recognize ordinary income equal to the fair market value of the common stock, and the Company will be entitled to a corresponding tax deduction at that time, subject to the limitations under Code Section 162(m).

Outstanding Equity Awards

The following table sets forth outstanding equity awards held by our named executive officers as of December 31, 2014 under the Plan:

Outstanding Equity Awards At Year Ended December 31 , 2014

	Option Awards					Stock Awards	
	Class	Number of Shares Underlying Unexercised Options Exercisable	Number of Shares Underlying Unexercised Options Unexercisable	Option Exercise Price ($)	Option Expiration Date	Number of Shares or Units of Stock that Have Not Vested	Market Value of Shares or Units that Have Not Vested ($)
James J. Cotter, Sr.	B		--		09/05/2017	--	--
James J. Cotter, Jr.	A	12,500	--	3.87	07/07/2015	--	--
James J. Cotter, Jr.	A		--		01/19/2017	--	--
James J. Cotter, Jr.	A	100,000	--	6.31	02/06/2018	--	--
Ellen M. Cotter	A		--		03/06/2018	--	--
Ellen M. Cotter	B	50,000	--	10.24	09/05/2017	--	--
Andrzej Matyczynski	A				08/22/2022	--	--
Robert F. Smerling	A	43,750	--	10.24	09/05/2017	--	--

Option Exercises and Stock Vested

The following table contains information for our named executive officers concerning the option awards that were exercised and stock awards that vested during the year ended December 31, 2014:

Option Awards	Stock Awards

Name	Number of Shares Acquired on Exercise	Value Realized on Exercise ($)	Number of Shares Acquired on Vesting	Value Realized on Vesting ($)
James J. Cotter, Sr.	--	--		
Andrzej Matyczynski	35,100	180,063	--	--

Pension Benefits

The following table contains information concerning pension plans for each of the named executive officers for the year ended December 31, 2014:

Name	Plan Name	Number of Years of Credited Service	Present Value of Accumulated Benefit ($)	Payments During Last Fiscal Year ($)
James J. Cotter, Sr.(1)	SERP		$	$--
Andrzej Matyczynski(2)	DCP	5	$ 450,000	$--

Equity Compensation Plan Information

The following table sets forth, as of December 31, 2014, a summary of certain information related to our equity incentive plans under which our equity securities are authorized for issuance:

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)		Weighted average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a) (c)
Equity compensation plans approved by security holders (1)	753,350	(2)$	7.63	1,625,050
Equity compensation plans not approved by security holders	160,643	(3)	--	--
Total	913,993		--	--

(1) These plans are the Company's 1999 Stock Option Plan and 2010 Stock Incentive Plan.
(2) Represents outstanding options only. The Company did not have any outstanding warrants and rights as of December 31, 2014 .
(3) Represents the restricted stock to be issued in 2015.

Potential Payments Upon Termination of Employment or Change in Control

The following paragraphs provide information regarding potential payments to each of our named executive officers in connection with certain termination events, including a termination related to a change of control of the Company, as of December 31, 2014:

Mr. Devasis Ghose – Termination without Cause . Under his employment agreement, we may terminate Mr. Ghose's employment with or without cause (as defined) at any time. If we terminate his employment without cause or fail to renew his employment agreement upon expiration without cause, Mr. Ghose will be entitled to receive severance in an amount equal to the salary and benefits he was receiving for a period of 12 months following such termination or non-renwal. If the termination is in connection with a "change of control" (as defined), Mr. Ghose would be entitled to severance in an amount equal to the compensation he would have received for a period two years from such termination.

Mr. William Ellis – Termination without Cause . Under his employment agreement, we may terminate Mr. Ellis' employment with or without cause (as defined) at any time. If we terminate his employment without cause, Mr. Ellis will be entitled , subject to receipt of a general release, to receive severance in an amount equal to the compensation he would have received for the remainder of the term of his employment agreement, or 24 months, whichever is less , but in no event less than 12 months . If the termination is in connection with a "change of control" (as defined), Mr. Ellis would be entitled to severance in an amount equal to the compensation he would have received for a period of twice the number of months remaining in the term of his employment agreement.

Mr. Wayne Smith—Termination of Employment for Failing to Meet Performance Standards . If Mr. Smith's employment is terminated by the Board for failing to meet the standards of his anticipated performance, Mr. Smith will be entitled to a severance payment of six months' base salary .

No other named executive officers currently have employment agreements or other arrangements providing benefits upon termination or a change of control.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

The members of our Audit and Conflicts Committee are Douglas McEachern, who serves as Chair, and Edward Kane. Management presents all potential related party transactions to the Conflicts Committee for review. Our Conflicts Committee reviews whether a given related party transaction is beneficial to our Company , and approves or bars the transaction after a thorough analysis. Only Committee members disinterested in the transaction in question participate in the determination of whether the transaction may proceed.

Sutton Hill Capital

In 2001, we entered into a transaction with Sutton Hill Capital, LLC ("SHC") regarding the leasing with an option to purchase of certain cinemas located in Manhattan including our Village East and Cinemas 1, 2 & 3 theaters. In connection with that transaction, we also agreed to lend certain amounts to SHC, to provide liquidity in its investment, pending our determination whether or not to exercise our option to purchase and to manage the 86th Street Cinema on a fee basis. SHC is a limited liability company that is owned by Sutton Hill Associates, which was a 50/50 partnership between James J. Cotter, Sr. and Michael Forman. The Village East is the only cinema subject to this lease, and during 2014, 2013 and 2012 we paid rent to SHC in the amount of $590,000 annually.

On June 29, 2010, we agreed to extend our existing lease from SHC of the Village East Cinema in New York City by 10 years, with a new termination date of June 30, 2020. The Village East lease includes a sub-lease of the ground underlying the cinema that is subject to a longer-term ground lease between SHC and an unrelated third party that expires in June 2031 (the "cinema ground lease"). The extended lease provides for a call option pursuant to which Reading may purchase the cinema ground lease for $5.9 million at the end of the lease term. Additionally, the lease has a put option pursuant to which SHC may require us to purchase all or a portion of SHC's interest in the existing cinema lease and the cinema ground lease at

any time between July 1, 2013 and December 4, 2019. SHC's put option may be exercised on one or more occasions in increments of not less than $100,000 each. In 2005, we acquired from a third party the fee interest and from SHC its interest in the ground lease estate underlying and the improvements constituting the Cinemas 1, 2 & 3. In connection with that transaction, we granted to SHC an option to acquire a 25% interest in the special purpose entity formed to acquire these interests at cost. On June 28, 2007, SHC exercised this option, paying the option exercise price through the application of its $3 million deposit plus the assumption of its proportionate share of SHP's liabilities, giving SHC a 25% non-managing membership interest in SHP. We manage this cinema property for an annual management fee equal to 5% of its annual gross income.

In February 2015, we and SHP entered into an amendment to the management agreement dated as of June 27, 2007 between us and SHC. The amendment, which was retroactive to December 1, 2014, memorialized our undertaking to SHP with respect to $750,000 (the "Renovation Funding Amount") of renovations to Cinemas 1, 2 & 3 funded or to be funded by us. In consideration of our funding of the renovations, our annual management fee under the management agreement was increased commencing January 1, 2015 by an amount equivalent to 100% of any incremental positive cash flow of Cinemas 1, 2 & 3 over the average annual positive cash flow of the Cinemas over the three-year period ended December 31, 2014 (not to exceed a cumulative aggregate amount equal to the Renovation Funding Amount), plus a 15% annual cash-on-cash return on the balance outstanding from time to time of the Renovation Funding Amount, payable at the time of the payment of the annual management fee. Under the amended management agreement, we are entitled to retain ownership of (and any right to depreciate) any furniture, fixtures and equipment purchased by us in connection with such renovation and have the right (but not the obligation) to remove all such furniture, fixtures and equipment (at our own cost and expense) from the Cinemas upon the termination of the management agreement. The amendment also provides that, during the term of the management agreement, SHP will be responsible for the cost of repair and maintenance of the renovations.

OBI Management Agreement

Pursuant to a Theater Management Agreement (the "Management Agreement"), our live theater operations are managed by OBI LLC ("OBI Management"), which is wholly owned by Ms. Margaret Cotter , who is our Vice Chair and the sister of Ellen M. Cotter.

The Management Agreement generally provides that we will pay OBI Management a combination of fixed and incentive fees, which historically have equated to approximately 21% of the net cash flow received by us from our live theaters in New York. Since the fixed fees are applicable only during such periods as the New York theaters are booked, OBI Management receives no compensation with respect to a theater at any time when it is not generating revenue for us. This arrangement provides an incentive to OBI Management to keep the theaters booked with the best available shows, and mitigates the negative cash flow that would result from having an empty theater. In addition, OBI Management manages our Royal George live theater complex in Chicago on a fee basis based on theater cash flow. In 2014, OBI Management earned $397,000, which was 20.9% of net cash flows for the year. In 2013, OBI Management earned $401,000, which was 20.1% of net cash flows for the year. In 2012, OBI Management earned $390,000, which was 19.7% of net cash flows for the year. In each year, we reimbursed travel related expenses for OBI Management personnel with respect to travel between New York City and Chicago in connection with the management of the Royal George complex.

OBI Management conducts its operations from our office facilities on a rent-free basis, and we share the cost of one administrative employee of OBI Management. Other than these expenses and travel-related expenses for OBI Management personnel to travel to Chicago as referred to above, OBI Management is responsible for all of its costs and expenses related to the performance of its management functions. The Management Agreement renews automatically each year unless either party gives at least six months' prior notice of its determination to allow the Management Agreement to expire. In addition, we may terminate the Management Agreement at any time for cause.

Live Theater Show Investment

From time to time, our officers and Director s may invest in plays or other shows that lease our live theaters. The show STOMP has played in our Orpheum Theatre since prior to our acquisition of the theater in 2001. Mr. Cotter, Sr. owned an approximately 5% interest in that show .

Shadow View Land and Farming LLC

During 2012, Mr. Cotter, Sr., our former Chair, Chief Executive Officer and controlling shareholder, contributed $2.5 million of cash and $255,000 of his 2011 bonus as his 50% share of the purchase price of a land parcel in Coachella, California

and to cover his 50% share of certain costs associated with that acquisition. This land is held in Shadow View Land and Farming, LLC, which is owned 50% by our Company . Mr. Cotter, Jr. contends that the other 50% interest in Shadow View Land and Farming, LLC is owned by the James J. Cotter, Sr. Living Trust, while Ellen M. Cotter and Margaret Cotter contend that such interest is owned by the Estate of James J. Cotter, Sr . We are the managing member of Shadow View Land and Farming, LLC, with oversight provided by our Audit Committee.

INDEPENDENT PUBLIC ACCOUNTANTS

Summary of Principal Accounting Fees for Professional Services Rendered

Our independent pub lic accountants, Grant Thornton LLP, have audited our financial statements for the fiscal year ended December 31, 2014, and are expected to have a representative present at the Annual Meeting , who will have the opportunity to make a statement if he or she desires to do so and is expected to be available to respond to appropriate questions.

Audit Fees

The aggregate fees for professional services for the audit of our financial statements, audit of internal controls related to the Sarbanes-Oxley Act, and the reviews of the financial statements included in our Forms 10-K and 10-Q provided by Grant Thornton LLP for 2014 and 2013 were approximately $661,700 and $550,000, respectively.

Audit-Related Fees

Grant Thornto n LLP did not provide us any audit related services for 2014 or 2013.

Tax Fees

Grant Thornton LLP did not provide us any products or any services for tax compliance, tax advice, or tax planning for 2014 or 2013.

All Other Fees

Grant Thornton LLP did not provide us any services for 2014 or 2013 , other than as set forth above.

Pre-Approval Policies and Procedures

Our Audit Committee must pre-approve, to the extent required by applicable law, all audit services and permissible non-audit services provided by our independent registered public accounting firm, except for any *de minimis* non-audit services. Non-audit services are considered *de minimis* if (i) the aggregate amount of all such non-audit services constitutes less than 5% of the total amount of revenues we paid to our independent registered public accounting firm during the fiscal year in which they are provided; (ii) we did not recognize such services at the time of the engagement to be non-audit services; and (iii) such services are promptly submitted to our Audit Committee for approval prior to the completion of the audit by our Audit Committee or any of its members who has authority to give such approval. Our Audit Committee pre-approved all services provided to us by Grant Thornton LLP for 2014 and 2013.

STOCKHOLDER COMMUNICATIONS

Annual Report

A copy of our Annual Report on Form 10-K for the fiscal year ended December 31, 201 4 is being provided with this Proxy Statement.

Stockholder Communications with Directors

It is the policy of our Board of Directors that any communications sent to the attention of any one or more of our Directors in care of our executive offices will be promptly forwarded to such Directors. Such communications will not be opened or reviewed by any of our officers or employees, or by any other Director, unless they are requested to do so by the addressee of any such communication. Likewise, the content of any telephone messages left for any one or more of our Directors (including call-back number, if any) will be promptly forwarded to that Director.

Stockholder Proposals and Director Nominations

Any stockholder who, in accordance with and subject to the provisions of the proxy rules of the SEC, wishes to submit a proposal for inclusion in our Proxy Statement for our 201 6 Annual Meeting of Stockholders, must deliver such proposal in writing to the Secretary of the Company at the address of our Company's principal executive offices at 6100 Center Drive, Suite 900, Los Angeles, California 90045. Unless we change the date of our annual meeting by more than 30 days from the prior year's meeting, such written proposal must be delivered to us no later than June 22 , 2016 to be considered timely. If our 201 6 Annual Meeting is not within 30 days of the anniversary of our 201 5 Annual Meeting, to be considered timely, stockholder proposals must be received no later than ten days after the earlier of (a) the date on which notice of the 201 6 Annual Meeting is mailed, or (b) the date on which the Company publicly discloses the date of the 201 6 Annual Meeting, including disclosure in an SEC filing or through a press release. If we do not receive timely notice of a stockholder proposal, the proxies that we hold may confer discretionary authority to vote against such stockholder proposal, even though such proposal is not discussed in our Proxy Statement for that meeting.

Our Board of Directors will consider written nominations for Directors from stockholders. Nominations for the election of Directors made by our stockholders must be made by written notice delivered to our Secretary at our principal executive offices not less than 120 days prior to the first anniversary of the date that this Proxy Statement is first sent to stockholders. Such written notice must set forth the name, age, address, and principal occupation or employment of such nominee, the number of shares of our Company's common stock that is beneficially owned by such nominee and such other information required by the proxy rules of the SEC with respect to a nominee of the Board of Directors.

Under our governing documents and applicable Nevada law, our stockholders may also directly nominate candidates from the floor at any meeting of our stockholders held at which Directors are to be elected.

OTHER MATTERS

We do not know of any other matters to be presented for consideration other than the proposals described above, but if any matters are properly presented, it is the intention of the persons named in the accompanying proxy to vote on such matters in accordance with their judgment.

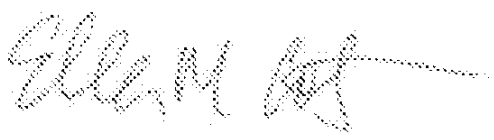
DELIVERY OF PROXY MATERIALS TO HOUSEHOLDS

As permitted by the Securities Exchange Act of 1934, only one copy of the proxy materials are being delivered to our stockholders residing at the same address, unless such stockholders have notified us of their desire to receive multiple copies of the proxy materials.

We will promptly deliver without charge, upon oral or written request, a separate copy of the proxy materials to any stockholder residing at an address to which only one copy was mailed. Requests for additional copies should be directed to our Corporate Secretary by telephone at (213) 235-2240 or by mail to Corporate Secretary, Reading International, Inc., 6100 Center Drive, Suite 900, Los Angeles, California 90045.

Stockholders residing at the same address and currently receiving only one copy of the proxy materials may contact the Corporate Secretary as described above to request multiple copies of the proxy materials in the future.

By Order of the Board of Directors,



Ellen M . Cotter
Chair of the Board

October 16 , 2015

PROXY VOTING INSTRUCTIONS

YOUR VOTE IS IMPORTANT. PLEASE VOTE TODAY.
We encourage you to take advantage of Internet or telephone voting.
Both are available 24 hours a day, 7 days a week.
Internet and telephone voting is available through 11:59 p.m., PT, on November 3, 2015.

VOTE BY INTERNET	www.investorvote.com/RDI

Use the Internet to transmit your voting instructions and for electronic delivery of information up until 11:59 p.m., PT, on November 3, 2015. Have your proxy card in hand when you access the web site and follow the instructions to obtain your records and to create an electronic voting instruction form.

OR

VOTE BY TELEPHONE	1-800-353-7666

Use any touch-tone telephone to transmit your voting instructions up until 11:59 p.m., PT, on November 3, 2015. Have your proxy card in hand when you call and then follow the instructions.

OR

VOTE BY MAIL

Mark, sign and date your proxy card and return it in the postage-paid envelope we have provided to: First Coast Results, Inc., P.O. Box 3672, Ponte Vedra Beach, FL 32004-9911.

If you vote your proxy by Internet or by telephone, you do NOT need to mail back your proxy card. Your Internet or telephone vote authorizes the named proxies to vote your shares in the same manner as if you marked, signed and returned your proxy card.

CONTROL NUMBER

△ If submitting a proxy by mail, please sign and date the card below and fold and detach card at perforation before mailing. ↙

READING INTERNATIONAL ANNUAL MEETING PROXY CARD

BOARD OF DIRECTORS - The Board of Directors recommends a vote FOR all nominees listed.

Proposal 1

(01) Ellen M. Cotter	(02) Guy W. Adams	(03) Judy Codding	(04) James J. Cotter, Jr.	(05) Margaret Cotter
(06) William D. Gould	(07) Edward L. Kane	(08) Douglas J. McEachern	(09) Michael Wrotniak	

☐ FOR ALL ☐ WITHHOLD ALL ☐ FOR ALL EXCEPT

To withhold your vote for any individual nominee(s), mark "For All Except" box and write the number(s) of the nominee(s) on the line below.

_____

	FOR	AGAINST	ABSTAIN
Proposal 2. Ratification of the Appointment of Our Independent Auditors, Grant Thornton LLP, for fiscal year 2015. The Board of Directors recommends a vote FOR approval of the appointment of our Grant Thornton LLP.	☐	☐	☐

Proposal 3. Other Business. In their discretion, the proxies are authorized to vote upon such other business as may properly come before the meeting and at and with respect to any and all adjournments or postponements thereof. The Board of Directors at present knows of no other business to be presented by or on behalf of the Company or the Board of Directors at the meeting.

THIS PROXY CARD IS VALID ONLY WHEN SIGNED AND DATED.

_____
Signature

_____
Signature (Joint Owners)

_____
Date

NOTE: Please sign exactly as your name appears hereon. Joint owners should each sign. When signing as attorney, executor, administrator, trustee or guardian, please give full title as such. If shareholder is a corporation, please sign full corporate name by authorized officer, giving full title as such. If a partnership, please sign in partnership name by authorized person, giving full title as such.

SIGN, DATE AND MAIL YOUR PROXY TODAY,
UNLESS YOU HAVE VOTED BY INTERNET OR TELEPHONE.

IF YOU HAVE NOT VOTED BY INTERNET OR TELEPHONE, PLEASE DATE, MARK, SIGN AND RETURN THIS PROXY PROMPTLY. YOUR VOTE, WHETHER BY INTERNET, TELEPHONE OR MAIL, MUST BE RECEIVED NO LATER THAN 11:59 P.M. PACIFIC TIME, NOVEMBER 9, 2015, TO BE INCLUDED IN THE VOTING RESULTS. ALL VALID PROXIES RECEIVED PRIOR TO 11:59 P.M. PACIFIC TIME, NOVEMBER 9, 2015 WILL BE VOTED.

SEE REVERSE SIDE

If submitting a proxy by mail, please sign and date the card on reverse and fold and detach card at perforation before mailing.

READING
INTERNATIONAL

ANNUAL MEETING OF STOCKHOLDERS

November 10, 2015, 11:00 a.m.

THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS

The undersigned hereby appoints Ellen M. Cotter and Andrzej Matyczynski, and each of them, the attorneys, agents, and proxies of the undersigned, with full powers of substitution to each, to attend and act as proxy or proxies of the undersigned at the Annual Meeting of Stockholders of Reading International, Inc. to be held at the Ritz Carlton—Marina Del Rey, located at 4375 Admiralty Way, Marina del Rey, California 90292, on Tuesday, November 10, 2015 at 11:00 a.m., local time, and at and with respect to any and all adjournments or postponements thereof, and to vote as specified herein the number of shares which the undersigned, if personally present, would be entitled to vote.

The undersigned hereby ratifies and confirms all that the attorneys and proxies, or any of them, or their substitutes, shall lawfully do or cause to be done by virtue hereof, and hereby revokes any and all proxies heretofore given by the undersigned to vote at the Annual Meeting. The undersigned acknowledges receipt of the Notice of Annual Meeting and the Proxy Statement accompanying such notice.

THE PROXY, WHEN PROPERLY EXECUTED AND RETURNED PRIOR TO THE ANNUAL MEETING, WILL BE VOTED AS DIRECTED. IF NO DIRECTION IS GIVEN, IT WILL BE VOTED "FOR" PROPOSAL 1, 2, AND IN THE PROXY HOLDERS' DISCRETION AS TO ANY OTHER MATTER THAT MAY PROPERLY COME BEFORE THE ANNUAL MEETING OR ANY POSTPONEMENT OR ADJOURNMENT THEREOF.

SEE REVERSE SIDE

EXHIBIT 3

Confidential – Filed Under Seal

EXHIBIT 4

DISTRICT COURT
CLARK COUNTY, NEVADA

JAMES J. COTTER, JR. individually and derivatively on behalf of Reading International, Inc., Plaintiff, vs. MARGARET COTTER, ELLEN COTTER, GUY ADAMS, EDWARD KANE, DOUGLAS WILLIAM GOULD, and DOES 1 through 100, inclusive, Defendants.	Index No. A-15-179860-B
READING INTERNATIONAL, INC., a Nevada corporation, Nominal Defendant.	

VIDEOTAPED DEPOSITION OF ELLEN COTTER

New York, New York

Thursday, June 16, 2016

Reported by:
MICHELLE COX
JOB NO. 316936

being the permanent CEO of RDI?

A I don't remember.

Q When did you first have a thought about the possibility or subject of you being the permanent CEO of RDI?

A I don't remember precisely when I started thinking that I should put my name in for consideration.

Q What prompted you to have that thought the first time?

A I don't remember exactly when, as I said, I had that thought. But I remember looking at some of the candidates that Korn Ferry was having us consider. And I looked at their résumés. Some of them were looking for total cash compensation up to $2 million. And several of them had experience that was two years at one company, three years at another company. They seemed to hop around.

And when I looked at their experience, it didn't seem that -- you know, we're kind of a unique company because we have -- we're in two businesses. We're in the cinema business, which is an operating business, and the real estate business, primarily as developers.

We're a public company. We have international operations. And looking at their résumés, I thought, well, I could probably do this.

Q What was the first discussion or communication you had with anybody about you being or possibly being a candidate for the position of CEO of RDI?

A I don't -- I don't remember.

Q Was it Margaret Cotter?

A I don't remember.

Q Did you have any discussions with Margaret Cotter about the subject of you being a candidate or possibly being a candidate for the position at RDI -- position of CEO at RDI?

A I mean, I ultimately had conversations with Margaret about it.

Q Okay. When?

A I don't remember.

Q What were the circumstances or what was the context of the conversations you had with Margaret about being a candidate or possibly being a candidate for the position of CEO at RDI?

A Circumstances would have been, Do you

committee biographical information concerning any candidates?

A Just to be clear, I don't remember specific conversations with Margaret. I'm recollecting a general conversation that I had with her, but I didn't consider myself being a permanent CEO until probably well after we got the résumés.

Q Well, directing your attention back to your conversations with the two people at Heidrick & Struggles with whom you spoke in the context of determining whether to hire Heidrick or another search firm to assist.

When you spoke with them about the existence of two internal candidates, did either or both of them say to you, in words or substance, Are you a candidate or have you thought about being a candidate?

A And I don't recall the conversations with the two women.

Q So they might have said that, but you don't recall, one way or another?

A Correct.

Q What was the name of the third recruiting firm, Russell something?

EXHIBIT 5

DISTRICT COURT

CLARK COUNTY, NEVADA

JAMES J. COTTER, JR., individually and derivatively on behalf of Reading International, Inc., Plaintiff, vs. MARGARET COTTER, et al., Defendants. and READING INTERNATIONAL, INC., a Nevada corporation, Nominal Defendant	Case No. A-15-719860-B Coordinated with: Case No. P-14-082942-E

VIDEOTAPED DEPOSITION OF WILLIAM GOULD

TAKEN ON JUNE 29, 2016

VOLUME 2

Job No.: 319129

REPORTED BY:

PATRICIA L. HUBBARD, CSR #3400

Q. Did Ellen Cotter participate in the interviews on Friday the 13th of any or all of Brooks, Cruse, Chin and Sheridan?

A. No.

Q. Why not, if you know?

A. Yes. At the beginning as we were about to begin our interviewing session we all arrived at the company, Ellen came into the room and said that she had decided that she was going to throw her hat into the ring for this job; and she felt that given that, it would be unethical and improper for her to be involved in the search committee.

Q. What was the discussion that ensued, if any?

A. I believe that all of us -- my rec- -- my -- my response and I know Doug's was that we agree we don't think she should be involved in the search committee if she, herself, is going to be a candidate.

Q. What else, if anything else, was discussed about the search committee or the search in view of Ellen's announcement that she was going to be a candidate?

A. I can't recall anything at that time other than that.

Q. And how long did those discussions last?

A. I would say they lasted 30 minutes.

Q. Who said what?

A. Well, I was actually the one that said after listening to Ellen, thinking about it, and looking at the prior candidates, even though they were all good, that she had probably made the most sense for where we were at this time. Because she had a great reputation, the people liked her at the company.

We all enjoyed our own -- we all thought highly of her, every one of us. She is intelligent. She had the kind of a personality that could help get through some of these difficulties dealing with other people.

And she had theatrical experience. She was willing to bring in real estate help.

And that this was a very tough time to bring in somebody from the outside given the fact that no one knew who would actually control this company a year down the line.

And for all those reasons, you know, it became apparent to me, my -- I just said, "This makes the most sense for the company."

And Doug said, "You know, I agree with

you."

Q. That was my next question, Mr. Gould. The reasons you just described, are those your reasons and is that what you articulated? Was that what you and Mr. McEachern together articulated or --

A. Most of them were my -- were my statements, but Doug did add a few of his own. And I probably incorporated some of his statements in there.

Now, before we got into too much detail, the question was raised about Margaret leaving because she was -- she is Ellen's sister. And, you know, both Doug and I said, "I don't think we need to do that."

I forget whether Margaret did excuse herself or not. I don't remember whether she did. But from my standpoint it was just clear in my mind that this was the best solution.

Q. What did Margaret say, if anything, during that discussion among the three of you?

A. Margaret didn't really say too much. She was -- she -- I think Doug and I did most of the talking.

Q. Did Margaret exhibit any response to

previous. I don't mean to do so.

Either during the conversation -- well, during the conversation following Ellen Cotter's interview, who said what, if anything, about Korn Ferry?

A. We did discuss this earlier, but my recollection was at the time that -- that somebody said, "Well, we -- if she's our preferred candidate, then, you know, we can probably tell Korn Ferry until we decide -- or the board decides this thing, let's not have them incur any more expense doing what they were doing with respect to the other candidates. Let's see if we can keep this down -- the expense down."

Q. What are the annual revenues of RDI?

MR. TAYBACK: Objection. Vague as to time.

BY MR. KRUM:

Q. In 2015 or any other time that you can identify?

A. Well, several -- several hundred million.

Q. And what was the expense that would have been saved by having Korn Ferry stand down?

A. It was, you know, maybe 50 -- $50,000.

It doesn't seem like much, but I don't throw money in the street unless I have to. Especially when it's other people's money.

Q. Do you recall that -- that the Korn Ferry materials provided to the board of directors indicated that Korn Ferry would make its proprietary assessment of finalists including the internal candidates?

A. I do remember something like that, yes.

Q. Did you have any discussions with McEachern and/or Margaret Cotter about whether to follow through with the process that had been described to the full board previously by having these assessments done or by having the board determine whether to do so?

A. Well, at that point the internal candidates had dropped out. And so there would be no need to do assessments of them.

And I don't -- and I don't -- I think all of us felt that we didn't need an independent assessment of Ellen because we knew her so well.

Q. By the way, how do you know that Wayne Smith dropped out?

A. I was told at some point that -- I forget by whom, that following Ellen's announcement,

EXHIBIT 6

Confidential – Filed Under Seal

EXHIBIT 7

Confidential – Filed Under Seal

EXHIBIT 8

DISTRICT COURT

CLARK COUNTY, NEVADA

JAMES J. COTTER, JR., individually and derivatively on behalf of Reading International, Inc., Plaintiff, vs. MARGARET COTTER, et al., Defendants. and READING INTERNATIONAL, INC., a Nevada corporation, Nominal Defendant	Case No. A-15-719860-B Coordinated with: Case No. P-14-082942-E

VIDEOTAPED DEPOSITION OF WILLIAM GOULD

TAKEN ON JUNE 8, 2016

VOLUME 1

JOB NUMBER 315485

REPORTED BY:

PATRICIA L. HUBBARD, CSR #3400

words "given the situation"?

A. None of the candidates met the perfect profile that we all wish we would come up with, you know, somebody like from central casting.

Ellen did not have certain of the qualities we were looking for in the sense of the real estate experience and this and that. But none of the candidates had what we were looking for.

So, as we interviewed these candidates -- and by the way, all of them were very, very qualified good candidates. They really were. I was very impressed with the quality of the people that Korn Ferry had put forward.

And this became apparent to me, anyway, that Ellen was the type of person who would continue the continuity, that people liked her, that she had had a good reputation, we had been working with her for all these years. And given all those circumstances, she stood head and shoulders above a person who would be asked to come into this horrible vicious situation.

It made it almost an impossible task for somebody to enter this corporate management structure and be able to thrive.

Q. So is it fair to say your view was that

once Ellen announced her candidacy, she was the presumptive favorite?

MR. HELPERN: Objection. Form, misstates testimony.

MR. SWANIS: Join.

MR. RHOW: Join.

THE WITNESS: No. It only became apparent to me after we had interviewed everybody, and I could see that by -- you know, she was definitely the most well-known to the directors, she provided the continuity, and she had a stake in the venture. You know, she had major share holdings with her family. And a new person would be coming in without that.

So she would be -- have her interests aligned with the shareholders.

BY MR. KRUM:

Q. By virtue of being a shareholder, you mean?

A. By being a major shareholder, yes.

Q. Mr. Gould, did it occur to you at any time prior to the meeting at which Ellen Cotter announced her candidacy for the C.E.O. position that she would or might be a candidate?

A. Yes.

that.

Q. What discussions did you have with Mr. McEachern about Ellen's candidacy?

A. The -- we were sitting in a room, and we had just -- I think we had just interviewed this candidate from New York. And we looked at each other and said, you know, "It's pretty apparent that Ellen is the right candidate." And we both discussed why we felt that.

Q. And what did you say and what did he say?

A. Well, we both said -- I can't remember which one made which point. We talked about those things, continuity, we talked about her stake in the venture, the Cotter family stake in the venture, we talked about how well received she was by the staff and how -- what a good job she had done as the co-head of the theatrical division.

Q. Do you recall that one of the services Korn Ferry was to provide was some sort of independent assessment of the three final candidates?

A. Yes.

Q. That was not done, correct?

A. Correct.

EXHIBIT 9

Confidential – Filed Under Seal

EXHIBIT 10

Confidential – Filed Under Seal

EXHIBIT 11

Confidential – Filed Under Seal

EXHIBIT 12

EIGHTH JUDICIAL DISTRICT COURT
CLARK COUNTY, NEVADA

JAMES COTTER, JR., derivatively on behalf of Reading International, Inc.,
Plaintiff,

vs. Case No.

MARGARET COTTER, ELLEN COTTER, Guy Adams, EDWARD KANE, DOUGLAS McEACHERN, TIMOTHY STOREY, WILLIAM GOULD, JUDY CODDING, MICHAEL WROTNIAK, and DOES 1 through 100, inclusive,
Defendants. A-15-719860-B

and

READING INTERNATIONAL, INC., a Nevada corporation,
Nominal Defendant.

(CAPTION CONTINUED ON NEXT PAGE.)

VIDEOTAPED DEPOSITION OF JAMES COTTER, JR.
Los Angeles, California
Tuesday, May 17, 2016
Volume II

Reported by:
JANICE SCHUTZMAN, CSR No. 9509
Job No. 2312191
Pages 298 - 567

T2 PARTNERS MANAGEMENT, LP, a Delaware limited partnership, doing business as KASE CAPITAL MANAGEMENT, et al.,

Plaintiffs,

vs.

MARGARET COTTER, ELLEN COTTER, Guy Adams, EDWARD KANE, DOUGLAS McEACHERN, WILLIAM GOULD, JUDY CODDING, MICHAEL WROTNIAK, CRAIG TOMPKINS, and DOES 1 through 100, inclusive,

Defendants.

and

READING INTERNATIONAL, INC., a Nevada corporation,

Nominal Defendant.

Videotaped Deposition of JAMES COTTER, JR., Volume II, taken at 865 South Figueroa Street, 10th Floor, Los Angeles, California, commencing at 9:38 a.m. and ending at 4:37 p.m., Tuesday, May 17, 2016, before Janice Schutzman, CSR No. 9509.

PAGES 298 - 567

Isn't it your responsibility as a board member to form opinions about the performance of the CEO that's running the company for which you have a fiduciary duty to oversee?

MR. KRUM: Same objection. 04:28PM

THE WITNESS: It is my responsibility to assess the performance of the CEO.

BY MR. TAYBACK:

Q. And she's been the CEO for 10 months?

MR. KRUM: Same objections. 04:28PM

BY MR. TAYBACK:

Q. Correct?

A. Okay.

Q. Is that --

A. Yes. 04:28PM

Q. My math is correct?

A. Right.

Q. And you don't have an opinion as to -- at all on her performance?

A. I do have an opinion that she did not have 04:28PM the requisite experience that the CEO search committee had sought and that it wasn't an approp- -- she wasn't qualified based on their own criteria.

Q. My question's different. My question's not 04:29PM

whether she was qualified.

My question is now, having observed her for 10 months as CEO of the company, do you have an opinion as to her performance, not her qualifications to have gotten the job, but her performance? 04:29PM

A. There's nothing --

MR. KRUM: Same objections.

Go ahead.

THE WITNESS: There's nothing that would lead me to believe that she's doing a good job, a bad job. A lot of the information, I'm not giv- -- I'm no longer given from the company to assess the performance of the assets. So it's -- I'm not in a position to make that assessment. 04:29PM 04:30PM

BY MR. TAYBACK:

Q. What information do you believe the other directors get that allow them to assess her performance that you don't feel you get?

A. Well, there's a number of executive committee meetings at the company at which things are discussed. 04:30PM

There are a number of other meetings that the directors have that I'm not privy to, like going to New York and reviewing the development of these 04:30PM

EXHIBIT 13

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the Securities Exchange Act of 1934

Filed by the Registrant ☑
Filed by a party other than the Registrant ☐

Check the appropriate box:

- ☐ Preliminary Proxy Statement
- ☐ Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- ☑ Definitive Proxy Statement
- ☐ Definitive Additional Materials
- ☐ Soliciting Material under Sec. 240.14a-12

READING INTERNATIONAL, INC.

(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

☑ No fee required

☐ Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11

(1) Title of each class of securities to which transaction applies: _____
(2) Aggregate number of securities to which transaction applies: _____
(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined): _____
(4) Proposed maximum aggregate value of transaction: _____
(5) Total fee paid: _____

☐ Fee paid previously with preliminary materials.

☐ Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid: _____
(2) Form, Schedule or Registration Statement No.: _____
(3) Filing Party: _____
(4) Date Filed: _____

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READING INTERNATIONAL, INC.
6100 Center Drive, Suite 900
Los Angeles, California 90045

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS
TO BE HELD ON Thursday, June 2, 2016

TO THE STOCKHOLDERS:

The 2016 Annual Meeting of Stockholders (the "Annual Meeting") of Reading International, Inc., a Nevada corporation, will be held at Courtyard by Marriott Los Angeles Westside, located at 6333 Bristol Parkway, Culver City, California 90230, on Thursday, June 2, 2016, at 11:00 a.m., Local Time, for the following purposes **:**

1. To elect nine Directors to serve until the Company's 2017 Annual Meeting of Stockholders and thereafter until their successors are duly elected and qualified; and

2. To transact such other business as may properly come before the Annual Meeting and any adjournment or postponement thereof.

A copy of our Annual Report on Form 10-K for the fiscal year ended December 31, 2015 is enclosed (the "Annual Report"). Only holders of record of our Class B Voting Common Stock at the close of business on April 22, 2016, are entitled to notice of and to vote at the Annual Meeting and any adjournment or postponement thereof.

Whether or not you plan on attending the Annual Meeting, we ask that you take the time to vote by following the Internet or telephone voting instructions provided on the proxy card or by completing and mailing the enclosed proxy card as promptly as possible. We have enclosed a self-addressed, postage-paid envelope for your convenience. If you later decide to attend the Annual Meeting, you may vote your shares even if you have already submitted a proxy card.

By Order of the Board of Directors,

Ellen M. Cotter
Chair of the Board

May 19, 2016

READING INTERNATIONAL, INC.
6100 Center Drive, Suite 900
Los Angeles, California 90045

PROXY STATEMENT

Annual Meeting of Stockholders
Thursday, June 2, 2016

INTRODUCTION

This Proxy Statement is furnished in connection with the solicitation by the Board of Directors of Reading International, Inc. (the "Company," "Reading," "we," "us," or "our") of proxies for use at our 2016 Annual Meeting of Stockholders (the "Annual Meeting") to be held on Thursday, June 2, 2016, at 11:00 a.m., local time, at Courtyard by Marriott Los Angeles Westside, located at 6333 Bristol Parkway, Culver City, California 90230, and at any adjournment or postponement thereof. This Proxy Statement and form of proxy are first being sent or given to stockholders on or about May 19, 2016.

At our Annual Meeting, you will be asked to (1) elect nine Directors to our Board of Directors (the "Board") to serve until the 2017 Annual Meeting of Stockholders, and (2) act on any other business that may properly come before the Annual Meeting or any adjournment or postponement of the Annual Meeting.

As of April 22, 2016, the record date for the Annual Meeting (the "Record Date"), there were 1,680,590 shares of our Class B Voting Common Stock ("Class B Stock") outstanding.

When proxies are properly executed and received, the shares represented thereby will be voted at the Annual Meeting in accordance with the directions noted thereon. If no direction is indicated, the shares will be voted: FOR each of the nine nominees named in this Proxy Statement for election to the Board under Proposal 1.

ABOUT THE ANNUAL MEETING AND VOTING

Why am I receiving these proxy materials?

This Proxy Statement is being sent to all of our stockholders of record as of the close of business on April 22, 2016, by Reading's Board to solicit the proxy of holders of our Class B Stock to be voted at Reading's 2016 Annual Meeting, which will be held on Thursday, June 2, 2016, at 11:00 a.m. local time, at Courtyard by Marriott Los Angeles Westside, located at 6333 Bristol Parkway, Culver City, California 90230.

What items of business will be voted on at the Annual Meeting?

There is one item of business scheduled to be voted on at the 2016 Annual Meeting:

- PROPOSAL 1: Election of nine Directors to the Board.

We will also consider any other business that may properly come before the Annual Meeting or any adjournments or postponements thereof, including approving any such adjournment, if necessary. Please note that at this time we are not aware of any such business.

How does the Board of Directors recommend that I vote?

Our Board recommends that you vote:

- On PROPOSAL 1: "FOR" the election of its nominees to the Board.

What happens if additional matters are presented at the Annual Meeting?

Other than the item of business described in this Proxy Statement, we are not aware of any other business to be acted upon at the Annual Meeting. If you grant a proxy, the persons named as proxies will have the discretion to vote your shares on any additional matters properly presented for a vote at the Annual Meeting.

Am I eligible to vote?

You may vote your shares of Class B Stock at the Annual Meeting if you were a holder of record of Class B Stock at the close of business on April 22, 2016. Your shares of Class B Stock are entitled to one vote per share. At that time, there were 1,680,590 shares of Class B Stock outstanding, and approximately 350 holders of record. Each share of Class B Stock is entitled to one vote on each matter properly brought before the Annual Meeting.

What if I own Class A Nonvoting Common Stock?

If you do not own any Class B Stock, then you have received this Proxy Statement only for your information. You and other holders of our Class A Nonvoting Common Stock ("Class A Stock") have no voting rights with respect to the matters to be voted on at the Annual Meeting.

What should I do if I receive more than one copy of the proxy materials?

You may receive more than one copy of this Proxy Statement and multiple proxy cards or voting instruction cards. For example, if you hold your shares in more than one brokerage account, you may receive a separate notice or a separate voting instruction card for each brokerage account in which you hold shares. If you are a stockholder of record and your shares are registered in more than one name, you may receive more than one copy of this Proxy Statement or more than one proxy card.

To vote all of your shares of Class B Stock by proxy card, you must either (i) complete, date, sign and return each proxy card and voting instruction card that you receive or (ii) vote over the Internet or by telephone the shares represented by each notice that you receive.

What is the difference between holding shares as a stockholder of record and as a beneficial owner?

Many stockholders of our Company hold their shares through a broker, bank or other nominee rather than directly in their own name. As summarized below, there are some differences in how stockholders of record and beneficial owners are treated.

Stockholders of Record. If your shares of Class B Stock are registered directly in your name with our Transfer Agent, you are considered the stockholder of record with respect to those shares and the proxy materials are being sent directly to you by Reading. As the stockholder of record of Class B Stock, you have the right to vote in person at the meeting. If you choose to do so, you can vote using the ballot provided at the Annual Meeting. Even if you plan to attend the Annual Meeting, we recommend that you vote your shares in advance as described below so that your vote will be counted if you decide later not to attend the Annual Meeting.

Beneficial Owner. If you hold your shares of Class B Stock through a broker, bank or other nominee rather than directly in your own name, you are considered the beneficial owner of shares held in street name and the proxy materials are being forwarded to you by your broker, bank or other nominee, who is considered the stockholder of record with respect to those shares. As the beneficial owner, you are also invited to attend the Annual Meeting. Because a beneficial owner is not the stockholder of record, you may not vote these shares in person at the Annual Meeting, unless you obtain a proxy from the broker, trustee or nominee that holds your shares, giving you the right to vote the shares at the meeting. You will need to contact your broker, trustee or nominee to obtain a proxy, and you will need to bring it to the Annual Meeting in order to vote in person.

RDI-A03472

How do I vote?

Proxies are solicited to give all holders of our Class B Stock who are entitled to vote on the matters that come before the Annual Meeting the opportunity to vote their shares, whether or not they attend the Annual Meeting in person. If you are a holder of record of shares of our Class B Stock, you have the right to vote in person at the Annual Meeting. If you choose to do so, you can vote using the ballot provided at the Annual Meeting. Even if you plan to attend the Annual Meeting, we recommend that you vote your shares in advance as described below so that your vote will be counted if you decide later not to attend the Annual Meeting. You can vote by one of the following manners:

- By Internet — Holders of record of our Class B Stock may submit proxies over the Internet by following the instructions on the proxy card. Holders of our Class B Stock who are beneficial owners may vote by Internet by following the instructions on the voting instruction card sent to them by their bank, broker, trustee or nominee. Proxies submitted by the Internet must be received by 11:59 p.m., local time, on June 1, 2016 (the day before the Annual Meeting).

- By Telephone — Holders of record of our Class B Stock who live in the United States or Canada may submit proxies by telephone by calling the toll-free number on the proxy card and following the instructions. Holders of record of our Class B Stock will need to have the control number that appears on their proxy card available when voting. In addition, holders of our Class B Stock who are beneficial owners of shares living in the United States or Canada and who have received a voting instruction card by mail from their bank, broker, trustee or nominee may vote by phone by calling the number specified on the voting instruction card. Those stockholders should check the voting instruction card for telephone voting availability. Proxies submitted by telephone must be received by 11:59 p.m., local time, on June 1, 2016 (the day before the Annual Meeting).

- By Mail — Holders of record of our Class B Stock who have received a paper copy of a proxy card by mail may submit proxies by completing, signing and dating their proxy card and mailing it in the accompanying pre-addressed envelope. Holders of our Class B Stock who are beneficial owners who have received a voting instruction card from their bank, broker or nominee may return the voting instruction card by mail as set forth on the card. Proxies submitted by mail must be received by the Inspector of Elections before the polls are closed at the Annual Meeting.

- In Person — Holders of record of our Class B Stock may vote shares held in their name in person at the Annual Meeting. You also may be represented by another person at the Annual Meeting by executing a proxy designating that person. Shares of Class B Stock for which a stockholder is the beneficial owner, but not the stockholder of record, may be voted in person at the Annual Meeting only if such stockholder obtains a proxy from the bank, broker or nominee that holds the stockholder's shares, indicating that the stockholder was the beneficial owner as of the record date and the number of shares for which the stockholder was the beneficial owner on the record date.

Holders of our Class B Stock are encouraged to vote their proxies by Internet, telephone or by completing, signing, dating and returning a proxy card or voting instruction card, but not by more than one method. If you vote by more than one method, or vote multiple times using the same method, only the last-dated vote that is timely received by the Inspector of Elections will be counted, and each previous vote will be disregarded. If you vote in person at the Annual Meeting, you will revoke any prior proxy that you may have given. You will need to bring a valid form of identification (such as a driver's license or passport) to the Annual Meeting to vote shares held of record by you in person.

What if my shares are held of record by an entity such as a corporation, limited liability company, general partnership, limited partnership or trust (an "Entity"), or in the name of more than one person, or I am voting in a representative or fiduciary capacity?

Shares held of record by an Entity. In order to vote shares on behalf of an Entity, you need to provide evidence (such as a sealed resolution) of your authority to vote such shares, unless you are listed as a record holder of such shares.

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Shares held of record by a trust. The trustee of a trust is entitled to vote the shares held by the trust, either by proxy or by attending and voting in person at the Annual Meeting. If you are voting as a trustee, and are not identified as a record owner of the shares, then you must provide suitable evidence of your status as a trustee of the record trust owner. If the record owner is a trust and there are multiple trustees, then if only one trustee votes, that trustee's vote applies to all of the shares held of record by the trust. If more than one trustee votes, the votes of the majority of the voting trustees apply to all of the shares held of record by the trust. If more than one trustee votes and the votes are split evenly on any particular Proposal, each trustee may vote proportionally the shares held of record by the trust.

Shares held of record in the name of more than one person. If only one individual votes, that individual's vote applies to all of the shares so held of record. If more than one person votes, the votes of the majority of the voting individuals apply to all of such shares. If more than one individual votes and the votes are split evenly on any particular Proposal, each individual may vote such shares proportionally.

What is a broker non-vote?

Applicable rules permit brokers to vote shares held in street name on routine matters. Shares that are not voted on non-routine matters, such as the election of Directors or any proposed amendment of our Articles or Bylaws, are called broker non-votes. Broker non-votes will have no effect on the vote for the election of Directors, but could affect the outcome of any matter requiring the approval of the holders of an absolute majority of the Class B Stock. We are not currently aware of any matter to be presented to the Annual Meeting that would require the approval of the holders of an absolute majority of the Class B Stock.

What routine matters will be voted on at the annual meeting?

None.

What non-routine matters will be voted on at the annual meeting?

The election of nine Directors to the Board is the only non-routine matter included among the Board's proposals on which brokers may not vote, unless they have received specific voting instructions from beneficial owners of our Class B Stock.

How are abstentions and broker non-votes counted?

Abstentions and broker non-votes are included in determining whether a quorum is present. In tabulating the voting results for the items to be voted on at the 2016 Annual Meeting, shares that constitute abstentions and broker non-votes are not considered entitled to vote and will not affect the outcome of any matter being voted on at the meeting, unless the matter requires the approval of the holders of a majority of the outstanding shares of Class B Stock.

How can I change my vote after I submit a proxy?

If you are a stockholder of record, there are three ways you can change your vote or revoke your proxy after you have submitted your proxy:

- First, you may send a written notice to Reading International, Inc., postage or other delivery charges pre-paid, 6100 Center Drive, Suite 900, Los Angeles, CA, 90045, c/o Annual Meeting Secretary, stating that you revoke your proxy. To be effective, the Inspector of Elections must receive your written notice prior to the closing of the polls at the Annual Meeting.

- Second, you may complete and submit a new proxy in one of the manners described above under the caption, "How do I vote?" Any earlier proxies will be revoked automatically.

- Third, you may attend the Annual Meeting and vote in person. Any earlier proxy will be revoked. However, attending the Annual Meeting without voting in person will not revoke your proxy.

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How will you solicit proxies and who will pay the costs?

We will pay the costs of the solicitation of proxies. We may reimburse brokerage firms and other persons representing beneficial owners of shares for expenses incurred in forwarding the voting materials to their customers who are beneficial owners and obtaining their voting instructions. In addition to soliciting proxies by mail, our board members, officers and employees may solicit proxies on our behalf, without additional compensation, personally or by telephone.

Is there a list of stockholders entitled to vote at the Annual Meeting?

The names of stockholders of record entitled to vote at the Annual Meeting will be available at the Annual Meeting and for ten days prior to the Annual Meeting, at our corporate offices, 6100 Center Drive, Suite 900, Los Angeles, CA, 90045 between the hours of 9:00 a.m. and 5:00 p.m., local time, for any purpose relevant to the Annual Meeting. To arrange to view this list during the times specified above, please contact the Secretary of the Company.

What constitutes a quorum?

The presence in person or by proxy of the holders of record of a majority of our outstanding shares of Class B Stock entitled to vote will constitute a quorum at the Annual Meeting. Each share of our Class B Stock entitles the holder of record to one vote on all matters to come before the Annual Meeting.

How are votes counted and who will certify the results?

First Coast Results, Inc. will act as the independent Inspector of Elections and will count the votes, determine whether a quorum is present, evaluate the validity of proxies and ballots, and certify the results. A representative of First Coast Results, Inc. will be present at the Annual Meeting. The final voting results will be reported by us on a Current Report on Form 8-K to be filed with the SEC within four business days following the Annual Meeting.

What is the vote required for a Proposal to pass?

The nine nominees for election as Directors at the Annual Meeting who receive the highest number of "FOR" votes will be elected as Directors. This is called plurality voting. Unless you indicate otherwise, the persons named as your proxies will vote your shares FOR all the nominees for Directors named in Proposal 1. If your shares are held by a broker or other nominee and you would like to vote your shares for the election of Directors in Proposal 1, you must instruct the broker or nominee to vote "FOR" for each of the candidates for whom you would like to vote. If you give no instructions to your broker or nominee, then your shares will not be voted. If you instruct your broker or nominee to "WITHHOLD," then your vote will not be counted in determining the election.

Only votes "FOR" Proposal 1 at the Annual Meeting will be counted as votes cast and abstentions; votes withheld and broker non-votes will not be counted for voting purposes.

Is my vote kept confidential?

Proxies, ballots and voting tabulations identifying stockholders are kept confidential and will not be disclosed to third parties, except as may be necessary to meet legal requirements.

How will the Annual Meeting be conducted?

In accordance with our Bylaws, Ellen M. Cotter, as the Chair of the Board, will be the Presiding Officer of the Annual Meeting. Craig Tompkins has been designated by the Board to serve as Secretary for the Annual Meeting.

Ms. Cotter and other members of management will address attendees following the Annual Meeting. Stockholders desiring to pose questions to our management are encouraged to send their questions to us, care of the Annual Meeting Secretary, in advance of the Annual Meeting, so as to assist our management in preparing appropriate responses and to facilitate compliance with applicable securities laws.

The Presiding Officer has broad authority to conduct the Annual Meeting in an orderly and timely manner. This authority includes establishing rules for stockholders who wish to address the meeting or bring matters before the

Annual Meeting. The Presiding Officer may also exercise broad discretion in recognizing stockholders who wish to speak and in determining the extent of discussion on each item of business. In light of the need to conclude the Annual Meeting within a reasonable period of time, there can be no assurance that every stockholder who wishes to speak will be able to do so. The Presiding Officer has authority, in her discretion, to at any time recess or adjourn the Annual Meeting. Only stockholders are entitled to attend and address the Annual Meeting. Any questions or disputes as to who may or may not attend and address the Annual Meeting will be determined by the Presiding Officer.

Only such business as shall have been properly brought before the Annual Meeting shall be conducted. Pursuant to our governing documents and applicable Nevada law, in order to be properly brought before the Annual Meeting, such business must be brought by or at the direction of (1) the Chair, (2) our Board, or (3) holders of record of our Class B Stock. At the appropriate time, any stockholder who wishes to address the Annual Meeting should do so only upon being recognized by the Presiding Officer.

CORPORATE GOVERNANCE

Director Leadership Structure

Ellen M. Cotter is our current Chair, President and Chief Executive Officer. Ellen M. Cotter has been with our Company for more than 18 years, focusing principally on the cinema operations aspects of our business. During this time period, we have grown our Domestic Cinema Operations from 42 to 248 screens and our cinema revenues have grown from US $15.5 million to US $132.9 million. Historically, we have combined the roles of the Chair and the Chief Executive Officer, except for the period from August 2014 until June 12, 2015, when the roles of Chair and Chief Executive Officer were held by two executives of the Company following the resignation for health reasons of our founder, James J. Cotter, Sr. At the present time, we believe that the combined roles (i) allow for consistent leadership, (ii) continue the tradition of having a Chair and Chief Executive Officer, who is also a controlling stockholder of the Company, and also (iii) reflect our status as a "controlled company" under relevant NASDAQ Listing Rules

Margaret Cotter is our current Vice-Chair and she also serves as our Executive Vice President – Real Estate Management and Development - NYC. Margaret Cotter has been responsible for the operation of our live theaters for more than 17 years and has for more than the past five years been actively involved in the re-development of our New York properties. On March 10, 2016, our Board appointed Margaret Cotter as Executive Vice President-Real Estate Management and Development-NYC.

Ellen M. Cotter has a substantial stake in our business, owning directly 799,765 shares of Class A Stock and 50,000 shares of Class B Stock. Margaret Cotter likewise has a substantial stake in our business, owning directly 804,173 shares of Class A Stock and 35,100 shares of Class B Stock. Ellen M. Cotter and Margaret Cotter are the Co-Executors of their father's (James J. Cotter, Sr.) estate (the "Cotter Estate") and Co-Trustees of a trust (the "Cotter Trust") established for the benefit of his heirs. Together, they have shared voting control over an aggregate of 1,208,988 shares or 71.9% of our Class B Stock. Ellen M. Cotter and Margaret Cotter have informed the Board that they intend to vote the shares beneficially held by them for each of the nine nominees named in this Proxy Statement for election to the Board under Proposal 1.

James Cotter, Jr. alleges that he has the right to vote the shares held by the Cotter Trust. The Company believes that, under applicable Nevada Law, where there are multiple trustees of a trust that is a record owner of voting shares of a Nevada corporation, and more than one trustee votes, the votes of the majority of the voting trustees apply to all of the shares held of record by the trust. If more than one trustee votes and the votes are split evenly on any particular proposal, each trustee may vote proportionally the shares held of record by the trust. Ellen M. Cotter and Margaret Cotter, who collectively constitute a majority of the Co-Trustees of the Cotter Trust, have informed the Board that they intend to vote the shares held by the Cotter Trust for each of the nine nominees named in this Proxy Statement for election to the Board under Proposal 1. Accordingly, the Company believes that Ellen M. Cotter and Margaret Cotter collectively have the power and authority to vote all of the shares of Class B Stock held of record by the Cotter Trust, which, when added to the other shares they report as being beneficially owned by them, will constitute 71.9% of the shares of Class B Stock entitled to vote for Directors at the Annual Meeting.

The Company has elected to take the "controlled company" exemption under applicable listing rules of The NASDAQ Capital Stock Market (the "NASDAQ Listing Rules"). Accordingly, the Company is exempted from the requirement to have an independent nominating committee and to have a board composed of at least a majority of

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independent directors, as that term is defined in the NASDAQ Listing Rules ("Independent Directors"). We are nevertheless nominating a majority of Independent Directors for election to our Board. We currently have an Audit and Conflicts Committee (the "Audit Committee") and a Compensation and Stock Options Committee ("Compensation Committee") composed entirely of Independent Directors. We currently have a four member Executive Committee composed of our Chair and Vice-Chair and Messrs. Guy W. Adams and Edward L. Kane. Due to this structure, the concurrence of at least one non-management member of the Executive Committee is required in order for the Executive Committee to take action.

We believe that our Directors bring a broad range of leadership experience to our Company and regularly contribute to the thoughtful discussion involved in effectively overseeing the business and affairs of the Company. We believe that all Board members are well engaged in their responsibilities and that all Board members express their views and consider the opinions expressed by other Directors. A majority of our Board is independent under the NASDAQ Listing Rules and SEC rules, and William D. Gould serves as the Lead Independent Director among our Independent Directors ("Lead Independent Director"). In that capacity, Mr. Gould chairs meetings of the Independent Directors and acts as liaison between our Chair, President and Chief Executive Officer and our Independent Directors. Our Independent Directors are involved in the leadership structure of our Board by serving on our Audit Committee and the Compensation Committee, each of which has a separate independent Chair. Nominations to our Board for the Annual Meeting were made by our entire Board, consisting of a majority of Independent Directors.

Since our last Annual Meeting of Stockholders, we have (i) adopted a best practices Charter for our Compensation Committee, (ii) adopted a new best practices Charter for our Audit Committee, and (iii) completed, with the assistance of compensation consultants Willis Towers Watson and outside counsel Greenberg Traurig, LLP, a complete review of our compensation practices, in order to bring them into alignment with current best practices. Immediately prior to our last Annual Meeting we adopted a new supplemental policy restricting trading in our stock by our Directors and executive officers.

Management Succession

On August 7, 2014, James J. Cotter, Sr., our then controlling stockholder, Chair and Chief Executive Officer, resigned from all positions at our Company, and passed away on September 13, 2014. Upon his resignation, Ellen M. Cotter was appointed Chair, Margaret Cotter, her sister, was appointed Vice Chair and James Cotter, Jr., her brother, was appointed Chief Executive Officer, while continuing his position as President.

On June 12, 2015, the Board terminated the employment of James Cotter, Jr. as our President and Chief Executive Officer, and appointed Ellen M. Cotter to serve as the Company's interim President and Chief Executive Officer. The Board established an Executive Search Committee (the "Search Committee") initially composed of Ellen M. Cotter, Margaret Cotter, and Independent Directors William Gould and Douglas McEachern, and retained Korn Ferry to evaluate candidates for the Chief Executive Officer position. Ellen M. Cotter resigned from the Search Committee when she concluded that she was a serious candidate for the position. Korn Ferry screened over 200 candidates and ultimately presented six external candidates to the Search Committee. The Search Committee evaluated those external candidates and Ellen M. Cotter in meetings in December 2015 and January 2016, considering numerous factors, including, among others, the benefits of having a President and Chief Executive Officer who has the confidence of the existing senior management team, Ms. Cotter's prior performance as an executive of the Company and her performance as the interim President and Chief Executive Officer of the Company, the qualifications, experience and compensation demands of the external candidates, and the benefits and detriments of having a Chair, President and Chief Executive Officer who is also a controlling stockholder of the Company. The Search Committee recommended the appointment of Ellen M. Cotter as permanent President and Chief Executive Officer and the Board appointed her on January 8, 2016, with seven Directors voting yes, one Director (James Cotter, Jr.) voting no, and Ellen M. Cotter abstaining.

Board's Role in Risk Oversight

Our management is responsible for the day-to-day management of risks we face as a Company, while our Board, as a whole and through its committees, has responsibility for the oversight of risk management. In its risk oversight role, our Board has the responsibility to satisfy itself that the risk management processes designed and implemented by management are adequate and functioning as designed.

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The Board plays an important role in risk oversight at Reading through direct decision-making authority with respect to significant matters, as well as through the oversight of management by the Board and its committees. In particular, the Board administers its risk oversight function through (1) the review and discussion of regular periodic reports by the Board and its committees on topics relating to the risks that the Company faces, (2) the required approval by the Board (or a committee of the Board) of significant transactions and other decisions, (3) the direct oversight of specific areas of the Company's business by the Audit Committee and the Compensation Committee, and (4) regular periodic reports from the auditors and other outside consultants regarding various areas of potential risk, including, among others, those relating to our internal control over financial reporting. The Board also relies on management to bring significant matters impacting the Company to the attention of the Board.

"Controlled Company" Status

Under section 5615(c)(1) of the NASDAQ Listing Rules, a "controlled company" is a company in which 50% of the voting power for the election of Directors is held by an individual, a group or another company. Together, Ellen M. Cotter and Margaret Cotter beneficially own 1,208,988 shares or 71.9% of our Class B Stock. Our Class A Stock does not have voting rights. Based on advice of counsel, our Board has determined that the Company is therefore a "controlled company" within the NASDAQ Listing Rules.

After reviewing the benefits and detriments of taking advantage of the exemptions to certain corporate governance rules available to a "controlled company" as set forth in the NASDAQ Listing Rules, our Board has determined to take advantage of those exemptions. In reliance on a "controlled company" exemption, the Company does not maintain a separate standing Nominating Committee. The Company nevertheless at this time maintains a full Board composed of a majority of Independent Directors and a fully independent Audit Committee, and has no present intention to vary from that structure. Our Board, consisting of a majority of Independent Directors, approved the nominees for our 2016 Annual Meeting. See " *Consideration and Selection of the Board's Director Nominees* ," below. Each of the nominees, in each case the nominee abstaining from the vote, was approved by at least a majority of our Directors.

Board Committees

Our Board has a standing Executive Committee, Audit Committee, and Compensation Committee. The Tax Oversight Committee has been inactive since November 2, 2015 in anticipation that its functions would be moved to the Audit Committee under its new charter. That new charter was approved on May 5, 2016. These committees, other than the Tax Oversight Committee, are discussed in greater detail below.

Executive Committee . The Executive Committee operates pursuant to a Charter adopted by our Board. Our Executive Committee is currently composed of Ms. Ellen M. Cotter, Ms. Margaret Cotter and Messrs. Adams and Kane. Pursuant to its Charter, the Executive Committee is authorized, to the fullest extent permitted by Nevada law and our Bylaws, to take any and all actions that could have been taken by the full Board between meetings of the full Board. The Executive Committee held six meetings during 2015.

Audit Committee . The Audit Committee operates pursuant to a Charter adopted by our Board that is available on our website at http://www.readingrdi.com/Committee-Charters . The Audit Committee reviews, considers, negotiates and approves or disapproves related party transactions (see the discussion in the section entitled " *Certain Relationships and Related Party Transactions* " below). In addition, the Audit Committee is responsible for, among other things, (i) reviewing and discussing with management the Company's financial statements, earnings press releases and all internal controls reports, (ii) appointing, compensating and overseeing the work performed by the Company's independent auditors, and (iii) reviewing with the independent auditors the findings of their audits.

Our Board has determined that the Audit Committee is composed entirely of Independent Directors (as defined in section 5605(a)(2) of the NASDAQ Listing Rules), and that Mr. McEachern, the Chair of our Audit Committee, is qualified as an Audit Committee Financial Expert. Our Audit Committee is currently composed of Mr. McEachern, who serves as Chair, Mr. Kane and Mr. Wrotniak. Mr. Timothy Storey, who served on our Board through October 11, 2015, served on our Audit Committee through the same date. The Audit Committee held four meetings during 2015.

Compensation Committee . Our Board has established a standing Compensation Committee consisting of three of our non-employee Directors, and is currently composed of Mr. Kane, who serves as Chair, Dr. Codding and Mr. McEachern. Mr. Storey served on our Compensation Committee through October 11, 2015 and Mr. Adams served

through May 14, 2016. As a Controlled Company, we are exempt from the NASDAQ Listing Rules regarding the determination of executive compensation solely by Independent Directors. Notwithstanding such exemption, we adopted a Compensation Committee charter on March 10, 2016 requiring our Compensation Committee members to meet the independence rules and regulations of the SEC and the NASDAQ Stock Market. As a part of the transition to this new compensation committee structure, the compensation for 2016 of the President, Chief Executive Officer, all Executive Vice Presidents, and all Managing Directors was reviewed and approved by the Board at that March 10, 2016 meeting.

The Compensation Committee charter is available on our website at http://www.readingrdi.com/charter-of-our-compensation-stock-options-committee/ . The Compensation Committee evaluates and makes recommendations to the full Board regarding the compensation of our Chief Executive Officer. Under its new Charter, the Compensation Committee has delegated authority to establish the compensation for all executive officers other than the President and Chief Executive Officer; provided that compensation decisions related to members of the Cotter Family remain vested in the full Board. In addition, the Compensation Committee establishes the Company's general compensation philosophy and objectives (in consultation with management), approves and adopts on behalf of the Board incentive compensation and equity-based compensation plans, subject to stockholder approval as required, and performs other compensation related functions as delegated by our Board. The Compensation Committee held three meetings during 2015.

Consideration and Selection of the Board's Director Nominees

The Company has elected to take the "Controlled Company" exemption under applicable NASDAQ Listing Rules. Accordingly, the Company does not maintain a standing Nominating Committee. Our Board, consisting of a majority of Independent Directors, approved the Board nominees for our 2016 Annual Meeting.

Our Board does not have a formal policy with respect to the consideration of Director candidates recommended by our stockholders. No non-Director stockholder has, in more than the past ten years, made any formal proposal or recommendation to the Board as to potential nominees. Neither our governing documents nor applicable Nevada law place any restriction on the nomination of candidates for election to our Board directly by our stockholders. In light of the facts that (i) we are a Controlled Company under the NASDAQ Listing Rules and exempted from the requirements for an independent nominating process, and (ii) our governing documents and Nevada law place no limitation upon the direct nomination of Director candidates by our stockholders, our Board believes there is no need for a formal policy with respect to Director nominations.

Our Board will consider nominations from our stockholders, provided written notice is delivered to our Secretary at our principal executive offices not less than 120 days prior to the first anniversary of the date that this Proxy Statement is sent to stockholders, or such earlier date as may be reasonable in the event that our annual stockholders meeting is moved more than 30 days from the anniversary of the 2016 Annual Meeting. Such written notice must set forth the name, age, address, and principal occupation or employment of such nominee, the number of shares of our common stock that are beneficially owned by such nominee, and such other information required by the proxy rules of the SEC with respect to a nominee of our Board.

Our Directors have not adopted any formal criteria with respect to the qualifications required to be a Director or the particular skills that should be represented on our Board, other than the need to have at least one Director and member of our Audit Committee who qualifies as an "audit committee financial expert," and have not historically retained any third party to identify or evaluate or to assist in identifying or evaluating potential nominees. We have no policy of considering diversity in identifying Director nominees.

Our Board oversees risk by remaining well-informed through regular meetings with management and our Chair's personal involvement in our day-to-day business including any matters requiring specific risk management oversight. Our Chair, President and Chief Executive Officer chairs regular senior management meetings, which are typically held weekly, one addressing domestic issues and the other addressing overseas issues. The risk oversight function of our Board is enhanced by the fact that our Audit Committee is comprised entirely of Independent Directors.

We encourage, but do not require, our Board members to attend our Annual Meeting. All of our nine then-incumbent Directors attended last year's annual meeting.

Following a review of the experience and overall qualifications of the Director candidates, our Board resolved to nominate, each of the incumbent Directors named in Proposal 1 for election as Directors of the Company at our 2016 Annual Meeting.

The Board, in reaching the decision to nominate Mr. James Cotter, Jr. for re-election to the Board, took a number of factors into consideration. Without attempting to place any particular priority on any particular consideration, the Board considered Mr. Cotter Jr.'s pending litigation against certain of the other Directors; his pending arbitration proceedings with the Company related to his prior termination as the President and Chief Executive Officer of our Company; his litigation against the Company seeking reimbursement and future advancement of his legal fees and expenses incurred in such arbitration proceedings; the Board's June 2015 determination to terminate Mr. Cotter, Jr. as our Company's President and Chief Executive Officer; the potential that this personal action and legal proceedings have and will likely continue to cause dissension among Board members and impact the otherwise collegial nature of Board meetings; Mr. Cotter, Jr.'s longevity on the Board and his broad knowledge of our Company; Mr. Cotter, Jr.'s beneficial holdings of the Company's securities; the fact that, depending on the ultimate resolution of certain litigation as to the terms of the Cotter Trust, Mr. Cotter, Jr. could periodically or ultimately hold voting control over our Company, and the fact that Ellen M. Cotter and Margaret Cotter had notified the Board that, as the beneficial owners of over 70% of the voting power of our Company, they supported Mr. Cotter Jr.'s ongoing participation on the Board. After considering these factors, the Board nominated Mr. Cotter, Jr. to serve another term as a Director of the Company.

Each of the nominees received at least seven (7) Yes votes, with each such nominee abstaining as to his or her nomination. Director Cotter, Jr. abstained with respect to the nomination of each of the nominees other than Ellen M. Cotter and Margaret Cotter, and voted Yes for Ellen M. Cotter and Margaret Cotter. Director Adams voted No with respect to the nomination of James Cotter, Jr.

Code of Ethics

We have adopted a Code of Ethics designed to help our Directors and employees resolve ethical issues. Our Code of Ethics applies to all Directors and employees, including the Chief Executive Officer, the Chief Financial Officer, principal accounting officer, controller and persons performing similar functions. Our Code of Ethics is posted on our website at http://www.readingrdi.com/Governance-Documents .

The Board has established a means for employees to report a violation or suspected violation of the Code of Ethics anonymously. In addition, we have adopted a "Whistleblower Policy," which is posted on our website, at http://www.readingrdi.com/Governance-Documents , that establishes a process by which employees may anonymously disclose to the Audit Committee alleged fraud or violations of accounting, internal accounting controls or auditing matters.

Review, Approval or Ratification of Transactions with Related Persons

The Audit Committee adopted a written charter for approval of transactions between the Company and its Directors, Director nominees, executive officers, greater than five percent beneficial owners and their respective immediate family members, where the amount involved in the transaction exceeds or is expected to exceed $120,000 in a single calendar year and the party to the transaction has or will have a direct or indirect interest. A copy of this charter is available at www.readingrdi.com under the "Investor Relations" caption. For additional information, see the section entitled " *Certain Relationships and Related Party Transactions* ."

Material Legal Proceedings

On June 12, 2015, the Board terminated James Cotter, Jr. as the President and Chief Executive Officer of our Company. That same day, Mr. Cotter, Jr. filed a lawsuit, styled as both an individual and a derivative action, and titled "James Cotter, Jr., individually and derivatively on behalf of Reading International, Inc. vs. Margaret Cotter, et al." Case No,: A-15-719860-V, Dept. XI (the "Cotter Jr. Derivative Action" and the "Cotter, Jr. Complaint," respectively) against the Company and each of our other then sitting Directors (Ellen M. Cotter, Margaret Cotter, Guy Adams, William Gould, Edward Kane, Douglas McEachern, and Tim Storey, the "Original Defendant Directors") in the Eighth Judicial District Court of the State of Nevada for Clark County (the "Nevada District Court"). On October 22, 2015, Mr. Cotter, Jr., amended his complaint to drop his individual claims (the "Amended Cotter Jr. Derivative Complaint"). Accordingly, the Amended Cotter, Jr. Complaint presently purports to assert only purportedly derivative claims and to seek remedies

only on behalf of the Company. The lawsuit currently alleges, among other things, that the Original Defendant Directors breached their fiduciary duties to the Company by terminating Mr. Cotter, Jr. as President and Chief Executive Officer, continuing to make use of the Executive Committee that has been in place for more than the past ten years, making allegedly potentially misleading statements in its press releases and filings with the Securities and Exchange Commission ("SEC"), paying certain compensation to Ms. Ellen M. Cotter, and allowing the Cotter Estate to make use of Class A Common Stock to pay for the exercise of certain long outstanding stock options held of record by the Cotter Estate. He seeks reinstatement as President and Chief Executive Officer and alleges as damages fluctuations in the price for our Company's shares after the announcement of his termination as President and Chief Executive Officer and certain unspecified damages to our Company's reputation.

In a derivative action, the stockholder plaintiff seeks damages or other relief for the benefit of the Company, and not for the stockholder plaintiff's individual benefit. Accordingly, the Company is, at least in theory, only a nominal defendant in such a derivative action. However, as a practical matter, because Mr. Cotter, Jr. is also seeking, among other things, an order that our Board's determination to terminate Mr. Cotter Jr. was ineffective and that he should be reinstated as the President and Chief Executive Officer of the Company and also that our Board's Executive Committee be disbanded (an injunctive remedy that, if granted, would be binding on the Company), and as he asserts potentially misleading statements in certain press releases and filings with the SEC, the Company is incurring significant cost and expense defending the decision to terminate Mr. Cotter, Jr. as President and Chief Executive Officer, its Board committee structure, and the adequacy of those press releases and filings. Also, the Company continues to incur costs promulgating and responding to discovery demands and satisfying indemnity obligations to the Original Defendant Directors.

Our Directors and Officers Insurance liability insurer is providing insurance coverage, subject to a $500,000 deductible (which has now been exhausted) and its standard reservation of rights, with respect to the defense of the Original Director Defendants. Our new Directors, Dr. Judy Codding and Mr. Michael Wrotniak, are not named in the Cotter Jr. Derivative Action as they were not Directors at the time of the breaches of fiduciary duty alleged by Mr. Cotter, Jr.

Pursuant to the terms of Mr. Cotter Jr.'s employment agreement with the Company, disputes relating to his employment are to be arbitrated. Accordingly, on July 14, 2015, the Company filed an arbitration demand with the American Arbitration Association against Mr. Cotter, Jr. The demand seeks declaratory relief, among other things, that Mr. Cotter, Jr.'s employment and employment agreement with the Company have been validly terminated and that the Board validly removed him from his positions as President and Chief Executive Officer of the Company and positions with the Company's subsidiaries.

Mr. Cotter, Jr. has filed a counter-complaint in the arbitration, asserting claims for breach of his employment contract, declaratory relief, and contractual indemnification. Mr. Cotter, Jr.'s counsel has advised that Mr. Cotter is seeking a variety of damages, including consequential damages, and that such claimed damages total no less than $1,000,000. On April 19, 2016, Mr. Cotter, Jr. filed an action in the District Court, Clark County, Nevada seeking to recover his costs of defending the Arbitration, plus compensatory damages and interest at the maximum legal rate. The Company intends to vigorously defend these claims.

On August 6, 2015, the Company received notice that a Motion to Intervene in the Cotter Jr. Derivative Action and that a proposed derivative complaint had been filed in the Nevada District Court captioned T2 Partners Management, LP, a Delaware limited partnership, doing business as Kase Capital Management; T2 Accredited Fund, LP, a Delaware limited partnership, doing business as Kase Fund; T2 Qualified Fund, LP, a Delaware limited partnership, doing business as Kase Qualified Fund; Tilson Offshore Fund, Ltd, a Cayman Islands exempted company; T2 Partners Management I, LLC, a Delaware limited liability company, doing business as Kase Management; T2 Partners Management Group, LLC, a Delaware limited liability company, doing business as Kase Group; JMG Capital Management, LLC, a Delaware limited liability company; and Pacific Capital Management, LLC, a Delaware limited liability company, derivatively on behalf of Reading International, Inc. vs. Margaret Cotter, Ellen M. Cotter, Guy Adams, Edward Kane, Douglas McEachern, Timothy Storey, William Gould and Does 1 through 100, inclusive, as defendants, and, Reading International, Inc., a Nevada corporation, as Nominal Defendant (the "T2 Derivative Action"). On August 11, 2015, the Court granted the motion of T2 Partners Management, LP et. al. (the "T2 Plaintiffs"), allowing these plaintiffs to file their complaint (the "T2 Derivative Complaint").

On September 9, 2015, certain of the Original Defendant Directors filed a Motion to Dismiss the T2 Derivative Complaint. The Company joined this Motion to Dismiss on September 14, 2015. The hearing on this Motion to Dismiss was vacated as the T2 Plaintiffs voluntarily withdrew the T2 Derivative Complaint, with the parties agreeing that T2 Plaintiffs would have leave to amend the Complaint. On February 12, 2016, the T2 Plaintiffs filed an amended T2 Derivative Complaint (the "Amended T2 Derivative Complaint").

The T2 Plaintiffs allege in their Amended T2 Derivative Complaint various violations of fiduciary duty, abuse of control, gross mismanagement and corporate waste by the Amended T2 Complaint Director Defendants (as such term is defined below). More specifically the Amended T2 Derivative Complaint seeks certain monetary damages, as well as equitable injunctive relief, attorney fees and costs of suit. Once again, the Company has been named as a nominal defendant. However, because the Amended T2 Derivative Complaint also seeks the reinstatement of Mr. Cotter, Jr., as our President and CEO, it is being defended by the Company. In addition, the Company continues to incur costs promulgating and responding to discovery demands and satisfying indemnity obligations to the Amended T2 Complaint Director Defendants. The defendants in the Amended T2 Complaint are the same as named in the Cotter Jr. Derivative Action as well as our two new Directors, Dr. Judy Codding and Michael Wrotniak, and Company legal counsel, Craig Tompkins. Mr. Storey was not named as a defendant in the Amended T2 Complaint. The cost of the defense of Directors Codding and Wrotniak is likewise being covered by our Directors and Officers Liability Insurance carrier with the same reservations of right as in the Cotter Jr. Derivative Action, but without any separate deductible. The coverage under our Directors and Officers Liability Insurance of the cost of the defense of Mr. Tompkins is being reviewed by the insurer and is currently being covered by the Company under its indemnity agreement with him. The Directors named in the T2 Derivative Complaint are referred to herein as the "Amended T2 Complaint Director Defendants" and the Directors named in the Amended Cotter, Jr. Derivative Complaint are referred to herein as the Amended Cotter Jr. Complaint Director Defendants.

The Amended T2 Derivative Complaint has deleted its request for an order disbanding our Executive Committee and an order "collapsing the Class A and B stock structure into a single class of voting stock." The Amended T2 Complaint has added a request for an order setting aside the election results from the 2015 Annual Meeting of Stockholders, based on an allegation that Ellen M. Cotter and Margaret Cotter were not entitled to vote the shares of Class B Common Stock held by the Cotter Estate and the Cotter Trust. The Company and the other defendants contest the allegations of the T2 Plaintiffs. The Company followed applicable Nevada law in recognizing that Ellen M. Cotter and Margaret Cotter had the legal right and power to vote the shares of Class B Common Stock held of record by the Cotter Estate and the Cotter Trust, and the independent Inspector of Elections has certified the results of that election. Furthermore, even if the election results were to be overturned or voided, this would have no impact on the current composition of our Board, as all of the nominees were standing for re-election and accordingly retain their directorships until their replacements are elected. The Company will vigorously contest any assertions by the T2 Plaintiffs challenging the voting at the 2015 Annual Meeting of Stockholders and believes that the court will rule for the Company should this issue ever reach the court. The case is currently set for trial in November, 2016.

On May 2, 2016, the T2 Plaintiffs filed a petition on order shortening time seeking a preliminary injunction (1) enjoining the Inspector of Elections from counting any proxies purporting to vote either the 327,808 Class B shares represented by stock certificate B0005 (held of record by the Cotter Estate) or the 696,080 Class B shares represented by stock certificate RDIB 0028 (held of record by the Cotter Trust) at the upcoming June 2, 2016 Annual Meeting, and (2) enjoining Ellen M. Cotter, Margaret Cotter and James Cotter, Jr. from voting the above referenced shares at the 2016 Annual Meeting. The Company believes that the above referenced shares are currently held of record by the Cotter Estate and the Cotter Trust, and that such shares can be voted by the Co-Executors of the Cotter Estate and the Trustees of the Cotter Trust, as applicable.

The Company believes that the claims set forth in the Amended Cotter Jr. Derivative Complaint and the Amended T2 Derivative Complaint are entirely without merit and seek equitable remedies for which no relief can be given. The Company intends to defend vigorously against our Directors and Officers and against any attempt to reinstate Mr. Cotter, Jr. as President and Chief Executive Officer or to effect any changes in the rights of our Company's stockholders. Mr. Storey has been dismissed by stipulation as a defendant in the James Cotter Jr. Derivative Action.

On May 13, 2016, Directors Adams, Codding, Ellen M. Cotter, Margaret Cotter, Kane, McEachern and Wrotniak filed a motion in the T2 Derivative Action to disqualify the T2 Plaintiffs on the grounds that at least one of the T2 Plaintiffs had engaged in trading in our Company's Class A Common Stock after production by the Company and the

Amended T2 Complaint Director Defendants of confidential information in the discovery process.

PROPOSAL 1: Election of Directors

Nominees for Election

Nine Directors are to be elected at our Annual Meeting to serve until the annual meeting of stockholders to be held in 2017 or until their successors are duly elected and qualified. Unless otherwise instructed, the proxy holders will vote the proxies received by us "FOR" the election of the nominees below, all of whom currently serve as Directors. The nine nominees for election to the Board who receive the greatest number of votes cast for the election of Directors by the shares present and entitled to vote will be elected Directors. If any nominee becomes unavailable for any reason, it is intended that the proxies will be voted for a substitute nominee designated by the Board. The nominees named have consented to serve if elected.

The names of the nominees for Director, together with certain information regarding them, are as follows:

Name	Age	Position
Ellen M. Cotter	50	Chair of the Board and Chief Executive Officer and President [1]
Guy W. Adams	65	Director [1]
Judy Codding	71	Director [2]
James Cotter, Jr.	46	Director [3]
Margaret Cotter	48	Vice Chair of the Board and Executive Vice President-Real Estate Management and Development-NYC (1)
William D. Gould	77	Director [4]
Edward L. Kane	78	Director [1][2][3][5]
Douglas J. McEachern	64	Director [2][5]
Michael Wrotniak	49	Director [5]

(1) Member of the Executive Committee.
(2) Member of the Compensation and Stock Options Committee.
(3) Member of the Tax Oversight Committee. This committee has been inactive since November 2, 2015, in anticipation that its functions would move to the Audit Committee under its new charter. That new charter was approved on May 5, 2016.
(4) Lead Independent Director.
(5) Member of the Audit and Conflicts Committee.

Ellen M. Cotter. Ellen M. Cotter has been a member of our Board since March 13, 2013, and currently serves as a member of our Executive Committee. Ms. Cotter was appointed Chair of our Board on August 7, 2014 and served as our interim President and Chief Executive Officer from June 12, 2015 until January 8, 2016, when she was appointed our permanent President and Chief Executive Officer. She joined the Company in March 1998. Ms. Cotter is a graduate of Smith College and holds a Juris Doctor from Georgetown Law School. Prior to joining the Company, Ms. Cotter spent four years in private practice as a corporate attorney with the law firm of White & Case in New York City. Ms. Cotter is the sister of Margaret Cotter and James Cotter, Jr. For more than the past ten years, Ms. Cotter served as the Chief Operating Officer ("COO") of our domestic cinema operations, in which capacity she had, among other things, responsibility for the acquisition and development, marketing and operation of our cinemas in the United States. Prior to her appointment as COO of Domestic Cinemas, she spent a year in Australia and New Zealand, working to develop our cinema and real estate assets in those countries. Ms. Cotter is the Co-Executor of the Cotter Estate, which is the record owner of 427,808 shares of our Class B Stock (representing 25.5% of such Class B Stock). Ms. Cotter is also a Co-Trustee of the Cotter Trust, which is the record owner of 696,080 shares of Class B Stock (representing an additional 41.4% of such Class B Stock).

Ms. Cotter brings to our Board her 18 years of experience working in our Company's cinema operations in the United States, Australia and New Zealand. She has also served as the Chief Executive Officer of Reading's subsidiary,

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Consolidated Entertainment, LLC, which operates substantially all of our cinemas in Hawaii and California. In addition, with her direct ownership of 799,765 shares of Class A Stock and 50,000 shares of Class B Stock, and her positions as Co-Executor of the Cotter Estate and Co-Trustee of the Cotter Trust, Ms. Cotter is a significant stakeholder in our Company. In recognition of her contributions to the independent film industry, Ms. Cotter was awarded the first Gotham Appreciation Award at the 2015 Gotham Independent Film Awards. She was also inducted that same year into the ShowEast Hall of Fame.

Guy W. Adams . Guy W. Adams has been a Director of the Company since January 14, 2014, currently serves as the chair of our Executive Committee, and until May 14, 2016, served as a member of our Compensation Committee . For more than the past ten years, he has been a Managing Member of GWA Capital Partners, LLC, a registered investment adviser managing GWA Investments, LLC, a fund investing in various publicly traded securities . Over the past fifteen years, Mr. Adams has served as an independent director on the boards of directors of Lone Star Steakhouse & Saloon, Mercer International, Exar Corporation and Vitesse Semiconductor . At these companies, he has held a variety of board positions, including lead director, audit committee chair, and compensation committee chair . He has spoken on corporate governance topics before such groups as the Council of Institutional Investors, the USC Corporate Governance Summit and the University of Delaware Distinguished Speakers Program. Mr. Adams provides investment advice to private clients and currently invests his own capital in public and private equity transactions . He has served as an advisor to James J. Cotter, Sr. and continues to provide professional advisory services to various enterprises now owned by either the Cotter Estate or the Cotter Trust. Mr. Adams received his Bachelor of Science degree in Petroleum Engineering from Louisiana State University and his Masters of Business Administration from Harvard Graduate School of Business Administration.

Mr. Adams brings many years of experience serving as an independent director on public company boards, and in investing and providing financial advice with respect to investments in public companies.

Dr. Judy Codding . Dr. Judy Codding has been a Director of our Company since October 5, 2015, and currently serves as a member of our Compensation Committee. Dr. Codding is a globally respected education leader. From October 2010 until October 2015 she served as the Managing Director of "The System of Courses," a division of Pearson, PLC (NYSE: PSO), the largest education company in the world that provides education products and services to institutions, governments, and direct to individual learners. Prior to that time, Dr. Codding served as the Chief Executive Officer and President of America's Choice, Inc., which she founded in 1998, and which was acquired by Pearson in 2010. America's Choice, Inc. was a leading education company offering comprehensive, proven solutions to the complex problems educators face in the era of accountability. Dr. Codding has a Doctorate in Education from University of Massachusetts at Amherst, and completed postdoctoral work and served as a teaching associate in Education at Harvard University where she taught graduate level courses focused on moral leadership. Dr. Codding has served on various boards, including the Board of Trustees of Curtis School, Los Angeles, CA (2011 to present) and the Board of Trustees of Educational Development Center, Inc. (EDC) since 2012. Through family entities, Dr. Codding has been and continues to be involved in the real estate business, through the ownership of hotels, shopping centers and buildings in Florida and the exploration of mineral, oil and gas rights in Maryland and Kentucky.

Dr. Codding brings to our Board her experience as an entrepreneur, as an author, advisor and researcher in the areas of leadership training and decision-making as well as her experience in the real estate business.

James Cotter, Jr. James Cotter, Jr. has been a Director of our Company since March 21, 2002, and served as a member of our Tax Oversight Committee. The Tax Oversight Committee has been inactive since November 2, 2015, in anticipation that its functions would be moved to the Audit Committee under its new charter. That new charter was adopted on May 5, 2016. Mr. Cotter, Jr. served as our Vice Chair from June 2007 until August 7, 2014. Mr. Cotter, Jr. served as our President from June 1, 2013 through June 12, 2015, and as our Chief Executive Officer from August 7, 2014 through June 12, 2015. He is currently the lead director of Cecelia Packing Corporation (a Cotter family -owned citrus grower, packer and marketer) and served as the Chief Executive Officer of that company from July 2004 until 2013. Mr. Cotter, Jr. served as a Director of Cecelia Packing Corporation from February 1996 to September 1997, and as a Director of Gish Biomedical from September 1999 to March 2002. He was an attorney in the law firm of Winston & Strawn (and its predecessor), specializing in corporate law, from September 1997 to May 2004. Mr. Cotter, Jr. is the brother of Margaret Cotter and Ellen M. Cotter. Mr. Cotter, Jr. has advised the Company that he is a Co-Trustee of the Cotter Trust, which is the record owner of 696,080 shares of Class B Stock (representing 41.4% of such Class B Stock). The Company understands that Mr. Cotter's status as a trustee of the Cotter Trust is disputed by his sisters, Ellen M. Cotter and Margaret Cotter.

James Cotter, Jr. brings to our Board his experience as a business professional and corporate attorney, as well as his many years of experience in, and knowledge of, the Company's business and affairs. In addition, with his direct ownership of 770,186 shares of our Company's Class A Common Stock and his position as Co-Trustee of the Cotter Trust, Mr. Cotter, Jr. is a significant stakeholder in our Company. Further, depending on the outcome of ongoing Trust Litigation, in the future Mr. Cotter, Jr. may be a controlling stockholder in the Company.

Margaret Cotter. Margaret Cotter has been a Director of our Company since September 27, 2002, and on August 7, 2014 was appointed Vice Chair of our Board and currently serves as a member of our Executive Committee. On March 10, 2016, our Board appointed Ms. Cotter as Executive Vice President-Real Estate Management and Development-NYC. In this position, Ms. Cotter is responsible for the management of our live theater properties and operations, including oversight of the re-development of our Union Square and Cinemas 1, 2, 3 properties. Ms. Cotter is the owner and President of OBI, LLC ("OBI"), which, from 2002 until her appointment as Executive Vice President-Real Estate Management and Development-NYC, managed our live-theater operations under a management agreement. Pursuant to the OBI management agreement, Ms. Cotter also served as the President of Liberty Theaters, LLC, the subsidiary through which we own our live theaters. The OBI management agreement was terminated with Ms. Cotter's appointment as Executive Vice President-Real Estate Management and Development-NYC. Ms. Cotter is also a theatrical producer who has produced shows in Chicago and New York and is a board member of the League of Off-Broadway Theaters and Producers. Ms. Cotter, a former Assistant District Attorney for King's County in Brooklyn, New York, graduated from Georgetown University and Georgetown University Law Center. She is the sister of Ellen M. Cotter and James Cotter, Jr. Ms. Margaret Cotter is a Co-Executor of the Cotter Estate, which is the record owner of 427,808 shares of our Class B Stock (representing 25.5% of such Class B Stock). Ms. Margaret Cotter is also a Co-Trustee of the Cotter Trust, which is the record owner of 696,080 shares of Class B Voting Common Stock (representing an additional 41.4% of such Class B Stock).

Ms. Cotter brings to the Board her experience as a live theater producer, theater operator and an active member of the New York theater community, which gives her insight into live theater business trends that affect our business in this sector. Operating and overseeing these properties for over 17 years, Ms. Cotter contributes to the strategic direction for our developments. In addition, with her direct ownership of 804,173 shares of Class A Stock and 35,100 shares of Class B Stock and her positions as Co-Executor of the Cotter Estate and Co-Trustee of the Cotter Trust, Ms. Cotter is a significant stakeholder in our Company.

William D. Gould. William D. Gould has been a Director of our Company since October 15, 2004, and currently serves as our Lead Independent Director. Mr. Gould has been a member of the law firm of TroyGould PC since 1986. Previously, he was a partner of the law firm of O'Melveny & Myers. We have from time to time retained TroyGould PC for legal advice. Total fees payable to Mr. Gould's law firm for calendar year 2015 were $61,000.84.

Mr. Gould is an author and lecturer on the subjects of corporate governance and mergers and acquisitions. Mr. Gould brings to our Board more than fifty years of experience as a corporate lawyer and advisor focusing on corporate governance, mergers and acquisitions.

Edward L. Kane. Edward L. Kane has been a Director of our Company since October 15, 2004. Mr. Kane was also a Director of our Company from 1985 to 1998, and served as President from 1987 to 1988. Mr. Kane currently serves as the chair of our Compensation Committee, and served as chair of our Tax Oversight Committee. That committee has been inactive since November 2, 2015, in anticipation that its functions would be moved to the Audit Committee under its new charter. The new charter for the Audit Committee was approved on May 5, 2016. He also serves as a member of our Executive Committee and our Audit Committee. Mr. Kane practiced as a tax attorney for many years in San Diego, California. Since 1996, Mr. Kane has acted as a consultant and advisor to the health care industry, serving as the President and sole shareholder of High Avenue Consulting, a healthcare consulting firm, and as the head of its successor proprietorship. During the 1990s, Mr. Kane also served as the Chair and Chief Executive Officer of ASMG Outpatient Surgical Centers in southern California, and he served as a director of BDI Investment Corp., which was a regulated investment company based in San Diego. For over a decade, he was the Chair of Kane Miller Books, an award-winning publisher of children's books. At various times during the past three decades, Mr. Kane has been Adjunct Professor of Law at two of San Diego's law schools, most recently in 2008 and 2009 at Thomas Jefferson School of Law, and prior thereto at California Western School of Law.

In addition to his varied business experience, Mr. Kane brings to our Board his many years as a tax attorney and law professor. Mr. Kane also brings his experience as a past President of Craig Corporation and of Reading Company,

two of our corporate predecessors, as well as his experience as a former member of the boards of directors of several publicly held corporations.

Douglas J. McEachern. Douglas J. McEachern has been a Director of our Company since May 17, 2012 and chair of our Audit Committee since August 1, 2012 and serves as a member of our Compensation Committee since May 14, 2016. He has served as a member of the board and of the audit and compensation committee for Willdan Group, a NASDAQ listed engineering company, since 2009. From June 2011 until October 2015, Mr. McEachern was a director of Community Bank in Pasadena, California and a member of its audit committee. Mr. McEachern served as the chair of the board of Community Bank from October 2013 until October 2015. He also is a member of the finance committee of the Methodist Hospital of Arcadia. From September 2009 to December 2015, Mr. McEachern served as an instructor of auditing and accountancy at Claremont McKenna College. Mr. McEachern was an audit partner from July 1985 to May 2009 with the audit firm of Deloitte and Touche, LLP, with client concentrations in financial institutions and real estate. Mr. McEachern was also a Professional Accounting Fellow with the Federal Home Loan Bank board in Washington DC, from June 1983 to July 1985. From June 1976 to June 1983, Mr. McEachern was a staff member and subsequently a manager with the audit firm of Touche Ross & Co. (predecessor to Deloitte & Touche, LLP). Mr. McEachern received a B.S. in Business Administration in 1974 from the University of California, Berkeley, and an M.B.A. in 1976 from the University of Southern California.

Mr. McEachern brings to our Board his more than 38 years' experience meeting the accounting and auditing needs of financial institutions and real estate clients, including our Company. Mr. McEachern also brings his experience reporting as an independent auditor to the boards of directors of a variety of public reporting companies and as a board member himself for various companies and not-for-profit organizations.

Michael Wrotniak. Michael Wrotniak has been a Director of our Company since October 12, 2015, and has served as a member of our Audit Committee since October 25, 2015. Since 2009, Mr. Wrotniak has been the Chief Executive Officer of Aminco Resources, LLC ("Aminco"), a privately held international commodities trading firm. Mr. Wrotniak joined Aminco in 1991 and is credited with expanding Aminco's activities in Europe and Asia. By establishing a joint venture with a Swiss engineering company, as well as creating partnerships with Asia-based businesses, Mr. Wrotniak successfully diversified Aminco's product portfolio. Mr. Wrotniak became a partner of Aminco in 2002. Mr. Wrotniak has been for more than the past six years, a trustee of St. Joseph's Church in Bronxville, New York, and is a member of the Board of Advisors of the Little Sisters of the Poor at their nursing home in the Bronx, New York since approximately 2004. Mr. Wrotniak graduated from Georgetown University in 1989 with a B.S. in Business Administration (cum laude).

Mr. Wrotniak is a specialist in foreign trade, and brings to our Board his considerable experience in international business, including foreign exchange risk mitigation.

Please see footnote 12 of the Beneficial Ownership of Securities table for information regarding the election of Ellen M. Cotter, Margaret Cotter and James Cotter, Jr. to the Board.

Attendance at Board and Committee Meetings

During the year ended December 31, 2015, our Board met 13 times. The Audit Committee held four meetings, the Compensation Committee held three meetings, and the Tax Oversight Committee held one meeting. Each Director attended at least 75% of these Board meetings and at least 75% of the meetings of all committees on which he or she served.

Indemnity Agreements

We currently have indemnity agreements in place with each of our current Directors and senior officers, as well as certain of the Directors and senior officers of our subsidiaries. Under these agreements, we have agreed, subject to certain exceptions, to indemnify each of these individuals against all expenses, liabilities and losses incurred in connection with any threatened, pending or contemplated action, suit or proceeding, whether civil or criminal, administrative or investigative, to which such individual is a party or is threatened to be made a party, in any manner, based upon, arising from, relating to or by reason of the fact that such individual is, was, shall be or has been a Director, officer, employee, agent or fiduciary of the Company.

Compensation of Directors

During 2015, we paid our non-employee Directors $50,000 per year. We paid the Chair of our Audit Committee an additional $7,000 per year, the Chair of our Compensation Committee an additional $5,000 per year, the Chair of our Tax Oversight Committee an additional $18,000 per year and the Lead Independent Director an additional $5,000 per year.

In 2015, we also paid an additional one-time fee of $25,000 to each of Messrs. Adams, Gould, McEachern and Kane, and an additional one-time fee of $75,000 to Mr. Storey. These fees were awarded in each case in recognition of their service on our Board and Committees.

In March 2016, the Board approved additional special compensation to be paid for extraordinary services to the Company and devotion of time in providing such services, as follows:

Guy W. Adams: $50,000
Edward L. Kane: $10,000
Douglas J. McEachern: $10,000

Some portion of such additional special compensation was for services rendered during 2015.

Upon joining our Board, new Directors historically received immediately vested five-year stock options to purchase 20,000 shares of our Class A Stock at an exercise price equal to the market price of the stock at the date of grant. However, this process was discontinued in 2015, and Directors Codding and Wrotniak did not receive such grants. In January, 2015 and January, 2016, each of our then non-employee Directors received an annual grant of stock options to purchase 2,000 shares of our Class A Stock. The options awarded have a term of five years, an exercise price equal to the market price of Class A Stock on the grant date and were fully vested immediately upon grant. As discussed below, our outside director compensation was changed for the remainder of 2016 and the years thereafter. See " *2016 and Future Director Compensation* ," below.

Director Compensation Table

The following table sets forth information concerning the compensation to persons who served as our non -employee Directors during 2015 for their services as Directors.

Name	Fees Earned or Paid in Cash ($)	Option Awards ($)(1)	All Other Compensation ($)	Total ($)
Judy Codding	11,957	0	0	11,957
Margaret Cotter [2]	35,000	7,656	0	42,656
Guy W. Adams	75,000	7,656	0	82,656
William D. Gould	80,000	7,656	0	87,656
Edward L. Kane	98,000	7,656	0	105,656
Douglas J. McEachern	82,000	7,656	0	89,656
Tim Storey [3]	112,500	7,656	21,136 [4]	140,292
Michael Wrotniak	11,005	0	0	11,005

(1) Fair value of the award computed in accordance with FASB ASC Topic 718.

(2) Until March 10, 2016, in addition to her Director's fees, Ms. Margaret Cotter received a combination of fixed and incentive management fees under the OBI management agreement described under the caption "Certain Transactions and Related Party Transactions - OBI Management Agreement," below.

(3) Mr. Storey served on our Board and Compensation Committee through October 11, 2015.

(4) Represents fees paid to Mr. Storey as the sole independent Director of our Company's wholly owned New Zealand subsidiary.

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2016 and Future Director Compensation

As discussed below in "Compensation Discussion and Analysis," the Executive Committee of our Board, upon the recommendation of our Chief Executive Officer, requested the Compensation Committee to evaluate the Company's compensation policy for outside directors and to establish a plan that encompasses sound corporate practices consistent with the best interests of the Company. Our Compensation Committee undertook to review, evaluate, revise and recommend the adoption of new compensation arrangements for executive and management officers and outside directors of the Company. In January 2016, the Compensation Committee retained the international compensation consulting firm of Willis Towers Watson as its advisor in this process and also relied on our legal counsel, Greenberg Traurig, LLP.

The process followed by our Compensation Committee was similar to that in scope and approach used by the Compensation Committee in considering executive compensation. Willis Towers Watson reviewed and presented to the Compensation Committee the competitiveness of the Company's outside director compensation. The Company's outside director compensation was compared to the compensation paid by the 15 peer companies (identified "Compensation Discussion and Analysis"). Willis Towers Watson's key findings were:

- Our annual Board retainer was slightly above the 50th percentile while the total cash compensation paid to outside Directors was close to the 25th percentile.
- Due to our minimal annual Director equity grants, total direct compensation to our outside Directors was the lowest among the peer group.
- We should consider increasing our committee cash compensation and annual Director equity grants to be in line with peer practices.

The foregoing observations and recommendations were studied, questioned and thoroughly discussed by our Compensation Committee, Willis Towers Watson and legal counsel over the course of our Compensation Committee meetings. Among other things, our Compensation Committee discussed and considered the recommendations made by Willis Towers Watson regarding Director retainer fees and equity awards for Directors. Following discussion, our Compensation Committee recommended and our Board authorized that:

- The Board retainer currently paid to outside Directors will not be changed.
- The committee chair retainers will be increased to $20,000 for our Audit Committee and our Executive Committee and $15,000 for our Compensation Committee.
- The committee member fees will be $7,500 for our Audit and Executive Committees and $5,000 for our Compensation Committee.
- The Lead Independent Director fee will be increased to $10,000.
- The annual equity award value to Directors will be $60,000 as a fixed dollar value based on the closing price on the date of the grant and, that the equity award be restricted stock units and that such restricted stock units have a twelve month vesting period.
- Our Board also approved additional special compensation to be paid to certain directors for extraordinary services provided to us and devotion of time in providing such services as follows:
    - Guy W. Adams, $50,000
    - Edward L. Kane, $10,000
    - Douglas J. McEachern, $10,000

Our Board compensation was made effective for the year 2016 and equity grants were made on March 10, 2016 based upon the closing of the Company's Class A Common Stock on such date.

Vote Required

The nine nominees receiving the greatest number of votes cast at the Annual Meeting will be elected to the Board.

The Board has nominated each of the nominees discussed above to hold office until the 2017 Annual Meeting of Stockholders and thereafter until his or her respective successor has been duly elected and qualified. In the event that

any nominee shall be unable or unwilling to serve as a Director, the Board shall reserve discretionary authority to vote for a substitute or substitutes. The Board has no reason to believe that any nominee will be unable or to serve and all nominees named have consented to serve if elected.

Recommendation of the Board

THE BOARD RECOMMENDS A VOTE "FOR" EACH OF THE DIRECTOR NOMINEES.

Ellen M. Cotter and Margaret Cotter, who together have shared voting control over an aggregate of 1,208,988 shares, or 71.9%, of our Class B Stock, have informed the Board that they intend to vote the shares beneficially held by them in favor of the nine nominees named in this Proxy Statement for election to the Board under Proposal 1. Of the shares of Class B Stock beneficially held by them, 696,080 shares are held of record by the Cotter Trust. James Cotter, Jr. alleges he has the right to vote the shares held by the Cotter Trust. The Company believes that, under applicable Nevada Law, where there are multiple trustees of a trust that is a record owner of voting shares of a Nevada corporation, and more than one trustee votes, the votes of the majority of the voting trustees apply to all of the shares held of record by the trust. If more than one trustee votes and the votes are split evenly on any particular proposal, each trustee may vote proportionally the shares held of record by the trust. Ellen M. Cotter and Margaret Cotter, who collectively constitute a majority of the Co-Trustees of the Cotter Trust, have informed the Board that they intend to vote the shares held by the Cotter Trust for the nine nominees named in this Proxy Statement for election to the Board under Proposal 1. Accordingly, the Company believes that Ellen M. Cotter and Margaret Cotter collectively have the power and authority to vote all of the shares of Class B Stock held of record by the Cotter Trust.

REPORT OF THE AUDIT COMMITTEE

The following is the report of the Audit Committee of our Board with respect to our audited financial statements for the fiscal year ended December 31, 2015.

The information contained in this report shall not be deemed to be "soliciting material" or "filed" with the SEC or subject to the liabilities of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), except to the extent that we specifically incorporate it by reference into a document filed under the Securities Act of 1933, as amended, or the Exchange Act.

The purpose of the Audit Committee is to assist the Board in its general oversight of our financial reporting, internal controls and audit functions. The Audit Committee operates under a written Charter adopted by our Board. The Charter is reviewed periodically and subject to change, as appropriate. The Audit Committee Charter describes in greater detail the full responsibilities of the Audit Committee.

In this context, the Audit Committee has reviewed and discussed the Company's audited financial statements with management and Grant Thornton LLP, our independent auditors. Management is responsible for: the preparation, presentation and integrity of our financial statements; accounting and financial reporting principles; establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rule 13a-15(e)); establishing and maintaining internal control over financial reporting (as defined in Exchange Act Rule 13a-15(f)); evaluating the effectiveness of disclosure controls and procedures; evaluating the effectiveness of internal control over financial reporting; and evaluating any change in internal control over financial reporting that has materially affected, or is reasonably likely to materially affect, internal control over financial reporting. Grant Thornton LLP is responsible for performing an independent audit of the consolidated financial statements and expressing an opinion on the conformity of those financial statements with accounting principles generally accepted in the United States of America, as well as an opinion on (i) management's assessment of the effectiveness of internal control over financial reporting and (ii) the effectiveness of internal control over financial reporting.

The Audit Committee has discussed with Grant Thornton LLP the matters required to be discussed by Auditing Standard No. 16, "Communications with Audit Committees" and PCAOB Auditing Standard No. 5, "An Audit of Internal Control Over Financial Reporting that is Integrated with Audit of Financial Statements." In addition, Grant Thornton LLP has provided the Audit Committee with the written disclosures and the letter required by the Independence Standards Board Standard No. 1, as amended, "Independence Discussions with Audit Committees," and the Audit Committee has discussed with Grant Thornton LLP their firm's independence.

Based on their review of the consolidated financial statements and discussions with and representations from management and Grant Thornton LLP referred to above, the Audit Committee recommended to our Board that the audited financial statements be included in our Annual Report on Form 10-K for fiscal year 2015 for filing with the SEC.

It is not the duty of the Audit Committee to plan or conduct audits or to determine that the Company's financial statements are complete and accurate and in accordance with accounting principles generally accepted in the United States. That is the responsibility of management and the Company's independent registered public accounting firm. In giving its recommendation to the Board, the Audit Committee relied on (1) management's representation that such financial statements have been prepared with integrity and objectivity and in conformity with accounting principles generally accepted in the United States and (2) the report of the Company's independent registered public accounting firm with respect to such financial statements.

Respectfully submitted by the Audit Committee.

Douglas J. McEachern, Chair
Edward L. Kane
Michael Wrotniak

BENEFICIAL OWNERSHIP OF SECURITIES

Except as described below, the following table sets forth the shares of Class A Stock and Class B Stock beneficially owned on April 22, 2016 by:

- each of our incumbent Directors and Director nominees;
- each of our incumbent executive officers and named executive officers set forth in the Summary Compensation Table of this Proxy Statement;
- each person known to us to be the beneficial owner of more than 5% of our Class B Stock; and
- all of our incumbent Directors and incumbent executive officers as a group.

Except as noted, and except pursuant to applicable community property laws, we believe that each beneficial owner has sole voting power and sole investment power with respect to the shares shown. An asterisk (*) denotes beneficial ownership of less than 1%.

	Amount and Nature of Beneficial Ownership (1)			
	Class A Stock		Class B Stock	
Name and Address of Beneficial Owner	Number of Shares	Percentage of Stock	Number of Shares	Percentage of Stock
Directors and Named Executive Officers				
Ellen M. Cotter (2)(12)	3,146,965	14.5	1,173,888	69.8
James Cotter, Jr. (12)(13)	3,084,976	14.2	696,080	41.4
Margaret Cotter (3)(12)	3,335,012	15.4	1,158,988	66.9
Guy W. Adams (8)	2,000	*	--	--
Judy Codding (9)	2,000	*	--	--
William D. Gould (4)	56,340	*	--	--
Edward L. Kane (5)	21,500	*	100	*
Andrzej J. Matyczynski (16)	50,880	*	--	--
Douglas J. McEachern (6)	39,300	*	--	--
Michael Wrotniak (10)	2,000	--	--	--
Robert F. Smerling (7)	43,750	*	--	--
Wayne Smith (11)	3,000	*	--	--
William Ellis (17)	20,000	*	--	--
Dev Ghose (18)	25,000	*	--	--
5% or Greater Stockholders				
James J. Cotter Living Trust (12)	1,897,649	8.8	696,080	41.4
Estate of James J. Cotter, Sr. (Deceased) (12)	326,800	1.5	427,808	25.5

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Mark Cuban (14) 5424 Deloache Avenue Dallas, Texas 75220	72,164	*	207,913	12.4
PICO Holdings, Inc. and PICO Deferred Holdings, LLC (15) 875 Prospect Street, Suite 301 La Jolla, California 92037	--	--	117,500	7.0
James J. Cotter Foundation	102,751	*		
Cotter 2005 Grandchildren's Trust	289,390	1.3		
All Directors and executive officers as a group (14 persons)	5,032,094	23.2	1,209,088	71.9

(1) Percentage ownership is determined based on 21,654,302 shares of Class A Stock and 1,680,590 shares of Class B Stock outstanding on April 22, 2016. Beneficial ownership has been determined in accordance with SEC rules. Shares subject to options that are currently exercisable, or exercisable within 60 days following the date as of which this information is provided, and not subject to repurchase as of that date, which are indicated by footnote, are deemed to be beneficially owned by the person holding the options and are deemed to be outstanding in computing the percentage ownership of that person, but not in computing the percentage ownership of any other person.

(2) The Class A Stock shown includes 20,000 shares subject to stock options as well as 799,765 shares held directly. The Class A Stock shown also includes 102,751 shares held by the James J. Cotter Foundation (the "Cotter Foundation"). Ellen M. Cotter is Co-Trustee of the Cotter Foundation and, as such, is deemed to beneficially own such shares. Ms. Cotter disclaims beneficial ownership of such shares except to the extent of her pecuniary interest, if any, in such shares. The Class A Stock shown also includes 297,070 shares that are part of the Estate of James J. Cotter, Deceased (the "Cotter Estate") that is being administered in the State of Nevada and 29,730 shares from the Cotter Profit Sharing Plan. On December 22, 2014, the District Court of Clark County, Nevada, appointed Ellen M. Cotter and Margaret Cotter as co-executors of the Cotter Estate. As such, Ellen M. Cotter would be deemed to beneficially own such shares. The shares of Class A Stock shown also include 1,897,649 shares held by the James J. Cotter Living Trust (the "Cotter Trust"). See footnote (12) to this table for information regarding beneficial ownership of the shares held by the Cotter Trust. As Co-Trustees of the Cotter Trust, the three Cotter family members would be deemed to beneficially own such shares depending upon the outcome of the matters described in footnote (12). Together Margaret Cotter and Ellen M. Cotter beneficially own 1,208,988 shares of Class B Stock.

(3) The Class A Stock shown includes 17,000 shares subject to stock options as well as 804,173 shares held directly. The Class A Stock shown also includes 289,390 shares held by the Cotter 2005 Grandchildren's Trust and 29,730 shares from the Cotter Profit Sharing Plan. Margaret Cotter is Co-Trustee of the Cotter 2005 Grandchildren's Trust and, as such, is deemed to beneficially own such shares. Ms. Cotter disclaims beneficial ownership of such shares except to the extent of her pecuniary interest, if any, in such shares. The Class A Stock shown includes 297,070 shares of Class A Stock that are part of the Cotter Estate. As Co-Executor of the Cotter Estate, Ms. Cotter would be deemed to beneficially own such shares. The shares of Class A Stock shown also include 1,897,649 shares held by the Cotter Trust. See footnotes (12) for information regarding beneficial ownership of the shares held by the Cotter Trust. As Co-Trustees of the Cotter Trust, the three Cotter family members would be deemed to beneficially own such shares depending upon the outcome of the matters described in footnote (12). Together Margaret Cotter and Ellen M. Cotter beneficially own 1,208,988 shares of Class B Stock.

(4) The Class A Stock shown includes 19,000 shares subject to stock options.

(5) The Class A Stock shown includes 4,000 shares subject to stock options.

(6) The Class A Stock shown includes 29,000 shares subject to stock options.

(7) The Class A Stock shown consists of 43,750 shares subject to stock options.

(8) The Class A Stock shown consists of 2,000 shares subject to stock options.

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(9) The Class A Stock shown consists of 2,000 shares subject to stock options.

(10) The Class A Stock shown consists of 2,000 shares subject to stock options.

(11) The Class A Stock shown consists of 3,000 restricted stock grants.

(12) On June 5, 2013, the Declaration of Trust establishing the Cotter Trust was amended and restated (the "2013 Restatement") to provide that, upon the death of James J. Cotter, Sr., the Trust's shares of Class B Stock were to be held in a separate trust, to be known as the "Reading Voting Trust," for the benefit of the grandchildren of Mr. Cotter, Sr. Mr. Cotter, Sr. passed away on September 13, 2014. The 2013 Restatement also names Margaret Cotter the sole trustee of the Reading Voting Trust and names James Cotter, Jr. as the first alternate trustee in the event that Ms. Cotter is unable or unwilling to act as trustee. The trustees of the Cotter Trust, as of the 2013 Restatement, were Ellen M. Cotter and Margaret Cotter. On June 19, 2014, Mr. Cotter, Sr. signed a 2014 Partial Amendment to Declaration of Trust (the "2014 Amendment") that names Margaret Cotter and James Cotter, Jr. as the co-trustees of the Reading Voting Trust and provides that, in the event they are unable to agree upon an important trust decision, they shall rotate the trusteeship between them annually on each January 1st. It further directs the trustees of the Reading Voting Trust to, among other things, vote the Class B Stock held by the Reading Voting Trust in favor of the appointment of Ellen M. Cotter, Margaret Cotter and James Cotter, Jr. to our Board and to take all actions to rotate the chairmanship of our Board among the three of them. The 2014 Amendment states that James Cotter, Jr., Ellen M. Cotter and Margaret Cotter are Co -Trustees of the Cotter Trust. On February 5, 2015, Ellen M. Cotter and Margaret Cotter filed a Petition in the Superior Court of the State of California, County of Los Angeles, captioned In re James J. Cotter Living Trust dated August 1, 2000 (Case No. BP159755). The Petition, among other things, seeks relief that could determine the validity of the 2014 Amendment and who between Margaret Cotter and James Cotter Jr. will have authority as trustee or co-trustees of the Reading Voting Trust to vote the shares of Class B Stock shown (in whole or in part) and the scope and extent of such authority. Mr. Cotter, Jr. has filed an opposition to the Petition. The 696,080 shares of Class B Stock shown in the table as being beneficially owned by the Cotter Trust are reflected on the Company's stock register as being held by the Cotter Trust and not by the Reading Voting Trust. The information in the table reflects direct ownership of the 696,080 shares of Class B Stock by the Cotter Trust in accordance with the Company's stock register and beneficial ownership of such shares as being held by each of the three potential Co-Trustees, Mr. Cotter, Jr., Ellen M. Cotter and Margaret Cotter, who, unless a court determines otherwise, are deemed to share voting and investment power of the shares held by the Cotter Trust.

(13) The Class A Stock shown includes 25,000 shares subject to stock options as well as 770,186 shares held directly. The Class A Stock shown also includes 289,390 shares held by the Cotter 2005 Grandchildren's Trust and 102,751 held by the Cotter Foundation. Mr. Cotter, Jr. is Co-Trustee of the Cotter 2005 Grandchildren's Trust and of the Cotter Foundation and, as such, is deemed to beneficially own such shares. Mr. Cotter, Jr. disclaims beneficial ownership of such shares except to the extent of his pecuniary interest, if any, in such shares. The Class A Stock shown also includes 1,897,649 shares held by the Cotter Trust, which became irrevocable upon Mr. Cotter, Sr.'s death on September 13, 2014. See footnote (12) above for information regarding beneficial ownership of the shares held by the Cotter Trust. As Co-Trustees of the Cotter Trust, the three Cotter family members would be deemed to beneficially own such shares depending upon the outcome of the matters described in footnote (12). The Class A Stock shown includes 770,186 shares pledged as security for a margin loan.

(14) Based on Mr. Cuban's Form 5 filed with the SEC on February 19, 2016 and Schedule 13D/A filed on February 22, 2016.

(15) Based on the PICO Holdings, Inc. and PICO Deferred Holdings, LLC Schedule 13G filed with the SEC on January 14, 2009.

(16) The Class A Stock shown includes 25,000 shares subject to stock options.

(17) The Class A Stock shown includes 8,815 shares subject to stock options.

(18) The Class A Stock shown includes 25,000 shares subject to stock options.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Exchange Act requires our executive officers and Directors, and persons who own more than 10% of our common stock, to file reports regarding ownership of, and transactions in, our securities with the SEC and to provide us with copies of those filings. Based solely on our review of the copies received by us and on the written representations of certain reporting persons, we believe that the following Forms 3 and 4 for transactions that occurred in

2015 were not filed or filed later than is required under Section 16(a) of the Securities Exchange Act of 1934:

Filer	Form	Transaction Date	Date of Filing
Andrzej J. Matyczynski	4	December 31, 2015	Not filed (1)
Andrzej J. Matyczynski	4	December 31, 2014	Not filed (2)
Andrzej J. Matyczynski	4	December 31, 2013	Not filed (3)
Mark Cuban	4	November 11, 2015	Not filed (4)
Estate of James J. Cotter	4	December 31, 2014	October 9, 2015
James J. Cotter Living Trust	3	September 13, 2014	October 9, 2015
Ellen M. Cotter	4	April 16, 2015	October 9, 2015
Margaret Cotter	4	April 8, 2015	October 9, 2015
William Gould	4	April 6, 2015	October 8, 2015
James Cotter Jr. (5)	4	March 10, 2016	March 15, 2016
James Cotter Jr.	4	November 25, 2015	December 1, 2015
James Cotter Jr.	4	August 17, 2015	August 24, 2015
James Cotter Jr.	4	July 16, 2015	July 31, 2015
James Cotter Jr.	4	June 30, 2015 (6)	July 16, 2015
James Cotter, Jr.	4	June 4, 2016 (7)	July 16, 2015
Wayne Smith	4	July 16, 2015	July 31, 2015

(1) This transaction was reported on Form 5 on April 22, 2016, which is later than required under Section 16(a) of the Securities Exchange Act of 1934.
(2) This transaction was reported on Form 5 on March 17, 2015, which is later than required under Section 16(a) of the Securities Exchange Act of 1934.
(3) This transaction was reported on Form 5 on March 12, 2014, which is later than required under Section 16(a) of the Securities Exchange Act of 1934.
(4) This transaction was reported on Form 5 on February 19, 2016, which is later than required under Section 16(a) of the Securities Exchange Act of 1934.
(5) An additional Form 4 for Mr. Cotter Jr. was reported with a typographical error in the transaction date. The transaction date was reported as December 1, 2012, but should have been reported as December 1, 2015. This Form 4 was timely filed on December 3, 2015.
(6) Pursuant to Form 4/A filed August 24, 2015, the earliest transaction date was changed from July 1, 2015 to June 30, 2015.
(7) Pursuant to Form 4/A filed November 17, 2015, the earliest transaction date was changed from July 1, 2015 to June 4, 2015.

In addition to the above, the following Forms 5 for transactions that occurred in 2013, 2014 and 2015 were filed later than is required under Section 16(a) of the Securities Exchange Act of 1934.

Filer	Form	Transaction Date	Date of Filing
Andrzej J. Matyczynski	5	December 31, 2015	April 22, 2016
Andrzej J. Matyczynski	5	December 31, 2014	March 17, 2015
Andrzej J. Matyczynski	5	December 31, 2013	March 12, 2014
Mark Cuban	5	November 11, 2015	February 19, 2016

Insofar as we are aware, all required filings have now been made.

EXECUTIVE OFFICERS

The following table sets forth information regarding our executive officers, other than Ellen M. Cotter and Margaret Cotter, whose information is set forth above under "Proposal 1: Election of Directors – Nominees for Election."

Name	Age	Title
Dev Ghose	62	Executive Vice President, Chief Financial Officer, Treasurer and Corporate Secretary
Robert F. Smerling	81	President - Domestic Cinemas
Wayne D. Smith	58	Managing Director – Australia and New Zealand
Andrzej J. Matyczynski	63	Executive Vice President – Global Operations

Devasis ("Dev") Ghose . Dev Ghose was appointed Chief Financial Officer and Treasurer on May 11, 2015, Executive Vice President on March 10, 2016 and Corporate Secretary on April 28, 2016. Over the past 25 years, Mr. Ghose served as Executive Vice President and Chief Financial Officer and in a number of senior finance roles with three NYSE-listed companies: Skilled Healthcare Group (a health services company, now part of Genesis HealthCare) from 2008 to 2013, Shurgard Storage Centers, Inc. (an international company focused on the acquisition, development and operation of self-storage centers in the US and Europe; now part of Public Storage) from 2004 to 2006, and HCP, Inc., (which invests primarily in real estate serving the healthcare industry) from 1986 to 2003, and as Managing Director-International for Green Street Advisors (an independent research and trading firm concentrating on publicly traded real estate corporate securities in the US & Europe) from 2006 to 2007. Prior thereto, Mr. Ghose worked for 10 years for PricewaterhouseCoopers in the U.S. from 1975 to 1985, and KPMG in the UK. He qualified as a Certified Public Accountant in the U.S. and a Chartered Accountant in the U.K., and holds an Honors Degree in Physics from the University of Delhi, India and an Executive M.B.A. from the University of California, Los Angeles.

Robert F. Smerling . Robert F. Smerling has served as President of our domestic cinema operations since 1994. Mr. Smerling has been in the cinema industry for 58 years and, immediately before joining our Company, served as the President of Loews Theatres Management Corporation.

Wayne D. Smith . Wayne D. Smith joined our Company in April 2004 as our Managing Director - Australia and New Zealand, after 23 years with Hoyts Cinemas. During his time with Hoyts, he was a key driver, as Head of Property, in growing that company's Australian and New Zealand operations via an AUD$250 million expansion to more than 50 sites and 400 screens. While at Hoyts, his career included heading up the group's car parking company, cinema operations, representing Hoyts as a director on various joint venture interests, and coordinating many asset acquisitions and disposals the company made.

Andrzej J. Matyczynski . On March 10, 2016, Mr. Matyczynski was appointed as our Executive Vice President—Global Operations. From May 11, 2015 until March 10, 2016, Andrzej J. Matyczynski acted as the Strategic Corporate Advisor to the Company. Mr. Matyczynski served as our Chief Financial Officer and Treasurer from November 1999 until May 11, 2015 and as Corporate Secretary from May 10, 2011 to October 20, 2014. Prior to joining our Company, he spent 20 years in various senior roles throughout the world at Beckman Coulter Inc., a U.S. based multi-national. Mr. Matyczynski earned a Master's Degree in Business Administration from the University of Southern California.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

Role and Authority of the Compensation Committee

Our Board has established a standing Compensation Committee consisting of three of our non-employee Directors. As a Controlled Company, we are exempt from the NASDAQ Listing Rules regarding the determination of executive compensation solely by independent directors. Notwithstanding such exemption, we adopted a Compensation Committee charter on March 10, 2016 requiring our Compensation Committee members to meet the independence rules

and regulations of the SEC and the NASDAQ Stock Market.

Prior to the adoption of our Compensation Committee Charter on March 10, 2016, it was our practice that the Compensation Committee would recommend to the full Board the compensation of our Chief Executive Officer and of the other Cotter family members who serve as officers of our Company. Our Board, with the Cotter family Directors abstaining, typically accepted without modification the compensation recommendations of the Compensation Committee, but reserved the right to modify the recommendations or take other compensation actions of its own. Prior to his resignation as our Chief Executive Officer, Mr. James J. Cotter, Sr. was delegated responsibility by our Board for determining the compensation of our executive officers other than himself and his family members. The Board exercised oversight of Mr. Cotter, Sr.'s executive compensation decisions as a part of his performance as our former Chief Executive Officer.

Earlier this year, our Board adopted a number of actions intended to bring certain of our governance practices into line with best practices, including substantial steps in the area of Executive Compensation, which are discussed below under "2016 and Future Compensation Structure." First, this discussion will address our executive compensation for 2015.

2015 EXECUTIVE COMPENSATION

The individuals named in the Summary Compensation Table, below, are referred to as the "named executive officers."

Chief Executive Officer Compensation

As a matter of general practice prior to 2016, the Compensation Committee recommended to our Board the annual compensation of our Chief Executive Officer, based primarily upon the Compensation Committee's annual review of peer group practices and the advice of an independent third-party compensation consultant engaged annually to assist the Compensation Committee. The Compensation Committee had established three components of our Chief Executive Officer's compensation—a base cash salary, a discretionary annual cash bonus, and a fixed stock grant. The objective of each element was to reasonably reward our Chief Executive Officer for his or her performance and leadership.

The Compensation Committee engaged executive compensation consultants Towers Watson (now known as Willis Towers Watson) in 2012 to analyze our Chief Executive Officer's total direct compensation compared to a peer group of companies. In preparing that analysis, Willis Towers Watson, in consultation with our management, including James J. Cotter, Sr., identified a peer group of companies in the real estate and cinema exhibition industries, our two business segments, based on market value, industry, and business description.

Prior to the work commenced in early 2016, Willis Towers Watson had most recently updated its analysis of our Chief Executive Officer's compensation in 2014, when Mr. Cotter, Sr. held that position. The Willis Towers Watson analysis focused on the competitiveness of Mr. Cotter, Sr.'s annual base salary, total cash compensation and total direct compensation (*i.e* ., total cash compensation plus expected value of long-term compensation) relative to a peer group of 17 United States and Australian companies and published compensation survey data, and to our Company's compensation philosophy, which was to target Mr. Cotter, Sr.'s total direct compensation to the 66th percentile of the peer group. The peer group consisted of the following 17 companies:

Acadia Realty Trust
Amalgamated Holdings Ltd.
Associated Estates Realty Corp.
Carmike Cinemas Inc.
Cedar Shopping Centers Inc.
Cinemark Holdings Inc.
Entertainment Properties Trust
Glimcher Realty Trust
IMAX Corporation
Inland Real Estate Corp.
Kite Realty Group Trust
LTC Properties Inc.
Ramco-Gershenson Properties Trust
Regal Entertainment Group
The Marcus Corporation
Urstadt Biddle Properties Inc.
Village Roadshow Ltd.

Following his appointment on August 7, 2014 as our Chief Executive Officer and until his termination from that position on June 12, 2015, James Cotter, Jr. continued to receive the same base salary of $335,000 that he had previously

been receiving in his capacity as our President. Mr. Cotter, Jr. was not awarded a discretionary cash bonus for 2014 or 2015.

On June 12, 2015, our Board appointed Ellen M. Cotter as our interim President and Chief Executive Officer. No new compensatory arrangements were entered into with Ms. Cotter in connection with her appointment as interim President and Chief Executive Officer, and she continued to receive the same base salary of $402,000 that she received at the time of her appointment.

In early 2016, the Compensation Committee, with the assistance of Willis Towers Watson and Ms. Cotter, adopted new procedures regarding officer compensation. As a part thereof, unlike prior years, the Compensation Committee evaluated the performance of our Chief Executive Officer and our named executive officers and determined their 2015 cash bonus awards. Having had the benefit of further analysis of the Company's executive compensation and revisions of the Company's compensation philosophy, the Compensation Committee approved a $250,000 bonus for Ellen M. Cotter for her 2015 performance as interim President and Chief Executive Officer.

Total Direct Compensation

In 2015, we and our Compensation Committee had no policy regarding the amount of salary and cash bonus paid to our Chief Executive Officer or other named executive officers in proportion to their total direct compensation.

Compensation of Other Named Executive Officers

Until the reassessment of compensation practices in early 2016, the compensation of the Cotter family members as executive officers of our Company was determined by the Compensation Committee based on the same compensation philosophy used to determined Mr. Cotter, Sr.'s compensation prior to his retirement. The Cotter family members' respective compensation packages each consisted of a base cash salary, discretionary cash bonus and, on occasion, discretionary grants of stock options.

Historically, our Chief Executive Officer determined the base salaries of our executive officers other than himself and members of his family. Our Chief Executive Officer considered the following guidelines in setting the type and amount of executive compensation:

1. Executive compensation should primarily be used to:

- attract and retain talented executives;
- reward executives appropriately for their individual efforts and job performance; and
- afford executives appropriate incentives to achieve the short-term and long-term business objectives established by management and our Board.

2. In support of the foregoing, the total compensation paid to our named executive officers should be:

- fair, both to our Company and to the named executive officers;
- reasonable in nature and amount; and
- competitive with market compensation rates.

Personal and Company performances were just two factors historically considered in establishing base salaries. We had no pre-established policy or target for allocating total executive compensation between base and discretionary or incentive compensation, or between cash and stock-based incentive compensation. Historically, including in 2015, a majority of total compensation to our named executive officers has been in the form of annual base salaries and discretionary cash bonuses, although stock bonuses have been granted from time to time under special circumstances.

These elements of our executive compensation are discussed further below.

Salary : Annual base salary was intended to compensate named executive officers for services rendered during the fiscal year in the ordinary course of performing their job responsibilities. Factors considered in setting the base salaries prior to 2015 included (i) the negotiated terms of each executive's employment agreement or the original terms of employment, (ii) the individual's position and level of responsibility with our Company, (iii) periodic review of the

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executive's compensation, both individually and relative to our other named executive officers, and (iv) a subjective evaluation of individual job performance of the executive.

Cash Bonus : Historically, we had awarded annual cash bonuses to supplement the base salaries of our named executive officers, and our Board delegated to our former Chief Executive Officer, Mr. Cotter, Sr., the authority to determine in his discretion the annual cash bonuses, if any, to be paid to our executive officers other than the Cotter family executives.

In early 2016, following the reassessment of the Company's compensation structure discussed below, the Compensation Committee, meeting in executive session, approved a 2015 performance bonus for the Chief Executive Officer as well as our other named executive officers.

Stock Bonus : Equity incentive bonuses were available for award to align our executives' long-term compensation to appreciation in stockholder value over time. Historically, awards have not been granted on any fixed schedule, but instead were granted from time to time to new hires and for the recognition and retention of executives.

If awarded, it has generally been our policy to value stock options and restricted stock at the closing price of our common stock as reported on the NASDAQ Stock Market on the date the award was approved or on the date of hire, if the stock is granted as a recruitment incentive. When stock was granted as bonus compensation for a particular transaction, the award may have been based on the market price on a date calculated from the closing date of the relevant transaction. Stock options granted to our employees generally have a five year term and vest over four years in equal installments upon the annual anniversaries of the date of the grant, subject to continued employment upon each vesting date. Awards may also have been subject to vesting and limitations on voting or other rights.

As discussed below, our Board substantially changed these practices for 2016 and future years.

Other than James Cotter, Jr.'s role as Chief Executive Officer and thereafter, Ms. Ellen M. Cotter's role as Chief Executive Officer, none of our executive officers played a role in determining the compensation of our named executive officers during 2015.

2015 Base Salaries and Bonuses

We have historically established base salaries and target discretionary cash bonuses for our named executive officers through negotiations with the individual named executive officer, generally at the time the named executive officer commenced employment with us, subject to additional increases from time to time based on performance and tenure, with the intent of providing annual cash compensation at a level sufficient to attract and retain talented and experienced individuals.

Our Compensation Committee recommended and our Board approved the following base salaries for Mr. Cotter, Jr. and Ellen M. Cotter for 2015:

Name	2014 Base Salary ($)	2015 Base Salary ($)
Ellen M. Cotter [1]	335,000	402,000
James Cotter, Jr [2]	335,000	335,000 [2]

(1) Ellen M. Cotter was appointed Interim President and Chief Executive Officer on June 12, 2015 and President and Chief Executive Officer on January 8, 2016.

(2) James Cotter, Jr. served as President from June 1, 2013 through June 12, 2015, and Chief Executive Officer from August 7, 2014 through June 12, 2015. Mr. Cotter, Jr. had an annual base salary of $335,000 for 2015. When his employment ended, Mr. Cotter, Jr. earned a prorated base salary of $195,417 for 2015, which includes his severance payment paid through the end of July 2015.

With the exception of Mr. Ghose, who was appointed Chief Financial Officer on May 11, 2015, Mr. Matyczynski, whose base salary was $324,000 in 2015, and Mr. Smith, whose base salary was $274,897, the base salaries of our other named executive officers generally remained at the levels established for 2014, as shown in the following table:

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Name	2014 Base Salary ($)	2015 Base Salary ($)
Dev Ghose [1]	--	400,000 [1]
Andrzej J. Matyczynski [2]	309,000	324,000
William Ellis [3]	350,000 [3]	350,000
Robert F. Smerling	350,000	350,000
Wayne Smith	324,295 [4]	274,897 [4]

(1) Dev Ghose was appointed Chief Financial Officer and Treasurer on May 11, 2015. For 2015, Mr. Ghose earned a prorated base salary of $257,692.

(2) Andrzej J. Matyczynski, our former Chief Financial Officer, Treasurer and Corporate Secretary, has a written agreement with our Company that provides certain severance and deferred compensation benefits. Mr. Matyczynski resigned as Corporate Secretary on October 20, 2014 and as our Chief Financial Officer and Treasurer effective May 11, 2015, however he continued as an employee to assist in the transition of our new Chief Financial Officer, and was appointed Executive Vice President-- Global Operations on March 10, 2016. Under Mr. Matyczynski's employment contract, upon his retirement and provided there has been no termination for cause, he will become entitled under his agreement to a lump-sum severance payment of $50,000, subject to certain offsets, and to the payment of his vested benefit under his deferred compensation plan discussed below in this section.

(3) William Ellis submitted his resignation on February 18, 2016, effective March 11, 2016. For 2014, Mr. Ellis earned a prorated base salary of $71,795.

(4) Mr. Smith's salary was paid in Australian Dollars in the amounts of AUD$359,250 in 2014 (shown in the table in U.S. Dollars using exchange rate 0.9027), and AUD$365,360 in 2015 (shown in the table in U.S. Dollars using exchange rate 0.7524).

Prior to 2016, all named executive officers were eligible to receive a discretionary annual cash bonus. Cash bonuses are typically prorated to reflect a partial year of service.

In connection with consideration of 2015 performance bonuses for members of management, the Chief Executive Officer prepared and submitted recommendations for each of the executive and management team members, other than herself. In considering these recommendations, the Compensation Committee had the benefit of its extensive deliberations as well as the data provided by Willis Towers Watson. In executive session, the Compensation Committee considered and approved a 2015 performance bonus for the Chief Executive Officer. The proposed bonus amounts were reviewed and approved by the Board in February 2016. The Board approval covered the named executive officers set forth below, as well as select other officers and executives.

The following are the 2015 Performance Bonuses approved pursuant to the above process:

Name	2015 Performance Bonus ($)
Ellen M. Cotter	250,000
Dev Ghose	75,000
Andrzej J. Matyczynski	0
William Ellis	0 [1]
James Cotter, Jr.	0
Robert F. Smerling	75,000
Wayne Smith	71,478 [2]

(1) Pursuant to his employment agreement, in 2015 Mr. Ellis received a guaranteed bonus of $60,000, and as such, it was not subject to the process above. Mr. Ellis submitted his resignation on February 18, 2016.

(2) Mr. Smith's bonus was paid in Australian Dollars in the amount of AUD$95,000 (shown in the table in U.S. Dollars using exchange rate 0.7524).

In the past, we have offered stock options and stock awards to our employees, including named executive

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officers, as the long-term incentive component of our compensation program. We sometimes granted equity awards to new hires upon their commencing employment with us and from time to time thereafter. Our stock options allow employees to purchase shares of our common stock at a price per share equal to the fair market value of our common stock on the date of grant and may or may not be intended to qualify as "incentive stock options" for U.S. federal income tax purposes. Generally, the stock options we granted to our employees vest over four years in equal installments upon the annual anniversaries of the date of grant, subject to their continued employment with us on each vesting date.

Employment Agreements

James Cotter, Jr. On June 12, 2015, the Board terminated the employment of James Cotter, Jr. as our President and Chief Executive Officer. Under Mr. Cotter, Jr.'s employment agreement with the Company, he is entitled to the compensation and benefits he was receiving at the time of a termination without cause for a period of twelve months from notice of termination. At the time of termination, Mr. Cotter Jr.'s annual salary was $335,000, and the Company paid Mr. Cotter Jr. severance payments in the amount of $43,750. A dispute has arisen between the Company and Mr. Cotter as to whether the Company is required to continue to make these payments, which dispute is currently subject to arbitration. Mr. Cotter's employment agreement also provided for the grant of options to purchase 100,000 shares of Class A Stock at an exercise price of $6.31 per share. Mr. Cotter, Jr. has previously exercised options to purchase 50,000 of such shares. Mr. Cotter, Jr. has asserted that the options to exercise the remainder of the 50,000 options survived the termination of his employment. The Company's position is that all unvested options expired upon the termination of Mr. Cotter, Jr.'s employment. This matter is currently under review by the Compensation Committee.

Dev Ghose. On April 20, 2015, we entered into an employment agreement with Mr. Dev Ghose, pursuant to which he agreed to serve as our Chief Financial Officer for a one-year term commencing on May 11, 2015. The employment agreement provides that Mr. Ghose is to receive an annual base salary of $400,000, with an annual target bonus of $200,000, and employee benefits in line with those received by our other senior executives. Mr. Ghose was also granted stock options to purchase 100,000 shares of Class A Stock at an exercise price equal to the closing price of our Class A Stock on the date of grant and which will vest in equal annual increments over a four-year period, subject to his remaining in our continuous employ through each annual vesting date.

Under his employment agreement, we may terminate Mr. Ghose's employment with or without cause (as defined) at any time. If we terminate his employment without cause or fail to renew his employment agreement upon expiration without cause, Mr. Ghose will be entitled to receive severance in an amount equal to the salary and benefits he was receiving for a period of 12 months following such termination or non-renewal. If the termination is in connection with a "change of control" (as defined), Mr. Ghose would be entitled to severance in an amount equal to the compensation he would have received for a period two years from such termination.

William D. Ellis. On October 20, 2014, we entered into an employment agreement with Mr. William D. Ellis, which was amended in September 2015, pursuant to which he agreed to serve as our General Counsel for a term of three years. The employment agreement provided that Mr. Ellis was to receive an annual base salary of $350,000, with an annual guaranteed bonus of at least $60,000. In addition, Mr. Ellis was granted stock options to purchase 60,000 shares of Class A Stock at an exercise price equal to the closing price of our Class A Stock on the date of grant and which will vest in equal annual increments over a three-year period, subject to his remaining in our continuous employ through each annual vesting date.

On February 18, 2016, Mr. Ellis submitted his resignation as our General Counsel and Corporate Secretary. On March 11, 2016, we entered into an agreement with Mr. Ellis, pursuant to which, in consideration of the payment to Mr. Ellis of $205,010 (to be paid in 19 equal semi-monthly installments of $10,790) and the vesting of options to acquire 20,000 shares of our Class A Common Stock on October 15, 2016, Mr. Ellis has agreed to be available to advise us on matters on which he previously worked until December 31, 2016. Mr. Ellis' last day of employment was March 11, 2016.

Andrzej J. Matyczynski. Mr. Matyczynski, our former Chief Financial Officer, Treasurer and Corporate Secretary, has a written agreement with our Company that provides for a lump-sum severance payment of $50,000, provided there has been no termination for cause and subject to certain offsets, and to the payment of his vested benefit under his deferred compensation plan discussed below in the section entitled "Other Elements of Compensation." Mr. Matyczynski resigned as our Corporate Secretary on October 20, 2014 and as our Chief Financial Officer and

Treasurer effective May 11, 2015, but continued as an employee in order to assist in the transition of our new Chief Financial Officer. He was appointed EVP-Global Operations in March 2016.

2016 AND FUTURE COMPENSATION STRUCTURE

Background

In early 2016, our Compensation Committee conducted a thorough evaluation of our compensation policy for executive officers and outside directors to establish a plan that encompasses best corporate practices consistent with our best interests. Our Compensation Committee undertook to review, evaluate, revise and recommend the adoption of new compensation arrangements for our executive and management officers and outside directors. In January 2016, our Compensation Committee retained the international compensation consulting firm of Willis Towers Watson as its advisor in this process and also relied on the advice of our legal counsel, Greenberg Traurig, LLP.

Compensation Committee Charter

On February 29, 2016, our Board adopted the Charter of the Compensation Committee, or the Compensation Committee Charter. In keeping with our intent to implement best practices, the Compensation Committee Charter delegated the following responsibilities to our Compensation Committee:

- in consultation with our senior management, to establish our compensation philosophy and objectives;
- to review and approve all compensation, including salary, bonus, incentive and equity compensation, for our Chief Executive Officer and our executive officers, provided that our Chief Executive Officer may not be present during voting or deliberations on his or her compensation;
- to approve all employment agreements, severance arrangements, change in control provisions and agreements and any special or supplemental benefits applicable to our Chief Executive Officer and other executive officers;
- to approve and adopt, on behalf of our Board, incentive compensation and equity-based compensation plans, or, in the case of plans requiring stockholder approval, to review and recommend such plan to the stockholders;
- to review and discuss with our management and our counsel and auditors, the disclosures made in Compensation Discussion and Analysis and advise our Board whether, in the view of the Committee, the Compensation Discussion and Analysis is, in form and substance, satisfactory for inclusion in our annual report on Form 10-K and proxy statement for the annual meeting of stockholders;
- to prepare an annual compensation committee report for inclusion in our proxy statement for the annual meeting of stockholders in accordance with the applicable rules of the SEC;
- to periodically review and reassess the adequacy of this charter and recommend any proposed changes to the Board for approval;
- to administer our equity-based compensation plans, including the grant of stock options and other equity awards under such plans, the exercise of any discretion accorded to the administrator of all such plans and the interpretation of the provisions of such plans and the terms of any awards made under the plans; and
- to consider the results of the most recent stockholder advisory vote on executive compensation required by Section 14A of the Securities Exchange Act of 1934 when determining compensation policies and making decisions on executive compensation.

Under the Compensation Committee Charter, "executive officer" is defined to mean the chief executive officer, president, chief financial officer, chief operating officer, general counsel, principal accounting officer, any executive vice president of the Company and any Managing Director of Reading Entertainment Australia Pty Ltd and/or Reading New Zealand, Ltd.; provided that any compensation determinations pertaining to Ellen M. Cotter and Margaret Cotter will be subject to review and approval by our Board.

As noted above, the Compensation Committee Charter was adopted as part of our Board's implementation of additional corporate best practices measures. The Compensation Committee Charter will apply for the remainder of 2016 and the future, subject to further amendments and modifications by our Board. The Compensation Committee's charter is available on our website at http://www.readingrdi.com/Committee-Charters .

The Compensation Committee reviews compensation policies and practices effecting employees in addition to

those applicable to executive officers. The Compensation Committee has determined that it is not reasonably likely that our compensation policies and practices for its employees would have a material adverse effect on our Company.

Executive Compensation

In early 2016, our Compensation Committee met with Willis Towers Watson, our Chief Executive Officer, and our legal counsel, to review the Company's compensation levels, programs and practices. As part of its engagement, Willis Towers Watson reviewed our compensation paid to executive and management officers by position, in light of each person's duties and responsibilities. Willis Towers Watson then compared our top executive and management positions to (i) executive compensation paid by a peer group, and (ii) two surveys, the 2015 Willis Towers Watson Data Services Top Management Survey Report and the 2015 Mercer MBD Executive Compensation Survey, in each case, identified by office position and duties performed by the officer. The peer group utilized by Willis Towers Watson included the following 15 companies:

Arcadia Realty Trust
Associated Estates Realty Corp.
Carmike Cinemas Inc.
Cedar Realty Trust Inc.
Charter Hall Group
EPR Properties
Vicinity Centres
IMAX Corporation
Inland Real Estate Corp.
Kite Realty Group Trust
Marcus Corporation
Pennsylvania Real Estate Investment Trust
Ramco-Gershenson Properties Trust
Urstadt Biddle Properties Inc.
Village Roadshow Ltd.

Willis Towers Watson selected the above peer group noting that the companies selected (i) included 12 United States based companies and three Australian based companies to reflect our geographic operations, and (ii) were comparable to us based on the key financial criteria of being between 1/3 rd and three times our revenue.

The executive pay assessment prepared by Willis Towers Watson measured our executive and management compensation against compensation paid by peer group companies and the companies listed in the two surveys based on the 25th, 50th and 75th percentile of such peer group and surveyed companies. The 50th percentile was the median compensation paid by such peer group and surveyed companies to executives performing similar responsibilities and duties.

The Willis Towers Watson assessment compared the base salary, the short term incentive (cash bonus) and long term incentive (equity awards) of the peer and surveyed companies to the base salary, short term incentive and long term incentive provided to our executives. The assessment concluded that, except in a few positions, we were generally competitive in base salary, however, we were not competitive when short-term incentives and long term incentives were included in the total compensation paid to our executives and management.

As a result of the foregoing factors, Willis Towers Watson recommended that we:

- Implement a formal annual incentive opportunity for all executives; and
- Implement a regular annual grant program for long-term incentives.

Our Compensation Committee recommended, and our Board subsequently adopted, a compensation philosophy for our management team members to:

- Attract and retain talented and dedicated management team members;
- Provide overall compensation that is competitive in its industry;
- Correlate annual cash incentives to the achievement of its business and financial objectives; and
- Provide management team members with appropriate long-term incentives aligned with stockholder value.

As part of the compensation philosophy, our compensation focus will be to (1) drive our strategic plan on growth, (2) align officer and management performance with the interests of our stockholders, and (3) encourage retention of our officers and management team members.

In furtherance of the compensation policy and as a result of the extensive deliberations, including consideration of the Willis Towers Watson recommendations, our Compensation Committee adopted an executive and management officer compensation structure for 2016 consisting of:

- A base salary comparable with job description and industry standard;
- A short-term incentive plan based on a combination of factors including overall corporate and division performance as well as individual performance with a target bonus opportunity to be denominated as a percent of base salary with specific goals weightings and pay-out ranges; and
- A long-term incentive or equity awards in line with job description, performance, and industry standards.

Our Compensation Committee's intention is that the compensation structure approved for 2016 will remain in place indefinitely. However, it will review performance and results after the first year and thereafter and evaluate from time to time whether enhancements, changes or other compensation structures are in our and our stockholders best interests.

Reflecting the new approach, our Compensation Committee established (i) 2016 annual base salaries at levels that it believed (based heavily on the data provided by Willis Towers Watson) are generally competitive with executives in our peer group and in other comparable publicly-held companies as described in the executive pay assessment prepared by Willis Towers Watson, (ii) short term incentives in the form of discretionary annual cash bonuses based on the achievement of identified goals and benchmarks, and (iii) long-term incentives in the form of employee stock options and restricted stock units will be used as a retention tool and as a means to further align an executive's long-term interests with those of our stockholders, with the ultimate objective of affording our executives an appropriate incentive to help drive increases in stockholder value.

Our Compensation Committee will evaluate both executive performance and compensation to maintain our ability to attract and retain highly-qualified executives in key positions and to assure that compensation provided to executives remains competitive when compared to the compensation paid to similarly situated executives of companies with whom we compete for executive talent or that we consider comparable to our Company.

Role of Chief Executive Officer in Compensation Decisions

In connection with the implementation of the new compensation structure, our Compensation Committee conducted the thorough review of executive compensation discussed above. Our Compensation Committee engaged in extensive discussions with, and considered with great weight the recommendations of, the Chief Executive Officer as to compensation for executive and management team members other than for the Chief Executive Officer.

Our Compensation Committee expects to perform an annual review of executive compensation, generally in the first quarter of the year following the year in review, with a presentation by the Chief Executive Officer regarding each element of the executive compensation arrangements. At our Compensation Committee's direction, our Chief Executive Officer prepared an executive compensation review for each executive officer (other than the Chief Executive Officer), as well as the full executive team, which included recommendations for:

- 2016 Base Salary
- A proposed year-end short -term incentive in the form of a target cash bonus based on the achievement of certain objectives; and
- A long-term incentive in the form of stock options and restricted stock units for the year under review.

As part of the compensation review, our Chief Executive Officer may also recommend other changes to an executive's compensation arrangements such as a change in the executive's responsibilities. Our Compensation Committee will evaluate the Chief Executive Officer's recommendations and, in its discretion, may accept or reject the recommendations, subject to the terms of any written employment agreements.

Our Compensation Committee met in executive session without our Chief Executive Officer to consider the Chief Executive Officer's compensation, including base salary, cash bonus and equity award, if any. Prior to such executive sessions, our Compensation Committee interviewed our Chief Executive Officer to obtain a better understanding of factors contributing to the Chief Executive Officer's compensation. With the exception of these

executive sessions of our Compensation Committee, as a rule, our Chief Executive Officer participated in all deliberations of the Compensation Committee relating to executive compensation. However, our Compensation Committee also asked our Chief Executive Officer to be excused for certain deliberations with respect to the compensation recommended for Margaret Cotter, the sister of our Chief Executive Officer.

In conjunction with the year-end annual compensation review, or as soon as practicable after the year-end, our Chief Executive Officer will recommend to our Compensation Committee our objectives and other criteria to be utilized for purposes of determining cash bonuses for certain senior executive officers. Our Compensation Committee, in its discretion, may revise the Chief Executive Officer's recommendations. At the end of the year, our Compensation Committee, in consultation with our Chief Executive Officer, will review each performance goal and determine the extent to which the officer achieved such goals. In establishing performance goals, our Compensation Committee expects to consider whether the goals could possibly result in an incentive for any executives to take unwarranted risks in our Company's business and intend to seek to avoid creating any such incentives.

Base Salaries

Our Compensation Committee reviewed the executive pay assessment prepared by Willis Towers Watson and other factors and engaged in extensive deliberation and then recommended the following 2016 base salaries (the 2015 base salaries are shown for comparison purposes) for the following officers. Our Board approved the recommendations of our Compensation Committee on March 10, 2016 for the President and Chief Executive Officer, Chief Financial Officer and our named executive officers, other than William D. Ellis and our prior Chief Executive Officers James J. Cotter, Sr. and James Cotter, Jr.

Name	Title	2015 Base Salary	2016 Base Salary
Ellen Cotter [1]	President and Chief Executive Officer	$402,000	$450,000
Dev Ghose [2]	EVP, Chief Financial Officer, Treasurer and Corporate Secretary	400,000	400,000
Andrzej J. Matyczynski [3]	EVP-Global Operations	324,000	336,000
Robert F. Smerling	President, US Cinemas	350,000	375,000
Wayne Smith [4]	Managing Director, Australia and New Zealand	274,897 [4]	282,491 [4]

(1) Ellen M. Cotter was appointed Interim President and Chief Executive Officer on June 12, 2015 and President and Chief Executive Officer on January 8, 2016.

(2) Dev Ghose was appointed Chief Financial Officer and Treasurer on May 11, 2015. For 2015, Mr. Ghose earned a prorated base salary of $257,692.

(3) Andrzej J. Matyczynski was the Company's Chief Financial Officer and Treasurer until May 11, 2015 and thereafter he acted as Strategic Corporate Advisor to the Company. He was appointed EVP-Global Operations on March 10, 2016.

(4) Mr. Smith was paid in Australian dollars in the amount of AUD$365,360 (shown in U.S. Dollars i n the table above, using the conversion rate of 0.7524). In 2016, Mr. Smith will be paid in Australian dollars in the amount of AUD$370,000 (shown abovein U.S. Dollars using the exchange rate of 0.76349).

Short Term Incentives

The Short Term Incentives authorized by our Compensation Committee and our Board provides our executive officers and other management team members, who are selected to participate, with an opportunity to earn an annual cash bonus based upon the achievement of certain company financial goals, division goals and individual goals, established by our Chief Executive Officer and approved by our Compensation Committee and our Board (in future

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years, under the Compensation Committee Charter approved by our Board on March 10, 2016, our Compensation Committee will have full authority to approve these matters). Specifically, a participant in the short-term incentive plan will be advised of his or her annual potential target bonus expressed as a percentage of the participant's base salary and by dollar amount. The participant will be eligible for a short-term incentive bonus once the participant achieves goals identified at the beginning of the year for a threshold target, the potential target or potential maximum target bonus opportunity. The bonus will vary depending upon the achievements made by the individual participants, the division and the corporation. Corporate goals for 2016 will include levels of earnings before interest, depreciation, taxes and amortization ("non-GAAP Operating Income") and property development milestones. Division goals for 2016 will include levels of division cash flow and division milestones and individual goals will include specific unique performance goals specific to the individual's position with us. Each of the corporate, division and individual goals carries a different percentage weight in determining the officer's or other team member's bonus for the year.

Ms. Ellen M. Cotter, our President and Chief Executive Officer, has a potential target bonus opportunity of 95% of Base Salary, or $427,500 at target based on Ms. Cotter's achievement of her performance goals and over achievement of corporate goals discussed above. Of that potential target bonus opportunity, a threshold bonus of $213,750 may be achieved based upon Ms. Cotter's achievement of certain performance goals and our achievement of certain corporate goals, and a potential maximum target of $641,250 is based on achieving additional performance goals. Ms. Cotter's aggregate annual bonus opportunity can range from $0 to $641,250. Mr. Dev Ghose, our EVP, Chief Financial Officer, Treasurer and Corporate Secretary, has a potential target bonus opportunity of 50% of Base Salary, or $200,000 at target, which is based on achievement of his performance goals and our achievement of corporate goals, as discussed above. Mr. Ghose's aggregate annual bonus opportunity can range from $0 to $300,000 (the maximum potential target if additional performance goals are met by Mr. Ghose). Mr. Andrzej J. Matyczynski, our EVP - Global Operations, has a target bonus opportunity of 50% of Base Salary, or $168,000 at target, which is based on achievement of his performance goals, our achievement of corporate goals and certain divisional goals. Mr. Matyczynski's aggregate annual bonus opportunity can range from $0 to $252,000 (the maximum potential target if additional performance goals are met by Mr. Matyczynski). Mr. Robert Smerling, President, US Cinemas, has a target bonus opportunity of 30% of base pay, or $112,500 at target, which is based on achievement of his performance goals, our achievement of corporate goals and certain divisional goals. Mr. Smerling's aggregate annual bonus opportunity can range from $0 to $168,750 (the maximum potential target if additional performance goals are met by Mr. Smerling). Mr. Wayne Smith, Managing Director, Australia and New Zealand, has a target bonus opportunity of 40% of Base Salary, or A$148,000 at target, which is based on achievement of his performance goals, our achievement of corporate goals and certain divisional goals. Mr. Smith's aggregate annual bonus opportunity can range from A$0 to A$222,000 (the maximum potential target if additional performance goals are met by Mr. Smith). The positions of other management team members have target bonus opportunities ranging from 20% to 30% of Base Salary based on achievement certain goals. The highest level of achievement, participants may be eligible to receive up to a maximum of 150% of his or her target bonus amount.

Long-Term Incentives

Long-Term incentives will utilize the equity-based plan under our 2010 Incentive Stock Plan, as amended (the "2010 Plan"). For 2016, executive and management team participants will receive awards in the following forms: 50% time-based restricted stock units and 50% non-statutory stock options. The grants of restricted stock units and options will vest ratably over a four (4) year period with 1/4th vesting on each anniversary date of the grant date.

On March 10, 2016, the following grants were made:

Name	Title	Dollar Amount of Restricted Stock Units	Dollar Amount of Non-Statutory Stock Options [1]
Ellen M. Cotter	President and Chief Executive Officer	$150,000	$150,000
Dev Ghose [2]	EVP, Chief Financial Officer, Treasurer and Corporate Secretary	0	0
Andrzej J. Matyczynski	EVP Global Operations	37,500	37,500

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Robert F. Smerling	President, US Cinemas		50,000	50,000
Wayne Smith	Managing Director, Australia and New Zealand	27,000 (3)		27,000 (3)

(1) The number of shares of stock to be issued will be calculated using the Black Scholes pricing model as of the date of grant of the award.

(2) Mr. Dev Ghose was awarded 100,000 non-statutory stock options vesting over a 4-year period on commencing on Mr. Ghose's first day of employment or May 11, 2015.

(3) Although Mr. Smith was paid 50% of $75,000 in Australian Dollars, the amount shown above is quoted in U.S. Dollars.

All long-term incentive awards will be subject to other terms and conditions set forth in the 2010 Plan and award grant.

Other Elements of Compensation

Retirement Plans

We maintain a 401(k) retirement savings plan that allows eligible employees to defer a portion of their compensation, within limits prescribed by the Internal Revenue Code, on a pre-tax basis through contributions to the plan. Our named executive officers other than Mr. Smith, who is a non-resident of the U.S., are eligible to participate in the 401(k) plan on the same terms as other full-time employees generally. Currently, we match contributions made by participants in the 401(k) plan up to a specified percentage, and these matching contributions are fully vested as of the date on which the contribution is made. We believe that providing a vehicle for tax-deferred retirement savings though our 401(k) plan, and making fully vested matching contributions, adds to the overall desirability of our executive compensation package and further incentivizes our employees, including our named executive officers, in accordance with our compensation policies.

Other Retirement Plans

During 2012, Mr. Matyczynski was granted an unfunded, nonqualified deferred compensation plan ("DCP") that was partially vested and was to vest further so long as he remained in our continuous employ. The DCP allowed Mr. Matyczynski to defer part of the cash portion of his compensation, subject to annual limits set forth in the DCP. The funds held pursuant to the DCP are not segregated and do not accrue interest or other earnings. If Mr. Matyczynski were to be terminated for cause, then the total vested amount would be reduced to zero. The incremental amount vested each year was made subject to review and approval by our Board. Please see the " *Nonqualified Deferred Compensation* " table for additional information. In addition, Mr. Matyczynski is entitled to a lump-sum severance payment of $50,000, provided there has been no termination for cause and subject to certain offsets, upon his retirement.

Upon the termination of Mr. Matyczynski's employment, he will also be entitled under the DCP agreement to payment of the vested benefits under his DCP in annual installments following the later of (a) 30 days following Mr. Matyczynski's 65th birthday or (b) six months after his separation from service for reasons other than his death or termination for cause. The DCP was to vest over seven years and with full vesting to occur in 2019 at $1,000,000 in deferred compensation. However, in connection with his changed employment to EVP - Global Operations, the Company and Mr. Matyczynski agreed that the Company would cease making contributions to the DCP on April 15, 2016 and that the final contributions by the Company to the DCP would be $150,000 for 2015, and $21,875 for 2016, satisfying the Company's total contribution obligations under the DCP at an amount of $621,875.

The DCP is an unfunded contractual obligation of the Company. DCP benefits are paid from the general assets of the Company. However, the Company reserves the right to establish a grantor trust from which DCP benefits may be paid.

In March 2016, the Compensation Committee approved a one-time retirement benefit for Robert Smerling, President, Cinema Operations, due to his significant long term service to the Company. The retirement benefit an amount equal to the average of the two highest total cash compensation (base salary plus cash bonus) years paid to Mr. Smerling in the then most recently completed five year period.

We currently maintain no other retirement plan for our named executive officers.

Key Person Insurance

We maintain life insurance on certain individuals who we believe to be key to our management. In 2015, these individuals included James Cotter, Jr. (through September 13, 2015), Ellen M. Cotter, Margaret Cotter, William Ellis, Dev Ghose, Andrzej Matyczynski, Robert Smerling, Craig Tompkins and Wayne Smith. If such individual ceases to be our employee, Director or independent contractor, as the case may be, she or he is permitted, by assuming responsibility for all future premium payments, to replace our Company as the beneficiary under such policy. These policies allow each such individual to purchase up to an equal amount of insurance for such individual's own benefit. In the case of our employees, the premium for both the insurance as to which we are the beneficiary and the insurance as to which our employee is the beneficiary, is paid by us. In the case of named executive officers, the premium paid by us for the benefit of such individual is reflected in the Compensation Table in the column captioned "All Other Compensation."

Employee Benefits and Perquisites

Our named executive officers are eligible to participate in our health and welfare plans to the same extent as all full-time employees generally. We do not generally provide our named executive officers with perquisites or other personal benefits. Historically, many of our other named executive officers also received an automobile allowance. The table below shows car allowances granted to certain officers under their employment agreements or arrangements. From time to time, we may provide other perquisites to one or more of our other named executive officers.

Officer	Annual Allowance ($)
Dev Ghose	12,000
William Ellis [1]	15,000
Andrzej J. Matyczynski	12,000
Ellen M. Cotter	13,800
James Cotter, Jr. [1]	15,000
Robert F. Smerling	18,000

(1) Mr. Ellis and Mr. Cotter, Jr. are no longer employees of the Company.

Tax and Accounting Considerations

Deductibility of Executive Compensation

Subject to an exception for "performance-based compensation," Section 162(m) of the Internal Revenue Code generally prohibits publicly held corporations from deducting for federal income tax purposes annual compensation paid to any senior executive officer to the extent that such annual compensation exceeds $1.0 million. Our Compensation Committee and our Board consider the limits on deductibility under Section 162(m) in establishing executive compensation, but retain the discretion to authorize the payment of compensation that exceeds the limit on deductibility under this Section.

Nonqualified Deferred Compensation

We believe we are operating, where applicable, in compliance with the tax rules applicable to nonqualified deferred compensation arrangements.

Say on Pay

At our Annual Meeting of Stockholders held on May 15, 2014, we held an advisory vote on executive compensation. Our stockholders voted in favor of our Company's executive compensation. The Compensation

Committee reviewed the results of the advisory vote on executive compensation in 2014 and did not make any changes to our compensation based on the results of the vote. We expect that our next advisory vote of our stockholders on executive compensation will be at our 2017 Annual Meeting of Stockholders.

Compensation Committee Interlocks and Insider Participation

Our Compensation Committee is currently composed of Mr. Kane, who serves as Chair, Dr. Codding, and Mr. McEachern. Mr. Storey, who served on our Board until October 11, 2015, served on our Compensation Committee until that date. Mr. Adams served until May 14, 2016, and was succeeded by Mr. McEachern. None of the members of the Compensation Committee was an officer or employee of the Company at any time during 2015. None of our executive officers serves as a member of the board of directors or compensation committee of any entity that has or had one or more executive officers serving as a member of our Boardor Compensation Committee.

REPORT OF THE COMPENSATION COMMITTEE

The Compensation Committee has reviewed and discussed with management the "Compensation Discussion and Analysis" required by Item 401(b) of Regulation S-K and, based on such review and discussions, has recommended to our Board that the foregoing "Compensation Discussion and Analysis" be included in this Proxy Statement.

Respectfully submitted,

Edward L. Kane, Chair
Guy W. Adams
Judy Codding

Executive Compensation

This section discusses the material components of the compensation program for our executive officers named in the 2015 Summary Compensation Table below. In 2015, our named executive officers and their positions were as follows:

- Ellen M. Cotter, Chair of the Board, President and Chief Executive Officer, interim President and Chief Executive Officer, Chief Operating Officer – Domestic Cinemas and Chief Executive Officer of Consolidated Entertainment, LLC.
- Dev Ghose, Chief Financial Officer and Treasurer.
- William D. Ellis, General Counsel and Corporate Secretary
- Robert F. Smerling, President – Domestic Cinema Operations.
- Wayne Smith, Managing Director – Australia and New Zealand.
- James Cotter, Jr., former Vice Chair, President and Chief Executive Officer.
- Andrzej J. Matyczynski, former Chief Financial Officer, Treasurer and Corporate Secretary.

Summary Compensation Table

The following table shows the compensation paid or accrued during the last three fiscal years ended December 31, 2015 to (i) Mr. James Cotter, Jr., who served as our principal executive officer until June 12, 2015, (ii) Ellen M. Cotter, who served as our interim principal executive officer from June 12, 2015 through December 31, 2015, (iii) Mr. Andrzej J. Matyczynski, who served as our Chief Financial Officer and Treasurer until May 11, 2015, and (iv) Mr. Dev Ghose, who served as our Chief Financial Officer starting May 11, 2015, and (v) the other three most highly compensated persons who served as executive officers in 2015. The following executives are herein referred to as our "named executive officers."

	Year	Salary ($)	Bonus ($)	Stock Awards ($)(1)	Option Awards ($)(1)	Change in Pension Value and Nonqualified Deferred Compensation Earning ($)	All Other Compensation ($)	Total ($)
Ellen M. Cotter [2] Interim President and Chief Executive Officer, Chief Operating Officer - Domestic Cinemas	2015	402,000	250,000	--	--	--	25,465 [3]	677,465
	2014	335,000	--	--	--	--	75,190 [3][4]	410,190
	2013	335,000	--	--	--	--	24,915 [3]	359,915
James Cotter, Jr. [5][9] Former President and Chief Executive Officer	2015	195,417	--	--	50,027--	--	16,161 [3]	261,605
	2014	335,000	--	--	50,027--	--	26,051 [3]	411,078
	2013	195,417	--	--	29,182--	--	9,346 [3]	233,945
Dev Ghose [6] Chief Financial Officer and Treasurer	2015	257,692	75,000		382,334	--	15,730 [3]	407,005
	2014	--	--	--	--	--	--	--
	2013	--	--	--	--	--	--	--
Andrzej J. Matyczynski [7] Former Chief Financial Officer and Treasurer	2015	324,000			33,010	150,000 (8)	27,140 [3]	534,150
	2014	308,640			33,010	150,000 (8)	26,380 [3]	518,030
	2013	308,640	35,000	--	33,010	50,000 (8)	25,755 [3]	452,405
William Ellis General Counsel [10]	2015	350,000	60,000		57,194		28,330 [3]	495,524
	2014	71,795	10,000		9,532		2,500 [3]	93,827
	2013	--	--	--	--	--	--	--
Robert F. Smerling President – Domestic Cinema Operations	2015	350,000	75,000	--	--	--	22,899 [3]	447,899
	2014	350,000	65,000	--	--	--	22,421 [3]	437,421
	2013	350,000	25,000	--	--	--	21,981 [3]	396,981
Wayne Smith [11] Managing Director - Australia and New Zealand	2015	274,897	71,478	--	--	--	2,600 [3]	348,975
	2014	324,295	72,216	--	--	--	2,340 [3]	398,851
	2013	340,393	48,420	--	--	--	2,075 [3]	390,888

(1) Amounts represent the aggregate grant date fair value of awards computed in accordance with ASC Topic 718, excluding the effects of any estimated forfeitures. The assumptions used in the valuation of these awards are discussed in the Notes to our consolidated financial statements. Amounts do not include the value of restricted stock units that will not vest within 60 days following the date of which this information is provided.

(2) Ms. Ellen M. Cotter was appointed our interim President and Chief Executive Officer on June 12, 2015.

(3) Includes our matching employer contributions under our 401(k) plan, the imputed tax of key person insurance, and any automobile allowances. Aside from the car allowances only the employer contributions for the 401(k) plan exceeded $10,000, see table below. See the table in the section entitled " *Employee Benefits and Perquisites* " for the

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amount of each individual's car allowance.

Employer Contribution for 401(k) Plan

Name	2015	2014	2013
Ellen M. Cotter	$10,600	$10,400	$10,200
James Cotter, Jr.	6,700	10,400	0
Dev Ghose	4,000	0	0
Andrzej J. Matyczynski	10,600	10,400	10,200
William Ellis	10,500	0	0
Robert F. Smerling	0	0	0
Wayne Smith	0	0	0

(4) Includes a $50,000 tax gross-up for taxes incurred as a result of the exercise of nonqualified stock options that were intended to be issued as incentive stock options.

(5) Mr. Cotter, Jr., served as our Chief Executive Officer until June 12, 2015. In the case of Mr. Cotter Jr., the "All Other Compensation" column includes $43,750 in severance payments paid pursuant to Mr. Cotter Jr.'s employment agreement. Of this amount, the Company has a claim against Mr. Cotter Jr. for approximately $ 18,000 , which, if the Company is successful in this claim, may be recovered from Mr. Cotter Jr.

(6) Mr. Ghose became Chief Financial Officer and Treasurer on May 11, 2015, as such, he was paid a prorated amount of his $400,000 salary for 2015.

(7) Mr. Matyczynski resigned as our Chief Financial Officer and Treasurer on May 11, 2015, and acted as our Strategic Corporate Advisor until March 10, 2016.

(8) Represents the increase in the vested benefit of the DCP for Mr. Matyczynski. Payment of the vested benefit under his DCP will be made in accordance with the terms of the DCP.

(9) Mr. Cotter, Jr. had an annual base salary of $335,000 for 2015. As his employment ended in June 2015, Mr. Cotter, Jr. earned a prorated base salary of $195,417 for 2015, which includes his severance payment paid through the end of July 2015.

(10) Mr. Ellis became General Counsel and Corporate Secretary on October 20, 2014 as such he was paid a prorated amount of his $350,000 salary in 2014. Mr. Ellis submitted his resignation on February 18, 2016.

(11) Mr. Smith is paid in Australian Dollars. Amounts in the table above are shown in U.S. Dollars, using the conversion rates of 0.9684 for 2013, 0.9027 for 2014 and 0.7524 for 2015.

Grants of Plan-Based Awards

The following table contains information concerning the stock grants made to our named executive officers for the year ended December 31, 2015:

		Estimated Future Payouts Under Non-Equity Incentive Plan Awards			Estimated Futures Payouts Under Equity Incentive Plan Awards			All Other Stock Awards: Number of Shares of Stock or	All Other Option Awards: Number of Securities Underlying	Exercise or Base Price of Option	Grant Date Fair Value of Stock and Option
Name	Grant Date	Threshold ($)	Target ($)	Maximum ($)	Threshold (#)	Target (#)	Maximum (#)	Units (#) (1)	Options (#)(2)	Award ($/share) (3)	Awards ($) (4)
Ellen M. Cotter	-	-	-	--	-	-	-	-	-	-	-
James Cotter, Jr.	-	-		--	-	-	-	-	-	-	-

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Dev Ghose	5-11-2015	-	-	--	-	-	-	100,000	13.42	$382,334
Andrzej J. Matyczynski	-	-	-	--	-	-	-	-	-	-
William Ellis	-	-	-	--	-	-	-	-	-	-
Robert F. Smerling	-	-	-	---	-	-	-	-	-	-
Wayne Smith (1)	7-16-2015	-	-	-	-	-	6,000	-	-	$84,000

(1) Mr. Wayne Smith was issued an award of restricted Class A Common Stock, which vests in equal installments on May 13, 2015 and May 13, 2016. The closing price per share for the Class A Common Stock on the date of grant was $14.00. The awards issued to Mr. Wayne Smith are related to his prior-year performance.

(2) Mr. Dev Ghose was issued an option to purchase 100,000 shares of Class A Common Stock at the commencement of his employment, which award vests in four equal installments.

(3) Options are granted with an exercise price equal to the closing price per share on the date of grant.

(4) Represents the total option value estimated as per ASC 718.

Nonqualified Deferred Compensation

Name	Executive contributions in 2015 ($)	Registrant contributions in 2015 ($)	Aggregate earnings in 2015 ($)	Aggregate withdrawals/distributions ($)	Aggregate balance at December 31, 2015 ($)
Andrzej J. Matyczynski	0	150,000	0	0	600,000

See " *Potential Payments upon Termination of Employment or Change in Control* " .

On May 13, 2010, our stockholders approved the Plan at the annual meeting of stockholders in accordance with the recommendation of the Board of the Company. The Plan provides for awards of stock options, restricted stock, bonus stock, and stock appreciation rights to eligible employees, Directors, and consultants. The Board approved an amendment to the Plan to permit the award of restricted stock units on March 10, 2016. The Plan permits issuance of a maximum of 1,250,000 shares of Class A Stock. The Plan expires automatically on March 11, 2020.

Equity incentive bonuses may be awarded to align our executives' long-term compensation to appreciation in stockholder value over time and, so long as such grants are within the parameters of the Plan, historically were entirely discretionary on the part of Mr. Cotter, Sr. Other stock grants are subject to Board approval. Equity awards may include stock options, restricted stock, bonus stock, or stock appreciation rights.

If awarded, it is generally our policy to value stock options and restricted stock at the closing price of our common stock as reported on the NASDAQ Stock Market on the date the award is approved or on the date of hire, if the stock is granted as a recruitment incentive. When stock is granted as bonus compensation for a particular transaction, the award may be based on the market price on a date calculated from the closing date of the relevant transaction. Awards may also be subject to vesting and limitations on voting or other rights.

Outstanding Equity Awards

The following table sets forth outstanding equity awards held by our named executive officers as of December 31, 2015 under the Plan:

Outstanding Equity Awards at Year Ended December 31, 2015

	Option Awards					Stock Awards	
	Class	Number of Shares Underlying Unexercised Options Exercisable	Number of Shares Underlying Unexercised Options Unexercisable	Option Exercise Price ($)	Option Expiration Date	Number of Shares or Units of Stock that Have Not Vested	Market Value of Shares or Units that Have Not Vested ($)
James Cotter, Jr. [1]	A	25,000	20,000	6.31	06/02/2018	0	0
Ellen M. Cotter	A	20,000	--	5.55	03/06/2018	0	0
William Ellis [2]	A	8,815	40,000	8.94	12/31/2016	0	0
Dev Ghose	A	25,000 [3]	75,000	13.42	05/10/2020	0	0
Andrzej J. Matyczynski	A	25,000	--	6.02	08/22/2022	0	0
Robert F. Smerling	A	43,750	--	10.24	05/08/2017	0	0
Wayne Smith	A	--	--	--	--	3,000 [4]	42,000

(1) Mr. Cotter, Jr. has stated that he has unvested options to acquire 50,000 shares of Class A Stock at an exercise price of $6.31 per share, expiring February 6, 2018, of an original stock option grant of 100,000 Class A Stock. Mr. Cotter, Jr. exercised 50,000 stock options in June 2015. The Company's position is that all unvested options expired upon the termination of Mr. Cotter, Jr.'s employment. The matter is under review by the Compensation Committee.

(2) Mr. Ellis submitted his resignation on February 18, 2016, effective March 11, 2016. As part of his separation agreement, 20,000 of the 40,000 remaining unvested shares will vest on October 20, 2016. Thereafter, no additional options will vest.

(3) 25,000 of Mr. Ghose's options vested on May 11, 2016.

(4) Mr. Smith was granted 6,000 restricted shares of Class A stock on July 16, 2015, which vest over two years in annual installments.

Option Exercises and Stock Vested

The following table contains information for our named executive officers concerning the option awards that were exercised and stock awards that vested during the year ended December 31, 2015:

		Option Awards		Stock Awards	
Name	Class	Number of Shares Acquired on Exercise	Value Realized on Exercise ($)	Number of Shares Acquired on Vesting	Value Realized on Vesting ($)
James J. Cotter, Sr.	B	100,000	1,024,000	--	--
James Cotter, Jr. [1]	A	50,000	315,500	--	--
James Cotter, Jr.	A	12,500	48,375	--	--
James Cotter, Jr.	A	10,000	83,500	--	--
Ellen M. Cotter	B	50,000	512,000	--	--

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Andrzej J. Matyczynski	A	35,100	180,063	--	--

(1) Mr. Cotter, Jr. has stated that he has unvested options to acquire 50,000 shares of Class A Stock at an exercise price of $6.31 per share, expiring February 6, 2018, of an original stock option grant of 100,000 Class A Stock. Mr. Cotter, Jr. exercised 50,000 stock options in June 2015. The Company's position is that all unvested options expired upon the termination of Mr. Cotter, Jr.'s employment. The matter is under review by the Compensation Committee.

Equity Compensation Plan Information

The following table sets forth, as of December 31, 2015, a summary of certain information related to our equity incentive plans under which our equity securities are authorized for issuance:

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)		Weighted average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders [1]	486,565	(2)	$ 8.68	551,800
Equity compensation plans not approved by security holders				
Total	486,565			

(1) These plans are the Company's 1999 Stock Option Plan and 2010 Stock Incentive Plan.

(2) Represents outstanding options only.

Pension Benefits

The following table contains information concerning pension plans for each of the named executive officers for the year ended December 31, 2015:

Name	Plan Name	Number of Years of Credited Service	Present Value of Accumulated Benefit as of 12/31/2015 ($)	Payments During Last Fiscal Year ($)
Andrzej J. Matyczynski	DCP	6	600,000	$ --

Potential Payments upon Termination of Employment or Change in Control

The following paragraphs provide information regarding potential payments to each of our named executive officers in connection with certain termination events, including a termination related to a change of control of the Company, as of December 31, 2015:

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Mr. Dev Ghose – Termination without Cause. Under his employment agreement, we may terminate Mr. Ghose's employment with or without cause (as defined) at any time. If we terminate his employment without cause or fail to renew his employment agreement upon expiration without cause, Mr. Ghose will be entitled to receive severance in an amount equal to the salary and benefits he was receiving for a period of 12 months following such termination or non-renewal. If the termination is in connection with a "change of control" (as defined), Mr. Ghose would be entitled to severance in an amount equal to the compensation he would have received for a period two years from such termination.

Mr. William Ellis – Termination without Cause. Mr. Ellis resigned his employment effective March 11, 2016. We have entered into a separation agreement with Mr. Ellis which provides, among other things, that, in consideration of the payment to Mr. Ellis of $205,010 (to be paid in 19 equal semi-monthly installments of $10,790) and the vesting of options to acquire 20,000 shares of our Class A Common Stock on October 15, 2016, Mr. Ellis has agreed to be available to advise us on matters on which he previously worked until December 31, 2016. Mr. Ellis' employment agreement contained a noncompetition clause that did not extend beyond his termination.

Mr. Wayne Smith — Termination of Employment for Failing to Meet Performance Standards. If Mr. Smith's employment is terminated by the Board for failing to meet the standards of his anticipated performance, Mr. Smith will be entitled to a severance payment of six months' base salary.

Mr. Andrzej J. Matyczynski – Deferred Compensation Benefits. During 2012, Mr. Matyczynski was granted an unfunded, nonqualified deferred compensation plan ("DCP") that was partially vested and was to vest further so long as he remained in our continuous employ. If Mr. Matyczynski were to be terminated for cause, then the total vested amount would be reduced to zero. The incremental amount vested each year was made subject to review and approval by our Board. Please see the "*Nonqualified Deferred Compensation*" table for additional information.

Upon the termination of Mr. Matyczynski's employment, he will be entitled under the DCP agreement to payment of the vested benefits under his DCP in annual installments following the later of (a) 30 days following Mr. Matyczynski's 65th birthday or (b) six months after his separation from service for reasons other than his death or termination for cause. The DCP was to vest over seven years and with full vesting to occur in 2019 at $1,000,000 in deferred compensation. However, in connection with his employment as EVP Global Operations, the Company and Mr. Matyczynski agreed that the Company would cease making contributions to the DCP on April 15, 2016 and that the final contributions by the Company to the DCP would be $150,000 for 2015 and $21,875 for 2016, satisfying the Company's obligations under the DCP. Mr. Matyczynski's agreement contains nonsolicitation provisions that extend for one year after his retirement.

Under Mr. Matyczynski's agreement, on his retirement date and provided there has not been a termination for cause, Mr. Matyczynski will be entitled to a lump sum severance payment in an amount equal to $50,000, less certain offsets.

Robert F. Smerling – Retirement Benefit. In March 2016, the Compensation Committee approved a one-time retirement benefit for Robert Smerling, President, Cinema Operations, due to his significant long-term service to the Company. The retirement benefit is the average of the two highest total cash compensation (base salary plus cash bonus) years paid to Mr. Smerling in the then most recently completed five year period.

No other named executive officers currently have employment agreements or other arrangements providing benefits upon termination or a change of control. The table below shows the maximum benefits that would be payable to each person listed above in the event of such person's termination without cause or termination in connection with a change in control, if such events had occurred on December 31, 2015, at price equal to the closing price of the Class A stock on that date, which was of $13.11.

Mr. Ellis' agreement terminated when his employment ended as of March 11, 2016. As such, his information is excluded from the table below.

	Payable on upon Termination without Cause ($)			Payable upon Termination in Connection with a Change in Control ($)			Payable upon Retirement ($)
	Severance Payments	*Value of Vested Stock Options*	*Value of Health Benefits*	*Severance Payments*	*Value of Vested Stock Options*	*Value of Unvested Stock Options Accelerated*	*Benefits Payable under Retirement Plans or the DCP*
Ellen Cotter	0	151,200	0	0	151,200	0	0
Dev Ghose	400,000	0	23,040	800,000	0	0	0
Wayne Smith	175,000	39,330 (1)	0	0	39,330 (1)	39,330 (1)	0
Andrzej J. Matyczynski	50,000 (2)	177,250	0	0	177,250	0	600,000
Robert F. Smerling	0	125,562	0	0	125,562	0	415,000 (3)

(1) Represents value of restricted stock award rather than stock option.

(2) Mr. Matyczynski's severance payment is payable upon his retirement, and is subject to certain offsets as set forth in his agreement, and is subject to certain offsets.

(3) Mr. Smerling's one-time retirement benefit is based on the average of the two highest total cash compensation years paid to Mr. Smerling in the most recently completed five-year period. The figure quoted in the table represents the average of total compensation paid for years 2015 and 2014.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

The members of our Audit Committee are Douglas McEachern, who serves as Chair, Edward Kane, and Michael Wrotniak. Management presents all potential related party transactions to the Audit Committee for review. Our Audit Committee reviews whether a given related party transaction is beneficial to our Company, and approves or bars the transaction after a thorough analysis. Only Committee members disinterested in the transaction in question participate in the determination of whether the transaction may proceed. See the discussion entitled " *Review, Approval or Ratification of Transactions with Related Persons* " for additional information regarding the review process.

Sutton Hill Capital

In 2001, we entered into a transaction with Sutton Hill Capital, LLC ("SHC") regarding the master leasing, with an option to purchase, of certain cinemas located in Manhattan including our Village East and Cinemas 1, 2, 3 theaters. In connection with that transaction, we also agreed (i) to lend certain amounts to SHC, to provide liquidity in its investment, pending our determination whether or not to exercise our option to purchase and (ii) to manage the 86th Street Cinema on a fee basis. SHC is a limited liability company owned in equal shares by the Cotter Estate and/or the Cotter Trust and a third party.

As previously reported, over the years, two of the cinemas subject to the master leasing agreement have been redeveloped and one (the Cinemas 1, 2, 3 discussed below) has been acquired. The Village East is the only cinema that remains subject to this master lease. We paid an annual rent of $590,000 for this cinema to SHC in each of 2015, 2014, and 2013. During this same period, we received management fees from the 86 th Street Cinema of $151,000, $123,000 and $183,000.

In 2005, we acquired (i) from a third party the fee interest underlying the Cinemas 1, 2, 3, and (ii) from SHC its interest in the ground lease estate underlying and the improvements constituting the Cinemas 1, 2, 3. The ground lease estate and the improvements acquired from SHC were originally a part of the master lease transaction, discussed above.

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In connection with that transaction, we granted to SHC an option to acquire at cost a 25% interest in the special purpose entity (Sutton Hill Properties, LLC ("SHP") formed to acquire these fee, leasehold and improvements interests. On June 28, 2007, SHC exercised this option, paying $3.0 million and assuming a proportionate share of SHP's liabilities. At the time of the option exercise and the closing of the acquisition of the 25% interest, SHP had debt of $26.9 million, including a $2.9 million, non-interest bearing intercompany loan from the Company. As of December 31, 2015, SHP had debt of $19.4 million (again, including the intercompany loan). Since the acquisition by SHC of its 25% interest, SHP has covered its operating costs and debt service through cash flow from the Cinemas 1, 2, 3, (ii) borrowings from third parties, and (iii) pro-rata contributions from the members. We receive an annual management fee equal to 5% of SHP's gross income for managing the cinema and the property, amounting to $153,000, $123,000 and $183,000 in 2015, 2014, and 2013, respectively. This management fee was modified in 2015, as discussed below, retroactive to December 1, 2014.

On June 29, 2010, we agreed to extend our existing lease from SHC of the Village East Cinema by 10 years, with a new termination date of June 30, 2020. This amendment was reviewed and approved by our Audit Committee. The Village East lease includes a sub-lease of the ground underlying the cinema that is subject to a longer-term ground lease between SHC and an unrelated third party that expires in June 2031 (the "cinema ground lease"). The extended lease provides for a call option pursuant to which Reading may purchase the cinema ground lease for $5.9 million at the end of the lease term. Additionally, the lease has a put option pursuant to which SHC may require Reading to purchase all or a portion of SHC's interest in the existing cinema lease and the cinema ground lease at any time between July 1, 2013 and December 4, 2019. SHC's put option may be exercised on one or more occasions in increments of not less than $100,000 each. We recorded the Village East Cinema building as a property asset of $4.7 million on our balance sheet based on the cost carry-over basis from an entity under common control with a corresponding capital lease liability of $5.9 million.

In February 2015, SHP and we entered into an amendment to the management agreement dated as of June 27, 2007 between SHP and us. The amendment, which was retroactive to December 1, 2014, memorialized our undertaking to SHP with respect to $750,000 (the "Renovation Funding Amount") of renovations to Cinemas 1, 2, 3 funded or to be funded by us. In consideration of our funding of the renovations, our annual management fee under the management agreement was increased commencing January 1, 2015 by an amount equivalent to 100% of any incremental positive cash flow of Cinemas 1, 2, 3 over the average annual positive cash flow of the Cinemas 1, 2, 3 over the three-year period ended December 31, 2014 (not to exceed a cumulative aggregate amount equal to the Renovation Funding Amount), plus a 15% annual cash-on-cash return on the balance outstanding from time to time of the Renovation Funding Amount, payable at the time of the payment of the annual management fee. Under the amended management agreement, we are entitled to retain ownership of (and any right to depreciate) any furniture, fixtures and equipment purchased by us in connection with such renovation and have the right (but not the obligation) to remove all such furniture, fixtures and equipment (at our own cost and expense) from the Cinemas upon the termination of the management agreement. The amendment also provides that, during the term of the management agreement, SHP will be responsible for the cost of repair and maintenance of the renovations. In 2015, we received a management fee of $153,000. This amendment was approved by SHC and by the Audit Committee of our Board.

OBI Management Agreement

Pursuant to a Theater Management Agreement (the "Management Agreement"), our live theater operations were, until recently, managed by Off-Broadway Investments, LLC ("OBI Management"), which is wholly owned by Ms. Margaret Cotter, the daughter of the late Mr. James J. Cotter, Sr., the sister of Ellen M. Cotter and James Cotter, Jr., and a member of our Board. The Management Agreement was terminated effective March 10, 2016 in connection with the retention by our Company of Margaret Cotter as a full time employee. The Theater Management Agreement generally provided for the payment of a combination of fixed and incentive fees for the management of our four live theaters. Historically, these fees have equated to approximately 21% of the net cash flow generated by these properties. OBI was paid $589,000 with respect to 2015. This includes $389,000 for theater management services performed in 2015 and $200,000 for property development services with respect to our Company's Union Square and Cinemas 1,2,3 properties, some of which property development services were provided in periods prior to 2015 and during the period ended March 10, 2016. We paid $397,000 and $401,000 in fees for theater management services with respect to 2014, and 2013, respectively. No fees were paid in these periods for property development services. We also reimbursed OBI for certain travel expenses, shared the cost of an administrative assistant, and provided office space at our New York offices. The fees payable to OBI for the period January 1, 2016 through and including March 9, 2016, will be prorated.

OBI Management historically conducted its operations from our office facilities on a rent-free basis, and we shared the cost of one administrative employee of OBI Management. We reimbursed travel related expenses for OBI Management personnel with respect to travel between New York City and Chicago in connection with the management of the Royal George complex. Other than these expenses, OBI Management was responsible for all of its costs and expenses related to the performance of its management functions. The Management Agreement renewed automatically each year unless either party gave at least six months' prior notice of its determination to allow the Management Agreement to expire. In addition, we could terminate the Management Agreement at any time for cause.

Effective March 10, 2016, Margaret Cotter became a full time employee of the Company and the Management Agreement was terminated. As Executive Vice-President Real Estate Management and Development - NYC, Ms. Cotter will continue to be responsible for the management of our live theater assets, will continue her role heading up the pre-redevelopment of our New York properties and will be our senior executive responsible for the actual redevelopment of our New York properties. Pursuant to the termination agreement, Ms. Cotter has given up any right she might otherwise have, through OBI, to income from STOMP.

Ms. Cotter's compensation as Executive Vice-President was set as part of an extensive executive compensation process. For 2016, Ms. Cotter's base salary will be $350,000, she will have a short term incentive target bonus opportunity of $105,000 (30% of her base salary), and she was granted a long term incentive of a stock option for 19,921 shares of Class A common stock and 4,184 restricted stock units under the Company's 2010 Stock Incentive Plan, as amended, which long term incentives vest over a four year period.

Live Theater Play Investment

From time to time, our officers and Directors may invest in plays that lease our live theaters. The play STOMP has been playing in our Orpheum Theatre since prior to the time we acquired the theater in 2001. The Cotter Estate and/or the Cotter Trust and Mr. Michael Forman own an approximately 5% interest in that play, an interest that they have held since prior to our acquisition of the theater.

Shadow View Land and Farming, LLC

Director Guy Adams has performed consulting services for James J. Cotter, Sr., with respect to certain holdings that are now controlled by the Cotter Estate and/or the Cotter Trust (collectively the "Cotter Interests"). These holdings include a 50% non-controlling membership interest in Shadow View Land and Farming, LLC (the "Shadow View Investment" and "Shadow View" respectively), certain agricultural interests in Northern California (the "Cotter Farms"), and certain land interests in Texas (the "Texas Properties"). In addition, Mr. Adams is the CFO of certain captive insurance entities, owned by a certain trust for the benefit of Ellen M. Cotter, James Cotter, Jr., and Margaret Cotter (the "captive insurance entities").

Shadow View is a consolidated subsidiary of the Company. The Company has from time to time made capital contributions to Shadow View. The Company has also, from time to time, as the managing member, funded on an interim basis certain costs incurred by Shadow View, ultimately billing such costs through to the two members. The Company has never paid any remuneration to Shadow View. Mr. Adams' consulting fees with respect to the Shadow View Interest were to have been measured by the profit, if any, derived by the Cotter Interests from the Shadow View Investment. He has no beneficial interest in Shadow View or the Shadow View Investment. His consulting fees with respect to Shadow View were equal to 5% of the profit, if any, derived by the Cotter Interests from the Shadow View Investment after recoupment of its investment plus a return of 100%. To date, no profits have been generated by Shadow View and Mr. Adams has never received any compensation with respect to these consulting services. His consulting fee would have been calculated only after the Cotter Interests had received back their costs and expenses and two times their investment in Shadow View. Mr. Adams' consulting fees would have been 2.5% of the then-profit, if any, recognized by Shadow View, considered as a whole.

The Company and its subsidiaries (i) do not have any interest in, (ii) have never conducted any business with, and (iii) have not made any payments to, the Cotter Family Farms, the Texas Properties and/or the captive insurance entities.

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Document Storage Agreement

In consideration of the payment of $100 per month, our Company has agreed to allow Ellen M. Cotter and Margaret Cotter to keep certain files related to the Cotter Estate and/or the Cotter Trust at our Los Angeles Corporate Headquarters. This arrangement, however, has not been implemented.

Review, Approval or Ratification of Transactions with Related Persons

The Audit Committee has adopted a written charter, which includes responsibility for approval of "Related Party Transactions." Under its charter, the Audit Committee performs the functions of the "Conflicts Committee" of the Board and is delegated responsibility and authority by the Board to review, consider and negotiate, and to approve or disapprove on behalf of the Company the terms and conditions of any and all Related Party Transactions (defined below) with the same effect as though such actions had been taken by the full Board. Any such matter requires no further action by the Board in order to be binding upon the Company, except in the case of matters that, under applicable Nevada Law, cannot be delegated to a committee of the Board and must be determined by the full Board. In those cases where the authority of the Board cannot be delegated, the Audit Committee nevertheless provides its recommendation to the full Board.

As used in the Audit Committee's Charter, the term "Related Party Transaction" means any transaction or arrangement between the Company on one hand, and on the other hand (i) any one or more directors, executive officers or stockholders holding more than 10% of the voting power of the Company (or any spouse, parent, sibling or heir of any such individual), or (ii) any one or more entities under common control with any one of such persons, or (iii) any entity in which one or more such persons holds more than a 10% interest. Related Party Transactions do not include matters related to employment or employee compensation related issues.

The charter provides that the Audit Committee reviews transactions subject to the policy and determines whether or not to approve or ratify those transactions. In doing so, the Audit Committee takes into account, among other factors it deems appropriate:

- the approximate dollar value of the amount involved in the transaction and whether the transaction is material to us;
- whether the terms are fair to us, have resulted from arm's length negotiations and are on terms at least as favorable as would apply if the transaction did not involve a Related Person;
- the purpose of, and the potential benefits to us of, the transaction;
- whether the transaction was undertaken in our ordinary course of business;
- the Related Person's interest in the transaction, including the approximate dollar value of the amount of the Related Person's interest in the transaction without regard to the amount of any profit or loss;
- required public disclosure, if any; and
- any other information regarding the transaction or the Related Person in the context of the proposed transaction that would be material to investors in light of the circumstances of the particular transaction .

INDEPENDENT PUBLIC ACCOUNTANTS

Summary of Principal Accounting Fees for Professional Services Rendered

Our independent public accountants, Grant Thornton LLP, have audited our financial statements for the fiscal year ended December 31, 2015, and are expected to have a representative present at the Annual Meeting, who will have the opportunity to make a statement if he or she desires to do so and is expected to be available to respond to appropriate questions.

Audit Fees

The aggregate fees for professional services for the audit of our financial statements, audit of internal controls related to the Sarbanes-Oxley Act, and the reviews of the financial statements included in our Forms 10-K and 10-Q provided by Grant Thornton LLP for 2015 and 2014 were approximately $931,500 and $661,700, respectively.

Audit-Related Fees

Grant Thornton LLP did not provide us any audit related services for 2015 or 2014.

Tax Fees

Grant Thornton LLP did not provide us any products or any services for tax compliance, tax advice, or tax planning for 2015 or 2014.

All Other Fees

Grant Thornton LLP did not provide us any services for 2015 or 2014, other than as set forth above.

Pre-Approval Policies and Procedures

Our Audit Committee must pre-approve, to the extent required by applicable law, all audit services and permissible non-audit services provided by our independent registered public accounting firm, except for any *de minimis* non-audit services. Non-audit services are considered *de minimis* if (i) the aggregate amount of all such non-audit services constitutes less than 5% of the total amount of revenues we paid to our independent registered public accounting firm during the fiscal year in which they are provided; (ii) we did not recognize such services at the time of the engagement to be non-audit services; and (iii) such services are promptly submitted to our Audit Committee for approval prior to the completion of the audit by our Audit Committee or any of its members who has authority to give such approval. Our Audit Committee pre-approved all services provided to us by Grant Thornton LLP for 2015 and 2014.

STOCKHOLDER COMMUNICATIONS

Annual Report

A copy of our Annual Report on Form 10-K for the fiscal year ended December 31, 2015 is being provided with this Proxy Statement.

Stockholder Communications with Directors

It is the policy of our Board that any communications sent to the attention of any one or more of our Directors in care of our executive offices will be promptly forwarded to such Directors. Such communications will not be opened or reviewed by any of our officers or employees, or by any other Director, unless they are requested to do so by the addressee of any such communication. Likewise, the content of any telephone messages left for any one or more of our Directors (including call-back number, if any) will be promptly forwarded to that Director.

Stockholder Proposals and Director Nominations

Any stockholder who, in accordance with and subject to the provisions of the proxy rules of the SEC, wishes to submit a proposal for inclusion in our Proxy Statement for our 2017 Annual Meeting of Stockholders, must deliver such proposal in writing to the Annual Meeting Secretary at the address of our Company's principal executive offices at 6100 Center Drive, Suite 900, Los Angeles, California 90045. Unless we change the date of our 2017 annual meeting by more than 30 days from the anniversary of the prior year's meeting, such written proposal must be delivered to us no later than December 23, 2016 to be considered timely. If our 2017 Annual Meeting is not held within 30 days of the anniversary of our 2016 Annual Meeting, to be considered timely, stockholder proposals must be received no later than ten days after the earlier of (a) the date on which notice of the 2017 Annual Meeting is mailed, or (b) the date on which the Company publicly discloses the date of the 2017 Annual Meeting, including disclosure in an SEC filing or through a press release. If we do not receive notice of a stockholder proposal on or before March 8, 2017, the proxies that we hold may confer discretionary authority to vote against such stockholder proposal, even though such proposal is not discussed in our Proxy Statement for that meeting.

Our Boards will consider written nominations for Directors from stockholders. Nominations for the election of Directors made by our stockholders must be made by written notice delivered to our Secretary at our principal executive offices not less than 120 days prior to the first anniversary of the date that this Proxy Statement is first sent to stockholders. Such written notice must set forth the name, age, address, and principal occupation or employment of such

nominee, the number of shares of our Company's common stock that is beneficially owned by such nominee and such other information required by the proxy rules of the SEC with respect to a nominee of the Board.

Under our governing documents and applicable Nevada law, our stockholders may also directly nominate candidates from the floor at any meeting of our stockholders held at which Directors are to be elected.

OTHER MATTERS

We do not know of any other matters to be presented for consideration other than the proposals described above, but if any matters are properly presented, it is the intention of the persons named in the accompanying proxy to vote on such matters in accordance with their judgment.

DELIVERY OF PROXY MATERIALS TO HOUSEHOLDS

As permitted by the Securities Exchange Act of 1934, only one copy of the proxy materials are being delivered to our stockholders residing at the same address, unless such stockholders have notified us of their desire to receive multiple copies of the proxy materials.

We will promptly deliver without charge, upon oral or written request, a separate copy of the proxy materials to any stockholder residing at an address to which only one copy was mailed. Requests for additional copies should be directed to our Corporate Secretary by telephone at (213) 235-2240 or by mail to Corporate Secretary, Reading International, Inc., 6100 Center Drive, Suite 900, Los Angeles, California 90045.

Stockholders residing at the same address and currently receiving only one copy of the proxy materials may contact the Corporate Secretary as described above to request multiple copies of the proxy materials in the future.

By Order of the Board of Directors,

Ellen M. Cotter
Chair of the Board

May 19, 2016

PROXY VOTING INSTRUCTIONS

YOUR VOTE IS IMPORTANT. PLEASE VOTE TODAY.
We encourage you to take advantage of Internet or telephone voting.
Both are available 24 hours a day, 7 days a week.
Internet and telephone voting is available through 11:59 p.m., PT, on June 1, 2018.

VOTE BY INTERNET	www.PROXYVOTE.COM
Use the Internet to transmit your voting instructions and to electronic delivery of information up until 11:59 p.m., PT, on June 1, 2018. Have your proxy card in hand when you access the web site and follow the instructions to obtain your records and to create an electronic voting instruction form.	
OR	
VOTE BY TELEPHONE	1-800-690-6903
Use any touch-tone telephone to transmit your voting instructions up until 11:59 p.m., PT, on June 1, 2018. Have your proxy card in hand when you call and follow the instructions.	
OR	
VOTE BY MAIL	
Mark, sign and date your proxy card and return it in the postage-paid envelope we have provided to: Pacific Corporate Trust Company, P.O. Box 1631, New York, New York, 10016-1631.	

If you vote your proxy by Internet or by telephone, you do NOT need to mail back your proxy card. Your Internet or telephone vote authorizes the named proxies to vote your shares in the same manner as if you marked, signed and returned your proxy card.

CONTROL NUMBER

△ If voting a proxy by mail, please sign and date on the box and fold on the perforation below before voting. ✓

READING INTERNATIONAL ANNUAL MEETING PROXY CARD

BOARD OF DIRECTORS - The Board of Directors recommends a vote FOR all nominees listed.

Proposal 1

(01) Ellen M. Cotter (02) Guy W. Adams (03) Judy Codding (04) James J. Cotter, Jr. (05) Margaret Cotter
(06) William D. Gould (07) Edward L. Kane (08) Douglas J. McEachern (09) Michael Wrotniak

FOR ALL ☐ WITHHOLD ALL ☐ FOR ALL EXCEPT ☐

To withhold your vote for any individual nominee(s), mark "For All Except" box and write the number(s) of the nominee(s) on the line below.

Proposal 2 - Other Business. In their discretion, the proxies are authorized to vote upon such other business as may properly come before the meeting and at and with respect to any and all adjournments or postponements thereof. The Board of Directors at present knows of no other business to be presented by or on behalf of the Company or the Board of Directors at the meeting.

THIS PROXY CARD IS VALID ONLY WHEN SIGNED AND DATED.

Signature

Signature (Joint Owners)

Date

NOTE: Please sign exactly as your name appears hereon. Joint owners should each sign. When signing as attorney, executor, administrator, trustee or guardian, please give full title as such. If a corporation, please sign in full corporate name by authorized officer, giving full title as such. If a partnership, please sign in partnership name by authorized person, giving full title as such.

SIGN, DATE AND MAIL YOUR PROXY TODAY.
UNLESS YOU HAVE VOTED BY INTERNET OR TELEPHONE.

IF YOU HAVE NOT VOTED BY INTERNET OR TELEPHONE, PLEASE DATE, MARK, SIGN AND RETURN THIS PROXY PROMPTLY. YOUR VOTE, WHETHER BY INTERNET, TELEPHONE OR MAIL, MUST BE RECEIVED NO LATER THAN 11:59 P.M. PACIFIC TIME, JUNE 1, 2016.
TO BE INCLUDED IN THE VOTING RESULTS, ALL VALID PROXIES RECEIVED PRIOR TO 11:59 P.M. PACIFIC TIME, JUNE 1, 2016 WILL BE VOTED.

SEE REVERSE SIDE

△ If attending in person, please sign at the top of this card and bring it with you to the meeting. △

READING INTERNATIONAL

ANNUAL MEETING OF STOCKHOLDERS
June 2, 2016, 11:00 a.m.

THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS

The undersigned hereby appoints Ellen M. Cotter and Andrzej Matyczynski, and each of them, the attorneys, agents, and proxies of the undersigned, with full powers of substitution to each, to attend and act as proxy or proxies of the undersigned at the Annual Meeting of Stockholders of Reading International, Inc. to be held at the Courtyard by Marriott Los Angeles Westside, located at 6333 Bristol Parkway, Culver City, California 90230 on Thursday, June 2, 2016 at 11:00 a.m., local time, and at and with respect to any and all adjournments or postponements thereof, and to vote as specified herein the number of shares which the undersigned, if personally present, would be entitled to vote.

The undersigned hereby ratifies and confirms all that the attorneys and proxies, or any of them, or their substitutes, shall lawfully do or cause to be done by virtue hereof, and hereby revokes any and all proxies heretofore given by the undersigned to vote at the Annual Meeting. The undersigned acknowledges receipt of the Notice of Annual Meeting and the Proxy Statement accompanying such notice.

THE PROXY, WHEN PROPERLY EXECUTED AND RETURNED PRIOR TO THE ANNUAL MEETING, WILL BE VOTED AS DIRECTED. IF NO DIRECTION IS GIVEN, IT WILL BE VOTED "FOR" PROPOSAL 1, AND IN THE PROXY HOLDER'S DISCRETION AS TO ANY OTHER MATTER THAT MAY PROPERLY COME BEFORE THE ANNUAL MEETING OR ANY POSTPONEMENT OR ADJOURNMENT THEREOF.

SEE REVERSE SIDE

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CLERK OF THE COURT

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Edward Kane, Judy Codding, and Michael Wrotniak

EIGHTH JUDICIAL DISTRICT COURT

CLARK COUNTY, NEVADA

JAMES J. COTTER, JR. individually and derivatively on behalf of Reading International, Inc.,

Plaintiffs,

v.

MARGARET COTTER, ELLEN COTTER, GUY ADAMS, EDWARD KANE, DOUGLAS McEACHERN, MICHAEL WROTNIAK, JUDY CODDING, TIMOTHY STOREY, WILLIAM GOULD, and DOES 1 through 100, inclusive,

Defendants.

AND

READING INTERNATIONAL, INC., a Nevada corporation,

Nominal Defendant.

Case No.: A-15-719860-B
Dept. No.: XI

Case No.: P-14-082942-E
Dept. No.: XI

Related and Coordinated Cases

BUSINESS COURT

INDIVIDUAL DEFENDANTS' MOTION FOR PARTIAL SUMMARY JUDGMENT (NO. 6) RE PLAINTIFF'S CLAIMS RELATED TO THE ESTATE'S OPTION EXERCISE, THE APPOINTMENT OF MARGARET COTTER, THE COMPENSATION PACKAGES OF ELLEN COTTER AND MARGARET COTTER, AND THE ADDITIONAL COMPENSATION TO MARGARET COTTER AND GUY ADAMS

Judge: Hon. Elizabeth Gonzalez
Date of Hearing: 10/25/16
Time of Hearing: 8:30 AM

TO ALL PARTIES, COUNSEL, AND THE COURT:

Pursuant to Nevada Rule of Civil Procedure 56, Defendants Margaret Cotter, Ellen Cotter, Guy Adams, Edward Kane, Douglas McEachern, Judy Codding, and Michael Wrotniak (collectively, the "Individual Defendants"), by and through their counsel of record, Cohen|Johnson|Parker|Edwards and Quinn Emanuel Urquhart & Sullivan, LLP, hereby submit this Motion for Partial Summary Judgment (No. 6) as to the First, Second, Third, and Fourth Causes of Action in Plaintiff's Second Amended Complaint ("SAC"), to the extent that they assert claims and damages related to a stock option exercise by the Estate of James Cotter, Sr., the appointment of Margaret Cotter as Executive Vice President, Ellen Cotter and Margaret Cotter's compensation packages,, the additional consulting fee compensation to Margaret Cotter, and the additional compensation to Guy Adams.

This Motion is based upon the following Memorandum of Points and Authorities, the accompanying Declaration of Noah S. Helpern and exhibits thereto, the pleadings and papers on file, and any oral argument at the time of a hearing on this motion.

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RDI-A03787

Dated: September 23, 2016

COHEN|JOHNSON|PARKER|EDWARDS

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Attorneys for Defendants Margaret Cotter, Ellen Cotter, Douglas McEachern, Guy Adams, Edward Kane, Judy Codding, and Michael Wrotniak

NOTICE OF MOTION

TO: **ALL COUNSEL, PARTIES, AND THE COURT:**

PLEASE TAKE NOTICE that the above Motion will be heard on October 25, 2016 at 8:30 AM in Department XXVII of the above designated Court or as soon thereafter as counsel can be heard.

Dated: September 23, 2016

COHEN|JOHNSON|PARKER|EDWARDS

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MEMORANDUM OF POINTS AND AUTHORITIES

I. INTRODUCTION

Among the laundry list of claims in the Second Amended Complaint are allegations that some or all of the Individual Defendants breached their fiduciary duties because:

- they approved the exercise of an option by the Estate of James Cotter, Sr., using Class A shares;
- they allegedly awarded Margaret Cotter a position she was not qualified to hold;
- they awarded compensation packages to Ellen Cotter and Margaret Cotter;
- they allegedly gifted $200,000 to Margaret Cotter; and
- they allegedly gifted $50,000 to Guy Adams.

The Court should grant summary judgment in favor of the Individual Defendants because there is no disputed material fact as to any of these claims. The *only evidence* relating to these allegations shows that all members of Reading International, Inc.'s ("RDI" or the "Company") Board of Directors (the "RDI Board" or "Board") acted rationally and in an informed manner at all times and that the Company suffered no injury. Plaintiff's unsupported allegations, suspicions, and conspiracy theories are not evidence.

Though Plaintiff alleges that virtually every action taken by any Reading Director was to serve the whims and desires of Ellen and Margaret Cotter, the evidence shows just the opposite. The above-referenced decisions were made pursuant to long-standing Company and Board practices, after conferring with outside consultants, after reviewing relevant contracts and documents, after extensive Board and committee discussions about the Company's best interests, and in service of maximizing the long-term value of the Company to its stockholders. Plaintiff may genuinely believe that Ellen and Margaret Cotter should not hold any power at the Company, but the evidence shows his view is, for good reasons, not shared by the Board. Similarly, Plaintiff may be frustrated that he got fired and Ellen and Margaret Cotter received compensation packages, but each and every one of the Board's compensation decisions was supported by research, documentation, and precedent.

Under the business judgment rule, directors may not be held liable for their decision-making—even if their decisions are wrong—except under very limited circumstances. None of those circumstances are present here. Moreover, Nevada law provides an additional protection to members of boards of directors. Under Nevada Revised Statute § 78.138(7), a director cannot be personally liable for breach of fiduciary duty unless "the breach of those duties involved intentional misconduct, fraud or a knowing violation of law." Nev. Rev. Stat. § 78.138(7). Here, Plaintiff cannot produce cognizable evidence to support an allegation of an actionable breach of duty by any director. Finally, even if Plaintiff could overcome the business judgment rule and Nevada Revised Statute § 78.138(7), his claims would still fail because he cannot show that Reading was injured, a deficiency fatal to his breach of fiduciary duty claims.

II. FACTUAL BACKGROUND

A. The RDI Board, Through the Compensation and Stock Options Committee, Approves the Estate's Option Exercise

Until his death on September 13, 2014, James J. Cotter, Sr. was the Company's controlling stockholder. (Attached Declaration of Noah S. Helpern ("HD") ¶ 2.)[1] Mr. Cotter, Sr. had the sole power to vote more than two-thirds (approximately 66.9%) of the outstanding voting stock (*i.e.*, Class B shares) of the Company. (*Id.*) Upon Mr. Cotter, Sr.'s death, these shares were divided between his Living Trust (696,080 shares) and his Estate (427,808 shares). (*Id.*) Based upon this division, the Living Trust was vested with approximately 41.4% of the voting power, and the Estate with approximately 25.5%. (*Id.*) The total number of outstanding Reading Class B shares, as of April 26, 2016, was 1,680,590. (*Id.*)

On or about September 17, 2015, Ellen and Margaret Cotter, acting as executors of Mr. Cotter, Sr.'s Estate, exercised an option held by the Estate to acquire an additional 100,000 shares of Reading Class B stock (the "Option"). The Estate's ownership of the Option as of

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[1] The documentary and testimonial evidence supporting this Motion is attached to the Declaration of Noah S. Helpern. The citations to the "HD" refer to the paragraph of that Declaration that authenticate and correspond to the relevant supporting evidence.

September 2015 is not in dispute.[2] The 100,000 Class B shares obtained through exercise of the Option represent approximately 6% of the stockholder voting power. The Compensation and Stock Options Committee (the "Compensation Committee"), whose members included Defendants Kane and Adams, approved the use of Class A Common Stock (as opposed to cash) to pay the exercise price of this Option, pursuant to the terms of Reading's Stock Option Plan. (*See Id.* ¶ 4, Ex. 3 at 6.1.6(b) and *id.* ¶ 3.)

B. Margaret Cotter Operates and Oversees RDI's Live Theater Properties

Margaret Cotter is the owner and President of OBI, LLC ("OBI"), which has, since 2002 and through the 2016 termination of that agreement, managed RDI's live-theater operations pursuant to an agreement dated January 1, 2002 between RDI's subsidiary, Liberty Theaters, Inc. (predecessor to Liberty Theaters, LLC) and OBI, LLC (the "Theater Management Agreement"). (*See* HD ¶ 5, Ex. 4, at 4.) Margaret Cotter, through OBI and Liberty Theaters, LLC, also managed the real estate which houses each of RDI's four live theaters in Manhattan and Chicago. (*Id.*) Margaret Cotter has operated and overseen these properties for over 16 years. (*Id.*) Margaret Cotter has secured leases, managed tenancies, overseen maintenance and regulatory compliance of these properties and headed up the re-development process with respect to these properties and RDI's Cinemas 1, 2 & 3 property. (*Id..*) Margaret Cotter has been actively involved in the re-development of RDI's New York properties for more than the past five years. (*Id.*)

Pursuant to the OBI management arrangement, Margaret Cotter also served as the President of Liberty Theaters, LLC, the subsidiary through which RDI owns its live theaters. (*Id.*) Prior to March 10, 2016, while she received management fees through OBI, Margaret Cotter received no compensation for her duties as President of Liberty Theaters, LLC, other than

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[2] *See* Plaintiff's First Amended Complaint, ¶ 10 ("Plaintiff is informed and believes that, on September 17, 2015 . . . EC and MC acted to exercise **an option held by the Estate**, of which they are executors, to acquire 100,000 shares of RDI class B voting stock.") (emphasis added); Plaintiff's April 22, 2016, Renewed Petition for Partial Distribution of Assets at 4 ("Co-Executors acquired an additional 100,000 shares of RDI Class B stock by exercising **the Estate's option**.") (emphasis added).

the right to participate in RDI's medical insurance program. (*Id.*) Regarding Margaret Cotter's uncompensated work, Douglas McEachern testified:

> My understanding is that Margaret has been . . . on an uncompensated basis worked through the process of getting the Union Square Building through the Landmark Commission, which, by the way, was a 12-year period for which she was paid no money to get it entitled and get the building expanded by some 25,000 square feet. The mere ability to get that – and these will be rough numbers – created enormous value in that building by getting it entitled for redevelopment from the Landmark Commission . . . .

(*Id.* ¶ 6, Ex. 5, at 262:11-263:10.)

The Theater Management Agreement generally provided for the payment of a combination of fixed and incentive fees for the management of RDI's four live theaters. (*See* HD ¶ 5, Ex. 4, at 5.) Historically, these fees have equated to approximately 21% of the net cash flow generated by these properties. (*Id.*) Asked how her compensation at Liberty Theatres was determined prior to the time she became an Executive Vice President at RDI in March 2016, Margaret Cotter testified: "I would receive . . . a small amount of money every month if there was a booked show. And then I would receive 20 percent of the cash flow after a certain break-even at year-end." (*Id.* ¶ 7.)

C. The Full Board, and Two Separate Committees, Evaluate and Approve Margaret Cotter's Employment in February 2016

1. The Compensation Committee Approved Margaret Cotter's Employment on February 17

At a Compensation Committee meeting on February 17, 2016, Ellen Cotter presented her view that (1) "the roles provided by Ms. Margaret Cotter were better performed as a full-time employee and management team member for the Company and not as an independent contractor[;]" and (2) because "[t]he services provided by Ms. Margaret Cotter often extended well outside of the parameters of the live theater management agreement[,]" Ellen Cotter "believed that it would make sense to integrate Ms. Margaret Cotter into the employed management team." (*Id.* ¶ 8.)

Joining the Compensation Committee meeting via phone, Margaret Cotter participated in a portion of the meeting. (*Id.*) The members of the Compensation Committee, Ellen Cotter, and Margaret Cotter discussed the Union Square and the Cinema 1 2 3 projects spearheaded by Margaret Cotter in 2015 and earlier. (*Id.*) Additionally, the Committee discussed the agreement pursuant to which Margaret Cotter manages RDI's live theaters through a wholly-owned limited liability company, OBI, LLC (the "Theater Management Agreement"). (*Id.*) Members of the Compensation Committee asked Margaret Cotter about (1) whether she would agree to terminate the Theater Management Agreement; (2) whether Margaret Cotter would agree to waive additional fees payable to OBI, LLC in the event of the termination of the Theater Management Agreement; and (3) whether she would agree to become an RDI employee subject to agreeing to employment terms. (*Id.*.) Margaret Cotter advised that she was willing to agree to those concepts. (*Id.*)

Margaret Cotter and Ellen Cotter left the Compensation Committee meeting. (*Id.*) Following discussion, the Compensation Committee unanimously approved, among others, the following resolutions:

> Resolved Further, that the Committee recommends to the Audit and Conflicts Committee and to the Board of Directors the approval of the termination of the Theater Management Agreement subject to (i) OBI, LLC's agreement to waive any additional fees payable to OBI, LLC due to the termination of the Theater Management Agreement and (ii) Ms. Margaret Cotter agreeing to become an employee of the Company; Resolved Further, that the Committee approves that Ms. Margaret Cotter become an employee of the Company and the Committee recommends to the Board of Directors that the Board approve the employment of Ms. Margaret Cotter . . . .

(*Id.*)

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2. The Full Board Conditionally Approved Margaret Cotter's Employment on February 18

At the RDI Board meeting on February 18, 2016, the Compensation Committee provided its recommendations about "the change in employment status of Margaret Cotter, subject . . . to certain further steps, including, but not limited to, Audit and Conflicts Committee review." (*Id.* ¶ 9.) After Margaret Cotter left from the call, further discussion was held on Margaret Cotter's qualifications and service to RDI. (*See id.*) With Plaintiff voting against the motion, Ellen Cotter abstaining, and Margaret Cotter absent, the RDI Board approved the following resolution:

> The transition of Margaret Cotter from independent contractor to employee and . . . the mutually agreed termination of the Theater Management Agreement dated as of January 2, 2002 between the Company's subsidiary and OBI, LLC, are approved, subject, however, to the final negotiation of terms on settlement of rights of the parties thereunder and the review and approval of the Audit and Conflicts Committee, and further, upon such employment, Margaret Cotter will become Executive Vice President of the Company.

(*Id.*)

3. The Audit and Conflicts Committee Approved Margaret Cotter's Employment on February 29

RDI's Audit and Conflicts Committee met on February 29, 2016. (*Id.* ¶ 10.) Following discussion, the Audit and Conflicts Committee unanimously approved employment of Margaret Cotter as an Executive Vice President, approved the termination of the OBI Management Agreement in light of the Compensation Committee's recommendations for compensation to Margaret Cotter, and authorized management to enter into an agreement of termination with OBI, LLC. (*Id.*)

D. The Compensation Committee Evaluates Ellen and Margaret Cotter's Compensation With the Assistance of a Top Executive Compensation Consultant

In January 2016, the Compensation Committee engaged Willis Towers Watson, an international compensation consulting firm, as its advisor. (*Id.* ¶ 5, Ex. 6 at *5.) As part of its engagement, Willis Towers Watson compared the compensation paid to RDI's executive and

management officers to executive compensation paid by (1) a peer group selected by Willis Towers Watson; and (2) companies surveyed in the 2015 Towers Watson Data Services Top Management Survey Report and the 2015 Mercer MBD Executive Compensation Survey. (*Id.* ¶ 5, Ex. 6, at 5.) Regarding the peer group used in 2016, Edward Kane testified:

> I wanted a peer group that was reflective of Reading. And so I asked [Willis Towers Watson] to . . . do one which reflects the company of Reading, and they came back with a . . . peer group whose revenues and net income was reflective of ours. It's not easy to do, because we're in two lines of business, but they did come up with one. And that's what we used for 2016.

(*Id.* ¶ 11, Ex. 10, at 468:12-469:9.)[3] The assessment prepared by Willis Towers Watson compared the "base salary, the short term incentive (cash bonus) and long term incentive (equity awards)" of the peer and surveyed companies to that of RDI executives. (*Id.* ¶ 5, Ex. 6 at 6.) Willis Towers Watson's assessment concluded that, while RDI was generally competitive in base salary, RDI was not competitive when short term incentives and long term incentives were included. (*Id.* ¶ 5, Ex. 6 at 6.) In particular, Willis Towers Watson determined that (1) the base salary paid to RDI's President and CEO was below the 25th percentile; and (2) the total compensation (*i.e.*, base salary, short term incentive, and long term incentive) paid to RDI's President and CEO was also below the 25th percentile. (*Id.* ¶ 5, Ex. 6, at 7.)

At the Compensation Committee meeting on February 17, 2016, the Compensation Committee discussed the process for establishing the base salary, short term incentive targets, and long term incentive targets for Ellen Cotter as CEO. (*Id.* ¶ 8.) The Compensation Committee "discussed potential compensation issues in light of the 'Executive Competitive Pay Assessment' prepared by Willis Towers Watson which assessment was distributed to the Committee Members at a prior meeting." (*Id.* ¶ 8).

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[3] In his report, Plaintiff's purported expert, Tiago Duarte-Silva, points to this peer group as valid.

E. The RDI Board Approves Margaret Cotter's Employment and Margaret Cotter and Ellen Cotter's Compensation Packages on March 10, 2016

Prior to the RDI Board meeting on March 10, 2016, Ellen Cotter presented detailed schedules and proposed individual goals and benchmarks to be used for the senior level executives to the Compensation Committee. (*Id.* ¶ 11.) The Compensation Committee reviewed and unanimously approved the recommendations. (*Id.*) Before recommending the 2016 base salary for Ellen Cotter, the Compensation Committee reviewed the executive pay assessment prepared by Willis Towers Watson. (*Id.* ¶ 5, Ex. 6 at 10.)

In advance of the RDI Board meeting, each director was provided with a schedule showing each senior executive officer's proposed 2016 compensation package. (*Id.* ¶ 12.) For Ellen Cotter and Margaret Cotter, the following was proposed:

Executive	**Proposed 2016 Base Salary**	**Proposed 2016 Short Term Incentive Bonus Potential**	**Proposed 2016 Long Term Incentive**
Ellen Cotter	$450,000	$427,500 (95% of Base Salary)	$300,000
Margaret Cotter	$350,000	$105,000 (30% of Base Salary)	$100,000

(*Id.* ¶ 12.)

At the RDI Board meeting on March 10, 2016, in Margaret Cotter's absence, Ellen Cotter gave a summary of (1) her assessment of the reasons for Margaret Cotter's new position as Executive Vice President; and (2) the factors she had used in recommending the compensation package for Margaret Cotter. (*Id.*) After directors asked questions, Ellen Cotter was excused. (*Id.*) With Plaintiff abstaining and Ellen Cotter and Margaret Cotter absent, the RDI Board adopted the following resolution:

It Is Hereby Resolved that the schedule of proposed 2016 executive compensation for Ellen Cotter and Margaret Cotter and the title of Executive Vice President - Real Estate Management and NYC Development be given to Margaret Cotter, as set forth on Exhibit A to these minutes, as unanimously recommended by the Compensation Committee, be approved.

(*Id.*)

F. <u>Two Board Committees Approve Additional Consulting Fee Compensation to Margaret Cotter Totaling $200,000</u>

In connection with Margaret Cotter's hiring as an RDI employee, the Audit and Conflicts Committee authorized the mutual termination of the Theater Management Agreement dated January 1, 2002, between Liberty Theaters, Inc. (an RDI subsidiary) and OBI, LLC (owned by Margaret Cotter). (*Id.* ¶ 5, Ex. 6 at 4.) The Compensation Committee and the Audit and Conflicts Committee each approved "additional consulting fee compensation to Margaret Cotter totaling $200,000 for services rendered by her to the Company in recent years outside of the scope of the Theater Management Agreement, including, but not limited to: (i) predevelopment work on the Company's Union Square and Cinemas 1, 2 & 3 properties, (ii) management of the New York properties, and (iii) management of Union Square tenant matters." (*Id.*)

When considering this additional consulting fee for past work completed, the Compensation Committee also noted that "OBI, LLC had agreed to include as a part of its termination agreement with the Company certain waivers and releases including the termination of any rights it might have to receive compensation with respect to any show continuing at any of our theaters after the date of such termination." (*Id.*) Douglas McEachern testified:

> [I]f we were to terminate that contract with Liberty Theaters, Margaret Cotter . . . would be entitled to that same compensation in perpetuity until such time as the shows that were playing in those theaters ended. So her compensation is contractual, . . . based upon performance of the theaters, not based upon any discretion of the compensation committee.

(*Id.* ¶ 6, Ex. 5, at 246:1-247:5) Edward Kane testified:

> Margaret Cotter had a contract. And if she was terminated, it's my understanding she would continue to get compensation from plays that were in her theaters, including Stomp. And when we made her employee she gave that up. But that was a lucrative result. So I think the company benefited actually from making her an employee.

(*Id.* ¶ 11, Ex. 10, at 169:21-170:5.) Edward Kane further testified:

> And [Margaret Cotter] gave up quite a bit to become an employee, because she gave up any residual rights to any of the plays which she otherwise would have had even if she was terminated, compensation. So I think Margaret gave up more than she received. . . . [I]t would have been substantial.

(*Id.* ¶ 11, Ex. 10, at 474:11-475:3.)

G. The RDI Board Approves Additional Compensation to Guy Adams for Extraordinary Services

At the RDI Board meeting on March 10, 2016, Ellen Cotter requested that the RDI Board consider additional compensation for Guy Adams. (*Id.* ¶ 12.) In the absence of Guy Adams, Ellen Cotter summarized "the extraordinary services and time devoted by Mr. Adams above and beyond the usual role of a director in the past year." (*Id.*) Ellen Cotter noted that Guy Adams had provided the following extraordinary services: (1) "assisting Ms. Cotter in a variety of support services as the Company underwent the stresses and controversies of the last year;" (2) "assisting Ms. Cotter in an advisory capacity in her transition of roles into interim CEO and permanent CEO;" (3) "advice on investor relations;" (4) "personal travel to New York to assist in the evaluation of the Union Square project;" (5) "assistance with evaluation of certain potential transactions;" (6) "significant commitment of time in evaluating potential new executive compensation practices before the same was considered by the Compensation Committee;" and (7) "extraordinary services on the Executive Committee." (*Id.*) After discussion, with Plaintiff voting against the motion and Guy Adams not participating, the following resolution was adopted: "It Is Hereby Resolved that Guy Adams be compensated $50,000 in recognition of extraordinary services to the Board of Directors." (*Id.*)

The Board had an established precedent of providing additional compensation to directors in recognition of extraordinary service. In 2015, in recognition of directors' service on RDI's Board and committees, RDI had paid an additional one-time fee of $75,000 to Timothy Storey and additional one-time fees of $25,000 to each of William Gould, Douglas McEachern, and Edward Kane, and Guy Adams. (*Id.* ¶ 13, Ex. 12, at 18). Plaintiff voted in favor of these 2015 payments to directors for extraordinary services. (*Id.* ¶ 14, Ex. 13, Response No. 12.)

III. LEGAL STANDARD

Summary judgment is warranted under Nevada Rule of Civil Procedure 56 whenever the "pleadings, depositions, answers to interrogatories, admissions, and affidavits, if any, that are properly before the court demonstrate that no genuine issue of material fact exists, and the moving party is entitled to judgment as a matter of law." *Wood v. Safeway, Inc.*, 121 Nev. 724, 731 (2005). "The substantive law controls which factual disputes are material and will preclude summary judgment; other factual disputes are irrelevant." *Id.*; *see also Anderson v. Liberty Lobby, Inc.*, 477 U.S. 242, 248 (1986) ("Factual disputes that are irrelevant or unnecessary will not be counted."). A factual dispute is "genuine" only "when the evidence is such that a rational trier of fact could return a verdict for the nonmoving party." *Holcomb v. Ga. Pac., LLC*, 289 P.3d 188, 192 (Nev. 2012) (citation omitted).

While the pleadings and other proof are "construed in the light most favorable to the nonmoving party," *LaMantia v. Redisi*, 118 Nev. 27, 29 (2002), that party "bears the burden to more than simply show that there is some metaphysical doubt as to the operative facts in order to avoid summary judgment." *Wood*, 121 Nev. at 732 (citation and internal quotation marks omitted) (rejecting the "slightest doubt" standard). The nonmoving party "is not entitled to build a case on the gossamer threads of whimsy, speculation, and conjecture," *id.* (citation omitted), but instead must identify "admissible evidence" showing "a genuine issue for trial." *Posadas v. City of Reno*, 109 Nev. 448, 452 (1993); *Shuck v. Signature Flight Support of Nev., Inc.*, 126 Nev. 434, 436 (2010) ("bald allegations without supporting facts" are insufficient); *LaMantia*, 118 Nev. at 29 (nonmovant must "show specific facts, rather than general allegations and conclusions"). A nonmoving party that fails to make this showing will "have summary judgment

entered against him." *Wood*, 121 Nev. at 732 (citation omitted).

IV. ARGUMENT

A. Summary Judgment Is Warranted Because Individual Defendants Are Protected by the Business Judgment Rule

Summary judgment is warranted for Plaintiff's claims related to the approval of the Option exercise, appointment of Margaret Cotter, Margaret Cotter and Ellen Cotter's compensation packages, additional consulting fee compensation paid to Margaret Cotter, and additional compensation paid to Guy Adams because the Individual Defendants are protected by the business judgment rule.

The business judgment rule is a "presumption that in making a business decision the directors of a corporation acted on an informed basis, in good faith and in the honest belief that the action taken was in the best interests of the company." *Shoen v. SAC Holding Corp.*, 122 Nev. 621, 632 (2006) (citation omitted); *see also* NRS 78.138(3) (codifying the rule under Nevada law). "The business judgment rule postulates that if directors' actions can arguably be taken to have been done for the benefit of the corporation, then the directors are presumed to have been exercising their sound business judgment rather than to have been responding to self-interest motivation." *Horwitz v. Southwest Forest Indus., Inc.*, 604 F. Supp. 1130, 1135 (Nev. 1985). "An application of the traditional business judgment rule places the burden on the 'party challenging the [board's] decision to establish facts rebutting the presumption.'" *Unitrin, Inc. v. Am. Gen. Corp.*, 651 A.2d 1361, 1373 (Del. 1995) (citing *Aronson v. Lewis,* 473 A.2d at 812). "[T]he business judgment rule shields directors from personal liability if, upon review, the court concludes the directors' decision can be attributed to any rational business purpose." *Unitrin, Inc. v. Am. Gen. Corp.*, 651 A.2d 1361, 1373 (Del. 1995). "[E]ven a bad decision is generally protected by the business judgment rule." *Shoen*, 122 Nev. at 636.

Each of the following Board decisions were made according to a rational business purpose:

- Approving the Estate's exercise of the Option using Class A shares pursuant to a Stock Option Plan that plainly and unequivocally authorizes such an exercise,

stating that payment for an option can be made by "delivery by the optionee of shares of Common Stock already owned by the optionee for all or part of the Option price." (*Id.* ¶ 4, Ex. 3, at 6.1.6(b).) The Estate, acting through Ellen and Margaret Cotter as Co-Executors, was the optionee. *See* N.R.S. 78.010(1)(i) (defining "stockholder of record" as a person whose name appears on the stock ledger of the corporation). The Compensation Committee, in approving the Estate's request, acted consistently with the Company's policy and practice of repurchasing available Class A shares. In May 2014, the Board authorized—and Plaintiff supported—a formal repurchase initiative with respect to Class A stock. (*Id.* ¶ 15.)

- Appointing Margaret Cotter as Executive Vice president to ensure that RDI's management team included an individual who was responsible for an important part of RDI's business and officially integrating a person, on a full-time basis, who performed an important role for RDI onto RDI's management team. (*See id.* ¶ 8).
- Approving, after receiving an outside consultant's report, overall executive compensation packages for Ellen Cotter and Margaret Cotter that were in line and competitive with peer companies. (*See id.* ¶ 5.)
- Approving a $200,000 additional consulting fee to Margaret Cotter to compensate her for past work as a consultant in connection with her transition from a consultant to an employee of RDI and to facilitate the buyout of a contract under which a subsidiary of RDI was obligated to pay compensation to OBI, LLC.[4] (*See id.* ¶ 5, Ex. 4.) Testimony from Douglas McEachern and Edward Kane

[4] When considering the additional consulting fee, the Compensation Committee noted that "OBI, LLC had agreed to include as a part of its termination agreement with the Company certain waivers and releases including the termination of any rights it might have to receive compensation with respect to any show continuing at any of our theaters after the date of such termination." (*See id.* ¶ 5, Ex. 4 at 4.)

shows that RDI Board members were cognizant of the Company's contractual obligations.[5]

- Deciding to provide additional compensation to Guy Adams to compensate him for extraordinary services, including "assisting Ms. Cotter in a variety of support services as the Company underwent the stresses and controversies of the last year;" (2) "assisting Ms. Cotter in an advisory capacity in her transition of roles into interim CEO and permanent CEO;" (3) "advice on investor relations;" (4) "personal travel to New York to assist in the evaluation of the Union Square project;" (5) "assistance with evaluation of certain potential transactions;" (6) "significant commitment of time in evaluating potential new executive compensation practices before the same was considered by the Compensation Committee;" and (7) "extraordinary services on the Executive Committee." (*Id.* ¶ 12.)

B. <u>In the Absence of Gross Negligence, Defendants Did Not Lose the Protections of the Business Judgment Rule</u>

The Nevada Supreme Court has stated that, "[w]ith regard to the duty of care, the business judgment rule does not protect the gross negligence of uninformed directors and officers[.]" *Shoen v. SAC Holding Corp.*, 122 Nev. 621, 640, 137 P.3d 1171, 1184 (2006). Gross negligence is the "'reckless indifference to or a deliberate disregard of the whole body of stockholders' or actions which are 'without the bounds of reason'." *Kahn v. Roberts*, No. C.A.

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[5] Douglas McEachern testified: "[I]f we were to terminate that contract with Liberty Theaters, Margaret Cotter . . . would be entitled to that same compensation in perpetuity until such time as the shows that were playing in those theaters ended. So her compensation is contractual . . . ." (*Id.* ¶ 6, Ex. 5, at 246:1-247:5.)

Edward Kane testified: "Margaret Cotter had a contract. And if she was terminated, it's my understanding she would continue to get compensation from plays that were in her theaters, including Stomp. And when we made her employee she gave that up. . . . So I think the company benefited actually from making her an employee." (*Id.* ¶ 11, Ex. 10, at 169:21-170:5.) Edward Kane further testified: "And [Margaret Cotter] gave up quite a bit to become an employee, because she gave up any residual rights to any of the plays which she otherwise would have had even if she was terminated, compensation. So I think Margaret gave up more than she received." (*Id.* ¶ 11, Ex. 10, at 474:11-475:3.)

12324, 1995 WL 745056, at *4, 8, 9 (Del. Ch. Dec. 6, 1995) (finding "no evidence from which any reasonable person could infer Defendants were grossly negligent" and granting defendants' motion for summary judgment dismissing plaintiff's claims for breach of the duty of care and breach of duty of candor) (citations omitted), *aff'd sub nom. Kahn on Behalf of DeKalb Genetics Corp. v. Roberts*, 679 A.2d 460 (Del. 1996).

Here, there is no evidence of "reckless indifference to or a deliberate disregard of the whole body of stockholders' or actions which are 'without the bounds of reason'." *Kahn v. Roberts*, 1995 WL 745056, at *4. Nor can Plaintiff produce evidence that the Individual Defendants' actions were "so egregious" as to be grossly negligent. *See McMillan v. Intercargo Corp.*, 768 A.2d 492, 505 (Del. Ch. 2000) (stating that a plaintiff is "obligat[ed] to set forth facts from which one could infer that the defendants' lack of care was so egregious as to meet Delaware's onerous gross negligence standard[]" and granting directors' motion for judgment on the pleadings).

In connection with the Estate's Option exercise, the uncontroverted evidence reflects a Stock Option Plan allowing exercise of options using Class A shares and a Company policy of repurchasing Class A shares when they were available. (*Id.* ¶¶ 4, 15.) The uncontroverted evidence further shows that the Compensation Committee, through Kane and Adams, was acting in conformance with and knowledge of the terms of the Stock Option Plan when evaluating the Estate's Option exercise. (*Id.* ¶¶ 3, 4, 15.) Plaintiff therefore cannot meet his burden of demonstrating any gross negligence here.

In connection with the appointment of Margaret Cotter as Executive Vice President, the uncontroverted evidence reflects: (1) discussion by the Compensation Committee on February 17, 2016; (2) discussion by the RDI Board on February 18, 2016; (3) discussion by the Audit and Conflicts Committee on February 29, 2016; and (4) discussion by the RDI Board, again, on March 10, 2016. (*Id.* ¶¶ 8-10, 12). The uncontroverted evidence demonstrates that Edward Kane and Guy Adams viewed Margaret Cotter as competent to be the senior executive at RDI in charge of its real estate development activities in New York. (*Id.* ¶ 11, Ex. 10, at 72:12-18; ¶

16.) Such evidence shows that Plaintiff cannot meet the gross negligence showing for claims related to Margaret Cotter's appointment as Executive Vice President.

In connection with Ellen and Margaret Cotter's executive compensation packages and the additional $200,000 payment to Margaret Cotter, the uncontroverted evidence reflects: (1) the engagement of Willis Towers Watson to prepare an assessment comparing the "base salary, the short term incentive (cash bonus) and long term incentive (equity awards)" of the peer and surveyed companies to that of RDI executives; (2) discussion, in light of the Executive Competitive Pay Assessment prepared by Willis Towers Watson, by the Compensation Committee at their meeting on February 17, 2016; (3) review and unanimous approval by the Compensation Committee of the compensation package recommended for Margaret Cotter; (4) review of the Executive Competitive Pay Assessment prepared by Willis Towers Watson prior to the Compensation Committee's recommendation of Ellen Cotter's salary for 2016; (5) discussion by the RDI Board at its meeting on March 10, 2016; and (6), with respect to the $200,000 buyout, approval by two RDI committees—*i.e.*, the Compensation Committee and the Audit and Conflicts Committee. (*Id.* ¶¶ 5, 8-10, 12.) In light of such evidence, Plaintiff cannot meet the gross negligence showing for claims related to Margaret Cotter and Ellen Cotter's compensation packages.

In connection with the additional $50,000 in compensation paid to Guy Adams for his Board duties, the uncontroverted evidence shows a precedent for such payments to Board members for extraordinary services and Plaintiff's own approval of similar payments. (*Id.* ¶ 13, Ex. 12, at 18; ¶ 14, Ex. 13, Response No. 12.) In light of these previous payments to directors, the payment of additional compensation to Guy Adams for extraordinary services is clearly not "egregious."

C. Summary Judgment Is Warranted Because There Is No Intentional Misconduct, Fraud, or a Knowing Violation of the Law

Even if Individual Defendants had breached some fiduciary duty (they did not), another independent reason to grant Individual Defendants' motion is that they are statutorily immune to individual liability where, like here, the purported breach did not involve intentional misconduct,

fraud, or a knowing violation of law. Nevada Revised Statute § 78.138(7) provides, in relevant part:

> [A] director or officer is not individually liable to the corporation or its stockholders or creditors for any damages as a result of any act or failure to act in his or her capacity as a director or officer unless it is proven that: . . . (b) The breach of those duties involved intentional misconduct, fraud or a knowing violation of law.

In other words, "directors and officers may only be found personally liable for breaching their fiduciary duty of loyalty if that breach involves intentional misconduct, fraud, or a knowing violation of the law." *Shoen*, 122 Nev. at 640 (citing Nev. Rev. Stat. § 78.138(7)); *In re AgFeed USA, LLC*, 546 B.R. 318, 330–31 (Bankr. D. Del. 2016) (citing *Shoen* and concluding that "the second cause of action fail[ed] to state a claim for breach of the duty of loyalty because the complaint [fell] well short of alleging intentional misconduct, fraud, or a knowing violation of the law."); *see also Stewart v. Kroeker*, No. CV04-2130L, 2006 WL 167938, at *1, 2, 6-7 (W.D. Wash. Jan. 23, 2006) (stating that "plaintiffs are required to show not only that defendants' actions or omissions constituted a breach of their fiduciary duties, but also that the 'breach of those duties involved intentional misconduct, fraud or a knowing violation of law[,]'" applying NRS § 78.138(7)(b) to multiple claims, and granting motion for summary judgment).

"As for the terms *knowing violation* and *intentional misconduct*," the Tenth Circuit has stated that "both require knowledge that the conduct was wrongful." *In re ZAGG Inc. S'holder Derivative Action*, No. 15-4001, 2016 WL 3389776, at *7, 11 (10th Cir. June 20, 2016) (affirming dismissal of complaint because Plaintiffs failed to adequately plead that presuit demand on the Board would have been futile) (emphasis in original). Thus, in order for Plaintiff to avoid summary judgment, Plaintiff must show either that (1) each Defendant engaged in misconduct or a violation of law, knowing that the conduct was wrongful; or (2) each Defendant engaged in fraud.

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1. Plaintiff Cannot Show Intentional Misconduct or a Knowing Violation of the Law

Plaintiff cannot produce cognizable evidence showing that, in connection with the Estate's Option exercise, the appointment of Margaret Cotter as Executive Vice President, Margaret Cotter or Ellen Cotter's compensation packages, the additional consulting fee compensation paid to Margaret Cotter, or the additional compensation paid to Guy Adams, Individual Defendants engaged in misconduct or a violation of the law, knowing that the conduct was wrongful, because no such evidence exists.

2. Plaintiff Cannot Show Fraud

Furthermore, these claims fail because Plaintiff cannot show they involved fraud. Plaintiff alleges that statements in a proxy statement or SEC filings were materially misleading; Plaintiff, however, cannot show fraud through such statements because they were made subsequent to the supposed breaches of fiduciary duty at issue. Even if subsequent misleading statements could show fraud under Nevada Revised Statute § 78.138(7), for the reasons discussed below, the purportedly misleading statements identified by Plaintiff do not show fraud.

First, Plaintiff alleges that (1) RDI's 2015 and 2016 Proxy Statements describe "the role of MC with respect to the Company's live theatre operations, and say[] that she 'heads up the re-development process with respect to these properties and our Cinemas 1, 2 & 3,' but fail[] to disclose that [Margaret Cotter] successfully has ended the search by the Company for an experienced real estate executive to lead its real estate development efforts, in the United States, including for the NYC Properties[;]" and (2) "[a]mong the reasons [Margaret Cotter] did so was to create a purported basis for seeking and securing employment with the Company[.]" (SAC ¶¶ 135(i), 136(g).) Even if these allegations were true (they are not), disclosure of such statements was not required because they were not germane. *See Seibert* v. *Harper & Row, Publishers, Inc.,* No. ClV. A. 6639, 1984 WL 21874, at *6 (Del. Ch. Dec. 5, 1984) ("Proxy materials are only required to disclose all germane facts. They need not include opinions or possibilities, legal theories or plaintiffs characterization of the facts."); *Backman v. Polaroid*

Corp., 910 F.2d 10, 16 (1st Cir. 1990) ("revealing one fact" does not mean that "one must reveal all others that, too, would be interesting, market-wise, but means only such others, if any, that are needed so that what was revealed would not be so incomplete as to mislead") (internal quotations omitted).[6]

Second, noting that the Form 8-K filed on March 15, 2016 "stated, among other things, that the RDI Board of Directors Compensation Committee and its Audit and Conflicts Committee each had approved payment of so-called 'additional consulting fee compensation' of $200,000 to MC 'for services rendered by her to the Company in recent years outside the scope' of a Theater Management Agreement[,]" Plaintiff alleges that the Form 8-K was "materially misleading if not inaccurate because, among other things, [the payment was] awarded for reasons other and/or additional to those set in the Form 8-K." (SAC ¶ 101(g) .) To the extent that Plaintiff is suggesting that Form 8-K failed to disclose that the $200,000 payment was awarded as part of a buyout of contractual obligations, the Form 8-K was not misleading because it disclosed that "[t]he Compensation Committee also noted, when considering this additional consulting fee, that OBI, LLC had agreed to include as a part of its termination agreement with the Company certain waivers and releases including the termination of any rights it might have to receive compensation with respect to any show continuing at any of our theaters after the date of such termination." (HD ¶ 5, Ex. 4, at 4.) To the extent that Plaintiff is suggesting that the $200,000 payment was awarded for some other undisclosed reason, Plaintiff cannot produce cognizable evidence of such a reason, because there was none.

Third, noting that the Form 8-K filed on March 15, 2016 "stated that the RDI Board of Directors approved 'additional special compensation' of $50,000 to be paid to Adams 'for

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[6] *See also Khanna v. McMinn,* No. *CN.A.* 20545-NC, 2006 WL 1388744, at *32 (Del. Ch. May 9,2006) (holding that the plaintiffs' claim that the "real reasons" behind the termination of one of the plaintiffs should have been disclosed would require that the board "engage in classic 'self-flagellation'" because it would "constitute admissions of wrongdoing, which the Defendants contest, before a final adjudication on the merits"); *In re Amerco,* 252 P.2d at 701 ("[S]imply alleging that the public filings did not contain enough information . . . does not demonstrate that respondents engaged in intentional misconduct or fraud.").

extraordinary services provided the Company and devotion of time in providing such services[,]'" Plaintiff alleges that the Form 8-K was "materially misleading if not inaccurate because, among other things, [the payment was] awarded for reasons other and/or additional to those set in the Form 8-K." (SAC ¶ 101(g) .) However, Plaintiff cannot produce cognizable evidence of such a reason, because there was none.

Thus, in the absence of intentional misconduct, fraud, or a knowing violation of the law, Individual Defendants are therefore statutorily immune from any potential liability based on the these claims.

D. Summary Judgment Is Warranted Because There Are No Damages

Another independent reason to grant Individual Defendants' motion is that Plaintiff cannot demonstrate any injury. To avoid summary judgment, Plaintiff must produce cognizable evidence showing damages to the Company, an essential element of a breach of fiduciary duty claim. *See Brown v. Kinross Gold U.S.A., Inc.*, 531 F. Supp. 2d 1234, 1245 (D. Nev. 2008) (A claim for breach of fiduciary duty requires a plaintiff to demonstrate "the existence of a fiduciary duty, the breach of that duty, and that the breach proximately caused the damages.") (applying Nevada law). "To recover on a claim of corporate waste, the plaintiffs must shoulder the burden of proving that the exchange was 'so one sided that no business person of ordinary, sound judgment could conclude that the corporation has received adequate consideration.'" *In re Walt Disney Co. Derivative Litig.*, 906 A.2d 27, 74 (Del. 2006). "A claim of waste will arise only in the rare, 'unconscionable case where directors irrationally squander or give away corporate assets.'" *Id.*

1. There Are Not Damages, As a Matter of Law, from Allowing the Estate to Exercise the Option

Plaintiff has not offered any evidence that the additional 100,000 shares obtained by the Estate through the Option exercise had any impact on any vote at the 2015 ASM, or at any other time. Every director elected to the Board at the 2015 ASM received approximately 1.3 million votes, *i.e.*, the votes of more than 75% of the Class B stockholders. (*Id.* ¶ 17.) The 100,000 shares obtained by the Estate through exercising the Option did not make, and could not have

made, any difference to the outcome of the vote. Thus, Plaintiff cannot demonstrate any impact on the Company, let alone *damage* to the Company—a deficiency fatal to all claims relating to exercise of the Option.

2. <u>There Are No Damages, As a Matter of Law, from the Appointment of Margaret Cotter as Executive Vice President</u>

Plaintiff's testimony exposes his inability to demonstrate any damages from the appointment of Margaret Cotter as Executive Vice President. Asked about Margaret Cotter's performance at his deposition on May 17, 2016, Plaintiff claimed: "I haven't been given enough information to assess her performance." (*Id.* ¶ 18.)

Furthermore, Plaintiff's allegation that Individuals Defendants have wasted corporate assets by "caus[ing] the Company to spend and continue to spend substantial sums of money, believed to be at least in the millions of dollars, to pay outside consultants because [they] effectively acquiesced to MC's insistence that RDI not hire an executive experienced in real estate development, and because all of the individual defendants instead approved hiring [Margaret Cotter] as EVP-RED-NYC[,]" (SAC ¶ 167), fails as a matter of law. Here, there is no genuine dispute that the exchange RDI's money for outside consultants' services was not "so one sided" as to be "unconscionable." Thus, Plaintiff cannot demonstrate injury from Margaret Cotter's appointment as Executive Vice President.

3. <u>There Are No Damages, As a Matter of Law, from Ellen Cotter and Margaret Cotter's Compensation Packages</u>

To the extent that Plaintiff's ambiguous allegation of "payment of duplicative or redundant compensation[,]" (SAC ¶ 167), refers to the compensation packages of either Ellen Cotter or Margaret Cotter, Plaintiff's allegation fails as a matter of law. Here, there is no genuine dispute that the exchanges of RDI's money for Ellen Cotter and Margaret Cotter's services were not "so one sided" as to be "unconscionable." Thus, Plaintiff cannot demonstrate injury from Ellen Cotter or Margaret Cotter's compensation packages.

///

4. <u>There Are No Damages, As a Matter of Law, from Additional Consulting Fee Compensation Paid to Margaret Cotter</u>

Plaintiff's allegation that "[t]he individual defendants' complained of conduct constitutes waste and has caused monetary damages to RDI, including what amounted to . . . a $200,000 gift to [Margaret Cotter][,]" (SAC ¶ 166), fails as a matter of law. Here, because there is no genuine dispute that Margaret Cotter rendered services to RDI for which she was not compensated, the payment for those uncompensated services was not so one sided as to be unconscionable. Furthermore, the payment of money in light of waivers and releases, including the termination of any rights to receive compensation with respect to shows continuing at RDI theatres, was not "so one sided" as to be "unconscionable." Thus, Plaintiff cannot demonstrate injury from the additional consulting fee compensation paid to Margaret Cotter therefore fail.

5. <u>There Are No Damages, As a Matter of Law, from Additional Compensation Paid to Guy Adams</u>

Plaintiff's allegation that "[t]he individual defendants' complained of conduct constitutes waste and has caused monetary damages to RDI, including what amounted to . . . a $50,000 gift to Adams[,]" (SAC ¶ 166), fails as a matter of law. Here, because there is no genuine dispute that Guy Adams rendered extraordinary services to RDI, the payment for those extraordinary services was not "so one sided" as to be "unconscionable." Thus, Plaintiff cannot demonstrate injury from the additional compensation paid to Guy Adams.

In sum, Plaintiff's inability to demonstrate injury is fatal to all of his claims.

V. <u>CONCLUSION</u>

For the foregoing reasons, the Individual Defendants respectfully request that the Court grant them summary judgment as to the First, Second, Third, and Fourth Causes of Action set forth in Plaintiff's SAC, to the extent that they assert claims and damages related to the Estate's Option exercise, appointment of Margaret Cotter as Executive Vice President, Ellen Cotter and Margaret Cotter's compensation packages, the additional consulting fee compensation to Margaret Cotter, and the additional compensation to Guy Adams.

Dated: September 23, 2016

COHEN|JOHNSON|PARKER|EDWARDS

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DECLARATION OF COUNSEL NOAH S. HELPERN IN SUPPORT OF INDIVIDUAL DEFENDANTS' MOTION FOR PARTIAL SUMMARY JUDGMENT (NO. 6) ON PLAINTIFF'S CLAIMS RELATED TO THE ESTATE'S OPTION EXERCISE, THE APPOINTMENT OF MARGARET COTTER, THE COMPENSATION PACKAGES OF ELLEN COTTER AND MARGARET COTTER, AND THE ADDITIONAL COMPENSATION TO MARGARET COTTER AND GUY ADAMS

I, Noah Helpern, state and declare as follows:

1. I am a member of the Bar of the State of California, and am an attorney with the law firm of Quinn Emanuel Urquhart & Sullivan, LLP ("Quinn Emanuel"), attorneys for Defendants Margaret Cotter, Ellen Cotter, Guy Adams, Edward Kane, Douglas McEachern, Judy Codding, and Michael Wrotniak. I make this declaration based upon personal, firsthand knowledge, except where stated to be on information and belief, and as to that information, I believe it to be true. If called upon to testify as to the contents of this Declaration, I am legally competent to testify to its contents in a court of law.

2. Attached hereto as Exhibit 1 is a true and correct copy of a Form 10-K filed by RDI on or about April 29, 2016.

3. Attached hereto as Exhibit 2 is a true and correct copy of the Minutes of the September 21, 2015 meeting of RDI's Compensation Committee.

4. Attached hereto as Exhibit 3 is a true and correct copy of the 1999 Stock Option Plan.

5. Attached hereto as Exhibit 4 is a true and correct copy of a form 8-K filed by RDI on or about March 15, 2016.

6. Attached hereto as Exhibit 5 is a true and correct copy of transcript excerpts from the deposition of Douglas McEachern, taken on May 6, 2016.

7. Attached hereto as Exhibit 6 is a true and correct copy of transcript excerpts from the deposition of Margaret Cotter, taken on May 12, 2016.

8. Attached hereto as Exhibit 7 is a true and correct copy of the Minutes of the Meeting of the Compensation and Stock Options Committee held on February 17, 2016.

9. Attached hereto as Exhibit 8 is a true and correct copy of the Draft Minutes of the Meeting of the Board of Directors held on February 18, 2016.

10. Attached hereto as Exhibit 9 is a true and correct copy of the Minutes of the Meeting of the Audit and Conflicts Committee held on February 29, 2016.

11. Attached hereto as Exhibit 10 is a true and correct copy of transcript excerpts from the deposition of Edward Kane.

12. Attached hereto as Exhibit 11 is a true and correct copy of the Minutes of the Meeting of the Board of Directors held on March 10, 2016.

13. Attached hereto as Exhibit 12 is a true and correct copy of a form DEF 14A filed by RDI on or about May 18, 2016.

14. Attached hereto as Exhibit 13 is a true and correct copy of Plaintiff's Amended Responses to the First Set of Requests for Admission.

15. Attached hereto as Exhibit 14 is a true and correct copy of minutes of the Board of Directors meeting that took place on May 15, 2014.

16. Attached hereto as Exhibit 15 is a true and correct copy of transcript excerpts from the deposition of Guy Adams, taken on April 28, 2016.

17. Attached hereto as Exhibit 16 is a true and correct copy of a form 8-K filed by RDI on or about November 13, 2015.

18. Attached hereto as Exhibit 17 is a true and correct copy of transcript excerpts from the deposition of James J. Cotter, Jr.

19. This declaration is made in good faith and not for the purpose of delay.

I declare under penalty of perjury under the laws of the State of Nevada that the foregoing is true and correct.

Executed on the 23rd day of September, 2016, in Los Angeles, California.

/s/ Noah Helpern
Noah Helpern

EXHIBIT 1

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-K

☑ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2015 or

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from _____ to _____

Commission File No. 1-8625

READING INTERNATIONAL, INC.
(Exact name of registrant as specified in its charter)

NEVADA	**95-3885184**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Number)
6100 Center Dr ive , Suite 900 Los Angeles, CA	90045
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including Area Code: (213) 235-2240
Securities Registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Class A Nonvoting Common Stock, $0.01 par value	**NASDAQ**
Class B Voting Common Stock, $0.01 par value	**NASDAQ**

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☑

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934. Yes ☐ No ☑

Indicate by check mark whether registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act of 1934 during the preceding 12 months (or for shorter period than the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☑ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☑ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of the registrants knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K of any amendments to this Form 10-K. ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definition of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☐ Accelerated filer ☑ Non-accelerated filer ☐ Smaller reporting company ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☑

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date. As of April 25, 2016 , there were 21,654,302 shares of class A non-voting common stock, par value $0.01 per share and 1,680,590 shares of class B voting common stock, par value $0.01 per share, outstanding. The aggregate market value of voting and nonvoting stock held by non-affiliates of the Registrant was $195,571,016 as of December 31, 2015.

Documents Incorporated by Reference

Certain portions of the registrant's definitive proxy statement, in connection with its 201 6 annual meeting of stockholders, to be filed within 120 days of December 31, 201 5 , are incorporated by reference into Part III, Items 10-14, of this annual report on Form 10-K.

READING INTERNATIONAL, INC.

ANNUAL REPORT ON FORM 10-K
YEAR ENDED DECEMBER 31, 201 5
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PART I

Item 1 – Our Business

GENERAL

Reading International, Inc., a Nevada corporation ("RDI" and collectively with our consolidated subsidiaries and corporate predecessors, the "Company," "Reading" and "we," "us," or "our"), was incorporated in 1999 incident to our reincorporation in Nevada. Our class A non-voting common stock ("Class A Stock") and class B voting common stock ("Class B Stock") are listed for trading on the NASDAQ Capital Market (Nasdaq-CM) under the symbols RDI and RDIB, respectively. Our principal executive offices are located at 6100 Center Drive, Suite 900, Los Angeles, California 90045. Our general telephone number is (213) 235-2240 and our website is www.readingrdi.com . It is our practice to make available free of charge on our website our annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments to those reports filed or furnished pursuant to Sections 13(a) or 15(d) of the Exchange Act as soon as reasonably practicable after we have electronically filed such material with or furnished it to the Securities and Exchange Commission.

We are an internationally diversified company principally focused on the development, ownership and operation of entertainment and real property assets in the United States, Australia, and New Zealand. Currently, we have two business segments:

- Cinema Exhibition, through our 58 cinemas, and
- Real Estate, including real estate development and the rental or licensing of retail, commercial and live theater assets.

We synergistically bring together real-estate based entertainment and real estate and believe that these two business segments complement one another, as our cinemas have historically provided the steady cash flows that allow us to be opportunistic in acquiring and holding real estate assets (including non-income producing land) and support our real estate development activities. Our real estate allows us to develop an asset base that will stand the test of time and develop a long-term asset base that is capable of being leveraged. More specifically, the combination of these two segments provides advantages as follows:

- Cinemas can be used as anchors for larger retail developments (referred to as entertainment-themed centers, or ETCs), and our involvement in the cinema business can give us an advantage over other real estate developers or redevelopers who must identify and negotiate with third-party anchor tenants. We have used cinemas to create our own anchors in our Sydney, Australia, Belmont, Australia, and Wellington, New Zealand ETCs and are adding a new cinema to our Brisbane, Australia shopping center , and, we have acquired the real estate underlying our cinema in Townsville, Australia.

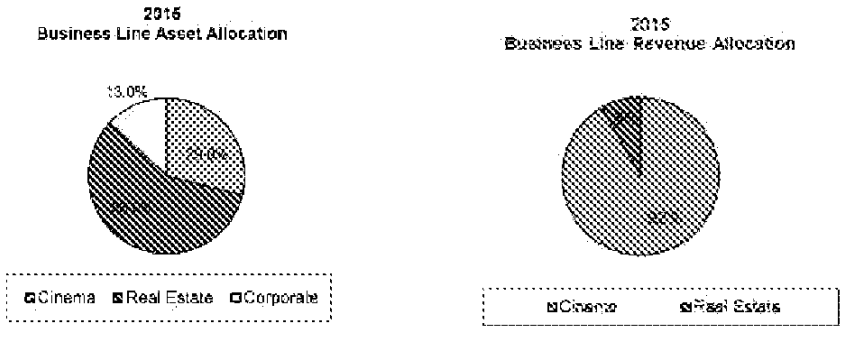
- Pure cinema operators can encounter financial difficulty as demands upon them to produce cinema-based earnings growth tempt them into reinvesting their cash flow into increasingly marginal cinema sites or overpaying for existing cinemas. While we believe that there will continue to be attractive opportunities to acquire cinema assets and/or to develop upper end specialty type theaters in the future, we do not feel pressure to build or acquire cinemas for the sake of adding units or building gross revenues. This strategy has, over the years, allowed us to acquire cinemas at multiples of trailing theater cash flow below those paid by third parties in recent acquisitions. We intend to focus our use of cash flow on our real estate development and operating activities, to the extent that attractive cinema opportunities are not available to us.

- We are always open to the idea of converting an entertainment property to another use, if there is a higher and better use for the property, or to sell individual assets, if we are presented with an attractive opportunity. Our fee interests on Union Square and on Third Avenue (near 60 th Street) in New York City, each of which is now slated for redevelopment, were initially acquired as, and in the case of our Third Avenue property, continues to be used as, entertainment properties.

Insofar as we are aware, we are the only publicly traded company in the world to apply this two-track, synergistic approach to the cinema and real estate development businesses on an international basis. None of the major cinema exhibition companies (other than Marcus Theatres) have any material landholdings as they operate on a leased-facility model.

We have worked to maintain a balance between our U . S . and our Australia/New Zealand assets. In recent periods, this has adversely impacted our reported revenues and earnings, as the Australian Dollar has since 2010 dropped 28 % from 1.0122 to 0. 7286 and the New Zealand Dollar has ove r that same period de creased 11 % from 0.7 6 87 to 0.6842. However, we continue to believe that, over the long term, this is a prudent diversification of risk. In recent periods, the Australian Dollar has traded as high as 1. 1001 and the New Zealand Dollar has traded as high as 0.8776. Australia has been identified by the United Nations as having the highest natural resources per person in the world . In 2013, the Organisation for Economi ic Co-operation and Development rated Australia as the best place to live and work in the world . Dalian Wanda Group ("Wanda") , the purchaser of AMC Entertainment Holdings, Inc. ("AMC"), in June 2015, has recently purchased Hoyt s, the second largest exhibiter in Australia and New Zealand.

At December 31, 2015, the b ook value of our asset s was $375 .1 million, and, as of that same date, we had a consolidated s tockholders' book equity of $13 7.2 million. Calculated based on book value, $107.8 million , or 29 % of our assets , relate to our cinema exhibition activities and $219.8 million , o r 58 %, of our assets , relate to our real estate activities.

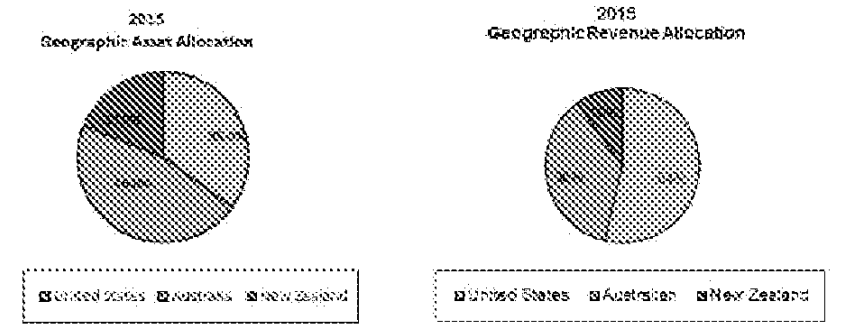


For additional segment financial information, please see Note 1 – *Description of B usiness and Segments Reporting* to our 2015 c onsolidated f inancial s tatements.

We have diversified our assets among three countries: the United State s, Australia, and New Zealand. Based on book value, at December 31, 2015, we had approximately 35% of our assets in the United States, 46% in Australia and 19% in New Zealand compared to 35%, 44%, and 21% respective ly, at the end of 2014.

At December 31, 2015, we had cash and cash equivalents of $ 19.7 million, which are accounted for as a corporate asset. Our cash included $ 9.3 million denominated in U.S. dollars, $6.8 million (AU$9.3 million) in Australian dollars, and $3.6 million (NZ$5.2 million) in New Zealand dollars. W e had non-current assets of $113.3 million in the United States, $16 1.2 million (AU$221.2 million) in Australia and $63.6 million in New Zealand (NZ$93.0 million).

For 2015, our gross revenue in these jurisdictions was $138.2 million, $93.5 million, and $25.6 million, respectively, compared to $130.8 million, $97.3 million, and $26.6 million for 201 4 . These changes are due primarily to the increased box office sales experienced in the United States, due primarily to higher average ticket prices, compared to reduced revenue in o ur Australia and New Zealand operations . Revenues fell in Australia and New Zealand primarily as a result of the strengthening U.S. dollar when compared to the Australian and New Zealand dollars ; this was partially offset by greater box office and concession sales in local currencies as a result of higher attendance. Measured in local currency, revenues in Australia and New Zealand both increased.



CINEMA EXHIBITION

We are dedicated to creating inspiring cinema experiences for our guests through hospitality-styled comfort and service, cinematic presentation, uniquely desigued venues, curated film and event programming, and crafted food and beverage options. We manage our worldwide cinema exhibition business under various brands:

- In the U.S.: under the Reading Cinemas, Angelika Film Center, Consolidated Theatres, and City Cinemas brands;
- In Australia: under the Reading Cinemas brand; and
- In New Zealand: under the Reading Cinemas and Rialto brands.

Historically, we have focused on the ownership and/or operation of three categories of cinemas:

- Modern stadium-seating multiplex cinemas featuring conventional film product;
- Specialty and art cinemas, such as Angelika Film Centers in the U.S. and Rialto Cinema in New Zealand; and
- Conventional sloped-floor cinemas in certain markets, including New York City with its prohibitory occupancy and construction costs and small town markets that will not support the development of a modern stadium-desigu multiplex cinema.

Currently, we are focused on upgrading our existing cinemas and developing new cinema opportunities to provide our customers with premium offerings, including luxury seating, state-of-the-art presentation including sound, lounges, cafés and bar service, and other amenities. In 2015, we added the first IMAX auditorium to our circuit, but endeavor, where possible to include one or more large format TITAN XC screen offerings.

We believe that the cinema exhibition business will continue to generate fairly consistent cash flows in the years ahead, even in recessionary or inflationary envirouments, because people will continue to spend a reasonable portion of their entertainment dollars on entertaiument outside of the home. When compared to other forms of outside-the-home entertaiument, movies continue to be a popular and competitively priced option.

Although the cinema exhibition business is considered a mature business, we see growth opportunities in our cinema exhibition business principally from (i) the enhancement of our existing cinemas, (ii) the development in select markets of art and specialty cinemas, (iii) the development of new state-of-the-art cinemas on land that we already own or may in the future acquire, and (iv) the development of new cinemas in selected markets. While we continue to consider possible opportunities in third party developments, we prefer to put our capital to work on properties that we own rather than take on potentially burdensome lease obligations. Our circuit has been completely converted to digital projection and sound systems.

We continue to expand and upgrade our circuit on an opportunistic basis. During 2015 we opened a new state-of-the-art cinema (eight screens) in Auckland , New Zealand, and entered into a lease for a to-be-built state-of-the art eight -screen cinema in Kapolei, Hawaii. We anticipate that the Kapolei theater will open in the fourth quarter of this year. We completed the re novation and rebranding as an "Angelika" luxury art cinema of our conventional cinema at the Carmel Mountain Plaza in San Diego , California and completely renovated our fourteen -screen Ha r bourtown cinema in Queen sland, Australia, converting an auditorium in that theater to a TITAN XC auditorium . We added the first IMAX to our circuit, which opened at our Bakersfield cinema in time for the opening of "Star Wars: The Force Awakens" . We continue to progress the construction of a new state-of-the art eight -screen cinema at our Newmarket Shopping Center in Brisbane, Australia. We anticipate opening that cinema in the fourth quarter of 2017 .

In 2015 we upgraded the food and beverage menu at a number of our U.S. cinemas. We are focused on the renovation and upgrading of our existing U.S. cinemas, along the lines of our Carmel Mountain cinema. Working with veteran Food Network Executive Bruce Seidel of Hot Lemon Productions and chef Santos Loo we are upgrading our food and beverage offerings. We have obtained beer and wine, and in some cases liquor, licenses for six of our venues and are in the application process for an additional 10 venues. We intend to be able to offer alcoholic beverages at 16 or more of our venues by the end of 2017.

As discussed in greater detail below, as a part of our real estate operations, we acquired the fee interest in the ETC in which our Townsville, Australia cinema is located and in the adjacent discount center.

In January of 2015 , we amended the lease of our Ward Theater in Honolulu as part of a planned renovation and further developmen t by The Howard Hughes Company of i ts Ward Village development.

On January 31, 2016, following our run of "Star Wars: The Force Awakens" , we surrendered our Gas lamp Cinema in San Diego. We paid the landlord a $1.0 million negotiated termination fee, which was less expensive than continuing to operate an unprofitable

theater at this location. This cinema was acquired in 2008 as a part of the acquisition of a package of 15 lo cations from Pacific Theatres. The cinema was , at that time, a substantial money-loser and the purchase price was calculated taking into account the losses generated by that cinema and the likelihood that such losses would continue into the future.

In 2014, we completed an upgrade of our Cinemas 1,2,3 in New York City, which included the installation of luxury recliner seats. This property is slated for redevelopment. No determination has been made as to whether a cinema use will be maintained as a part of that redevel opment. If it is not, then the equipment used at this property will be used elsewhere in our circuit.

In 2014, we entered into a long-term lease for a new, state-of-the-art Angelika Film Center in the Union Market district of Washington D.C. However, the lease was terminated as the anticipated location for this cinema ultimately was determined by the landlord, Edens, to not be feasible. We are currently finalizing with Edens the terms and conditions of a new lease for a cinema in a different location in the Union Market area.

REAL ESTATE

We engage in real estate development and the ownership and rental or licensing to third parties of retail, commercial and live theater assets. We own the fee interests in all of our live theaters, and in 11 of our cinemas. Our real estate business creates long-term value for our stockholders through the continuous improvement and development of our investment and operating properties, including our ETCs.

Our real estate activities have historically consisted principally of:

- the ownership of fee or long-term leasehold interests in properties used in our cinema exhibition activities or which were acquired for the development of cinemas or cinema-based real estate development projects;
- the acquisition of fee interests in land for general real estate development;
- the licensing to production companies of our live theaters; and
- the redevelopment of our existing fee-owned cinema or live theater sites to their highest and best use.

Given the subs tantial increase in Manhattan rents and commercial real estate values in recent periods, we are currently advancing plans for the redevelopment of our Union Square and Cinemas 1,2,3 properties.

We currently anticipate that our Union Square property will be redeveloped into approximately 70,200 square feet of net leaseable area, comprised of retail and office space. BKSK Architects has designed the building with an iconic glass dome which has been approved by the City of New York Landmarks Preservation Commission. On March 22, 2016, our application for a variance was approved by the Board of Standards and Appeals. This was the last major regnlatory hurdle to our commencement of construction at the site. While our building plans still must be approved by the New York City Department of Buildings, we do not currently anticipate encountering any material issues in obtaining such approval. All tenancies have been terminated. The building has been vacated, and we have begun internal demolition activities at the site. We currently anticipate that construction will be completed by the second quarter of 2018. We have retained Edifice Real Estate Partners, LLC as our development manager, Newmark Grubb Knight Frank as our leasing agent, and, an affiliate of CNY Construction LLC to provide pre-construction management services. BKSK and Gensler have assisted with the internal layout and interior design of the building.

We have completed a preliminary feasibility study and are currently in negotiations with the owner of the approximately 2,600 square foot corner parcel adjacent to our Cinemas 1,2,3 property on the corner of 60 th Street and 3 rd Avenue for the joint development of our properties. A combination of the properties would produce approximately 121,000 square foot of FAR and approximately 140,000 square feet of gross buildable area. N o assurances can be given that we will be able to come to terms with the adjacent owners.

On April 11, 2016 , we purchase d for $11.2 million a 24,000 square foot Class B office building with 72 parking spaces located at 5995 Sepulveda Boulevard in Culver City, California. We intend to use approximately 50% of the leasable area for our headquarters offices and to lease the remainder to unaffiliated third parties. Culver City has in recent years developed as a center of entertainment and high-tech activity in Los Angeles County. Major tenants in the area include SONY and Google, with Facebook slated to take space in the near future . We anticipate, when the move is complete and the excess space is leased, we will be able to reduce our headquarters occupancy cost by approximately $350,000 per annnm.

Overseas, on December 23 , 2015, we acquired two adjoining ETCs in Townsville, Queensland, Australia for a total of $2 4.3 million (AU$33.6 million) comprising approximately 5.6 acres. The total gross leasable area of the two properties, the Cannon Park City Centre and the Cannon Park Discount Centre, is 133,000 square feet. Our multiplex cinema at the Cannon Park City Centre is the anchor tenant of that center. This acquisition is consistent with our business plan to own, where practical, the land underlying our entertainment assets. For additional information, see Note 4 – *Acquisitions, Disposals, and Assets Held for Sale – 2015 Transactions – Cannon Park, Queensland, Australia* .

We continue to w ork on the expansion of our Aub u r n ETC in Sydney, Australia, our Newmarket Shopping Center in Brisbane, Australia, and our Courtenay Central ETC in Wellington, New Zealand.

At Auburn, we have entered into agreements to lease for approximately 15,000 square feet of to-be-constructed retail space. Upon completion, this will increase the square footage of that center from approximately 117,000 to approximately 132,000 square feet.

At Newmarket, we have received all necessary land use approvals for the addition of a state-of-the art eight-screen cinema, approximately 10,000 square feet of additional retail space and approximately 142 additional car parks. Construction is expected to commence in the second quarter of 2016, with a projected opening in the fourth quarter of 2017. On November 30, 2015, we acquired an approximately 23,000 square foot parcel adjacent to our tenant Coles supermarket. This property is currently improved with an office building. We intend, over time, to integrate this property into our Newmarket development. This will increase our Newmarket footprint from approximately 204,000 to approximately 227,000 square feet.

At Courtenay Central, we continue to advance the addition of an approximately 36,000 square foot Countdown supermarket and approximately 4, 0 00 square feet of general retail space. The agreement to lease the supermarket was signed in 2013, all necessary land use approvals have been obtained, construction budgets for the supermarket have been approved by all parties, and we anticipate beginning construction in the third quarter of this year and occupancy by the fourth quarter 2017 . Simultaneously, we are working on the renovation of our existing center and the seismic upgrading of the contiguous 9-story parking structure.

In addition to certain historic railroad properties (such as our 2.1 acre Viaduct Property in downtown Philadelphia) and certain expansion space associated with our existing ETC operations, we have two unimproved properties that we acquired for , and are currently being held for, development: our 202-a cre parcel in Coachella, California (near Palm Springs) and our 70.4 acre parcel in Manukau, a suburb of Auckland, New Zealand (located adjacent to the Auckland Airport). The Coachella property is currently zoned for residential and mixed-use uses. The Manukau property is currently zoned for agricultural purposes, but we are in the process of seeking a zoning change to industrial .

Over the past 24 months, we have culled our real estate holdings to focus on those projects which we believe offer more upside potential to us. As part of this process we sold our property in Lake Taupo, New Zealand, for $2.5 million (NZ$3.4 million), which close d in two tranches, with a balance of $821,000 (NZ$1.2 million) received on March 31, 2016. We sold our land holdings in Moonee Ponds, Australia on April 15, 2015 for $17.8 million (AU$23.0 million), for which all monies have now been received and our land holdings in Burwood, Australia, for $47.4 million (AU$65.0 million) on May 12, 2014, with a balance due of $42.6 million (AU$58.5 million) scheduled to be paid at closing in December 2017. Our Burwood agreement provides for mandatory pre-payments in the event that any of the land is sold by the buyer, any such prepayment being in an amount equal to the greater of (a) 90% of the net sales price or (b) the balance of the purchase price multiplied by a fraction the numerator of which is the square footage of property being sold by the buyer and the denominator of which is the original square footage of the property being sold to the buyer. The buyer has informed us that it is under contract to sell a portion of this property and a potential prepayment of approximately $18.2 million (AU$25 million) is possible in 2016. We sold our Doheny Drive Condominium in Los Angeles for $3.0 million, which closed on February 25, 2015. These sales were made based on our belief that the assets involved had reached the highest value that we could reasonably achieve without investing substantial additional sums for land use planning, construction, and marketing.

OPERATIN G INFORMATION

At December 31, 2015 , our principal tangible assets included:

- interests in 57 currently operational cinemas comprising some 472 screens ;
- fee interests in three live theaters (the Orpheum and Minetta Lane in Manhattan and the Royal George in Chicago);
- fee interest in one cinema (the Cinemas 1,2,3), in New York City ;
- fee interest in our Union Square property, previously used by us as a live theater venue and for rental to third parties and now being redeveloped for retail and office uses;
- our ETCs and shopping centers in Sydney (Auburn Center), Brisbane (Newmarket Center), Townsville (Cannon Park) and Wellington (Courtenay Central);
- In addition to the fee interests described immediately above, fee ownership of approximately 20,700,000 square feet of develo ped and undeveloped real estate in the United States, Australia and New Zealand ; and
- cash and cash equivalents, aggregating $19.7 million.

RDI-A03826

Cinema Exhibition

We own and/or manage cinema assets as follows:

	December 31, 2015					
	Wholly Owned	Consolidated [1]	Unconsolidated [2]	Total owned	Managed [3]	Total owned and operated
United States						
Cinemas	25	1	--	26	1	27
Screens	245	3	--	248	4	252
Australia						
Cinemas	17	2	1 [4]	20	--	20
Screens	130	11	16	157	--	157
New Zealand						
Cinemas	9	--	2 [5]	11	--	11
Screens	54	--	13	67	--	67
Total Cinemas	51	3	3	57	1	58
Total Screens	429	14	29	472	4	476

[1] Cinemas owned and operated through consolidated, but not wholly owned, subsidiaries.
[2] Cinemas owned and operated through interests in unconsolidated joint venture associates.
[3] Cinemas in which we have no ownership interest, but which are operated by us under management agreements.
[4] 33.3% unincorporated joint venture interest.
[5] 50% unincorporated joint venture interest.

Although we operate cinemas in three jurisdictions, the general nature of our operations and operating strategies does not vary materially fro m jurisdiction-to-jurisdiction. In each jurisdiction, our gross receipts are primarily from box office receipts, food and beverage sales, concession sales, and screen advertising. Our ancillary revenue is created principally from theater rentals (for example, for film festivals and special events), and ancillary programming (such a s concerts and sporting events) .

Our cinemas generated approximately 65% of their 2015 revenue from box office receipts. Ticket prices vary by location , and we offer reduced rates for senior citizens, children and, in certain markets, military and students.

Show times and features are placed in advertisements on our various websites, on internet sites and, in some markets, in local newspapers. Film distributors may also advertise certain feature films in various print, radio and television media, as well as on the internet, and those costs are generally paid by distributors. We are increasing our presence in social media, thereby reducing our dependency on print advertising .

Concession sales accounted for approximately 29% of our total 2015 cinema revenue. Although certain cinemas have licenses for the sale and consumption of alcoholic beverages, historically concession products have been primarily popcorn, candy, and soda. This is changing, as more of our theaters are offering expanded food and beverage offerings. One of our focuses for 2016 and 2017 is to upgrade our existing cinemas with expanded food and beverage offerings . We intend to have alcoholic beverage licenses for at least 16 of our domestic cinemas by 2017 .

Screen advertising and other revenue contribute approximately 6% of our total 2015 cinema revenue. With the exception of certain rights that we have retained to sell to local advertisers, generally speaking , we are not in the screen advertising business and nationally recognized screen-advertising companies provide such advertising for us.

In New Zealand, we also own a one-third interest in Rialto Distribution, an unincorporated joint venture engaged in the business of distributing art film in New Zealand and Australia. The remaining two-thirds interest in Rialto Distribution is owned by the founders of Rialto Distribution, who have been in the art film distribution business since 1993 .

Management of Cinemas

With the exception of our three unconsolidated cinemas , we manage all of our cinemas with ex ecutives located in Los Angeles; Manhattan; Melbourne, Australi a; and Wellington, New Zealand. Approximately 2,506 individuals were employed (on a full-time or part- time basis) in our cinema operations as of December 31, 2015 . Our two New Zealand Rialto cinemas are owned by a joint venture

in which Reading New Zealand is a 50% joint venture partner. While we are principally responsible for the booking of the se two cinemas, our joint venture partner, Event Cinemas, manages their day-to-day operations. In addition, we have a one-third interest in a 16-screen Brisbane cinema managed by Event Cinemas.

Licensing and Pricing

Film product is available from a variety of sources, ranging from the major film distributors, such as Paramount Pictures, Twentieth Century Fox, Warner Bros, Buena Vista Pictures (Disney), Sony Pictures Releasing, Universal Pictures and Lionsgate, to a variety of smaller independent film distributors. In Australia and New Zealand, some of those major distributors distribute through local unaffiliated distributors. Worldwide, the major film distributors dominate the market for mainstream conventional films. In the U.S. art and specialty film is distributed through the art and specialty divisions of these major distributors, such as Fox Searchlight and Sony Pictures Classics, and through independent distributors such as The Weinstein Company. Generally speaking, film payment terms are based upon an agreed-upon percentage of box office receipts that will vary from film-to-film.

Competition

In certain markets in the U.S. in which we operate, film may be allocated by the distributor among competitive cinemas, commonly known as "clearance", while in other U.S. markets we have access to all available film. This is discussed in greater detail below . Accordingly, we, from time-to-time, are unable to license every film that we may desire to play. In the Australian and New Zealand markets, we generally have access to all available film product.

We believe that the success of a cinema depends on its access to popular film product because film patrons tend to decide on a film they would like to see first and then a cinema where the film is available. If a particular film is only offered at one cinema in a given market, then customers wishing to see that film will, of necessity, go to that cinema. If two or more cinemas in the same market offer the same film, then customers will typically take into account factors such as the relative convenience, quality and cost of the various cinemas. For example, most cinema patrons seem to prefer a modern stadium-design multiplex to an older sloped-floor cinema, and to prefer a cinema that either offers convenient access to free parking (or public transport) over a cinema that does not.

This view is being challenged by some exhibitors, who are now promoting a "dine-in" concept. These exhibitors believe that if offered the right environment, consumers will choose the venue first, and the movie second. We believe that the jury is out as to the economic viability of this concept given, among other things, the space and fit-out costs involved, the necessarily reduced seat count where food is served at the seat, the split between consumers who want and who oppose having in-auditorium dining (some people just want to see the movie, and find in-auditorium service and diuning to be a distraction from the movie itself), and the pricing of such offerings. It also appears to us, that one still needs to at least offer top film product. So, even with these dine-in theaters, access to film remains a principal concern.

In the United States in certain markets, distributors typically take the position that they are free to provide or not provide their films to particular exhibitors, at their complete and absolute discretion, even though the number of "digital prints" is theoretically unlimited and all advertising for conventional film is paid for by the distributors. Some competitors, like AMC, are becoming increasing aggressive in their efforts to prevent competitors' access to film product in film zones where they have cinemas. We face clearance situations in several markets in which we show film.

The use of clearances is currently under attack. We believe that, as the two principal justifications for clearances (the cost of producing an additional print and the shared advertising cost) no longer exist, that ultimately clearances should (except in exceptional cases – for example where a distributor's strategy is for a limited or staged release) go away. If this occurred, on balance, we believe that this will be a positive development for us, as it will generally speaking increase our access to film in competitive markets. Pressure on the major chains to stop using "clearances" is increasing. An investigation by the United States Department of Justice, Antitrust Division, into the possible anticompetitive activities of major chains has been initiated. Also, there have been private lawsuits by small chains to stop the practice. For example, iPic Theaters has obtained a temporary injunction against clearance practices by one major chain in Harris County, Texas, and is seeking further injunctions against other major chains in Texas as well as in other jurisdictions, such as the District of Columbia .

For now, competition for films can be intense, depending upon the number of cinemas in a particular market. Our ability to obtain top grossing first run feature films may be adversely impacted by our comparatively small size, and the limited number of screens and markets that we can supply to distributors. Moreover, in the United States, because of the dramatic consolidation of screens into the hands of a few very large and powerful exhibitors such as Regal, AMC, Cinemark and Carmike, these mega-exhibition companies are in a position to offer distributors access to many more screens in major markets than we can. Also, the majors have a significant number of markets where they operate without material competition, meaning that the distributors have no alternative exhibitor for their films in these markets. Accordingly, distributors may decide to give preference to these mega-exhibitors when it comes to licensing top grossing films, rather than deal with independents such as ourselves. The situation is different in Australia and New Zealand, where typically every major multiplex cinema has access to all of the film currently in distribution, regardless of the

ownership of that multiplex cinema. However, on the reverse side, we have suffered somewhat in these markets from competition from boutique operators, who are able to book top grossing commercial films for limited runs, thus increasing competition for customers wishing to view such top grossing films .

Generally speaking, our cinemas are modern multiplex cinemas with good and convenient parking. The availability of state-of-the-art technology and/or luxury seating can also be a factor in the preference of one cinema over another . In recent periods, a number of cinemas have been opened or re-opened featuring luxury seating and/or expanded food and beverage service, including the sale of alcoholic beverages and food served to the seat. We have for a number of years offered alcoholic beverages in certain of our Australia and New Zealand cinemas and at certain of our Angelika Film Centers in the U.S. We are currently working to upgrade the seating and food and beverage offerings (including the offering of alcoholic beverages) at a number of our existing cinemas.

The film exhibition markets in the United States, Australia, and New Zealand are to a certain extent dominated by a limited number of major exhibition companies. The principal exhibitors in the United States are Regal (with 7,361 screens in 572 cinemas), AMC (with 4,937 screens in 348 cinemas), Cinemark (with 4,489 screens in 334 cinemas), and Carmike (with 2,881 screens in 270 cinemas). As of December 31, 2015 , we were the 11th largest exhibitor with 1% of the box office in the United States with 252 screens in 27 cinemas under manage ment. AMC and Carmike have recently announced the acquisition of Carmike by AMC. If this acquisition goes through, AMC/Carmike will be the largest exhibitor in the United States with 9,426 screens in 682 theaters.

The principal exhibitors in Australia are Greater Union, which does business under the Event Cinemas name (a subsidiary of Amalgamated Holdings Limited), Hoyts Cinemas ("Hoyts"), and Village Cinemas . The major exhibitors control approximately 65% of the total cinema box office: Event 31% , Hoyts 19% , and Village 15% . Event has 503 screens nationally, Hoyts 344 screens, and Village 214 screens. By comparison, our 141 screens (excluding any partnership theaters) represent approximately 7% of the total box office. In June 2015, Hoyts was acquired by Wanda, which also holds a controlling interest in AMC.

The princi pal exhibitors in New Zealand are Event Cinemas with 105 screens nationally and Hoyts with 63 screens. Reading has 54 screens (excluding its interest in unconsolidated joint ventures). The major exhibitors in New Zealand control approximately 56% of the total box office: Event 35% and Hoyts 21% . Reading has 13% of the market (Event and Reading mark et share figures exclude any partnership theaters).

In Australia and New Zealand , the industry is somewhat vertically integrated in that Roadshow Film Distributors, a subsidiary of Village, serves as a distributor of film in Australia and New Zealand for Warner B rothers. Films produced or distributed by the majority of the local international independent producers are also distributed by Roadshow Film Distributors .

Many of our competitors have substantial financial resources which could allow them to operate in a more competitive manner than we can.

In-Home and Mobile Device Competition

The "in-home" and mobile device entertainment industry has experienced significant leaps in recent periods in both the quality and affordability of in-home and mobile device entertainment systems and in the accessibility to and quality of entertainment programming through cable, satellite, internet distribution channels, and Blu-ray/DVD. The success of these alternative distribution channels puts additional pressure on film distributors to reduce and/or eliminate the time period between theatrical and secondary release dates and the willingness of consumers to take the time and pay the admission price to go to the movie theater. To a certain extent, it appears that consumers are willing to trade convenience for presentation. These are issues common to both our U.S. and international cinema operations.

Competitive issues are discussed in greater detail under the caption, Item 1A - *Risk Factors* .

Seasonality

Major films are generally relea sed to coincide with holidays. With the exception of Christmas and New Year's Days, this fact provides some balancing of our revenue because there is no material overlap between holidays in the United States and those in Australia and New Zealand. Distributors will delay, in certain cases, releases in Australia and New Zealand to take advantage of Australian and New Zealand holidays that are not ce lebrated in the United States. However, the deferral of releases is becoming increasing less common, given the need to address internet and other channels of distribution that operate on a worldwide basis.

Real Estate

Our real estate activities have historically consisted principally of:

- the ownership of fee or long-term leasehold interests in properties used in our cinema exhibition activities or which were acquired for the de velopment of cinemas or cinema- based real estate development projects;
- the operation of our various ETCs and shopping centers and properties,
- the acquisition of fee interests in land for general real estate development;
- the leasing to production companies of our live theaters; and
- the re development of our existing fee- owned cinema or live theater sites to their highest and best use.

While we report our real estate as a separate segment, it has historically operated as an integral portion of our overall business and, historically, has principally been in support of that business. We have, however, acquired or developed certain properties that do not currently have any cinema or other entertainment component.

Our real estate activities, holdings and developments are described in greater detail in Item 2 – *Properties* .

Employees

As of December 31, 2015, we had 88 full- time executive and administrative employees and 2,506 cinema employees. A small number of our cinema employees in New Zealand are union members, as are our projectionists in Hawaii. None of our Australian-based employees or other employees are subject to union contracts. Overall, we are of the view that the existence of these collective-bargaining agreements does not materially increase our costs of labor or our ability to compete. We believe our relations with our employees to be generally good.

Item 1A – Risk Factors

Investing in our securities involves risk. Set forth below is a summary of various risk factors that you should consider in counection with your investment in the Company. This summary should be considered in the context of our overall Aunual Report on Form 10K, as many of the topics addressed below are discussed in significantly greater detail in the context of specific discussions of our business plan, our operating results, and the various competitive forces that we face.

BUSINESS RISK FACTORS

We are currently engaged principally in the cinema exhibition and real estate businesses. Because we operate in two business segments (cinema exhibition and real estate), we discuss separately below the risks we believe to be material to our involvement in each of these segments. We have discussed separately certain risks relating to the international nature of our business activities, our use of leverage, and our status as a contr olled corporation. Please note that , while we report the results of our live theater operations as real estate operations – because we are principally in the business of renting space to producers rather than in licensing or producing plays ourselves – the cinema exhibition and live theater businesses share certain risk factors and are, accordingly, discussed together below.

Cinema Exhibition and Live Theater Business Risk Factors

We operate in a highly competitive environment with many competitors who are significantly larger and may have significantl y better access to funds than we do .

We are a comparatively small cinema operator and face competition from much larger cinema exhibitors. These larger exhibitors are able to offer distributors more screens in more markets – including markets where they may be the exclusive exhibitor – than can we. F aced with such competition, we may not be able to get access to all of the films we want, which may adversely affect our revenue and profitability.

These larger competitors may also enjoy (i) greater cash flow, which can be used to develop additional cinemas, including cinemas that may be competitive with our existing cinemas, (ii) better access to equity capital and debt, (iii) better visibility to landlords and real estate developers; and (iv) better economies of scale, than we do .

In the case of our live theaters, we compete for shows not only w ith other "for profit" O ff-Broadway theaters, but also with " not-for-profit " operators and, increasingly, with Broadway theaters. We believe our live theaters are ge nerally competitive with other O ff-Broadway venues. However, due to the increased cost of staging live theater productions, we are seeing an increasing tendency for plays that would historically have been st aged in an Off-Broadway theater moving directly to larger Broadway venues.

We face competition from other sources of entertainment and other entertainment delivery systems.

Both our cinema and live theater operations face competition from "in-home" and mobile device sources of entertainment. These include competition from network, cable and satellite television, internet streaming video services, Video on Demand, Blu-ray/DVD,

the internet, video games and other sources of entertainment. The quality of in-house entertainment systems, as well as programming available on an in-home and mobile basis, has increased, while the cost to consumers of such systems (and such programming) has decreased in recent periods, and some consumers may prefer the security and/or convenience of an "in-home" or mobile entertainment experience to the more public and presentation oriented experience offered by our cinemas and live theaters. Film distributors have been responding to these developments by, in some cases, decreasing or eliminating the period of time between cinema release and the date such product is made available to "in-home" forms of distribution.

The narrowing and/or elimination of this so-called "window" for cinema exhibition may be problematic for the cinema exhibition industry. However, to date, attempts by the major film distributors to continue to narrow or eliminate the window have been strenuously resisted by the cinema exhibition industry, and we view the total elimination of the cinema exhibition window by major film distributors, while theoretically possible, to be unlikely.

However, there is the risk that, over time, distributors may move towards simultaneous release of motion picture product in multiple channels of distribution. Also, some traditional in-home and mobile distributors have begun the production of full-length movies, specifically for the purpose of direct or simultaneous release to the in-home and mobile markets. These factors may adversely affect the competitive advantage enjoyed by cinemas over "in-home" and mobile forms of e ntertainment, as it may be that the cinema market and the "in-home" and mobile markets will have simultaneous access to the same motion picture product. In recent times a number of movies were released on a simultaneous basis to movie exhibitors and to in-home and mobile markets. It is likely that this trend will continue, making it increasingly important for exhibitors to enhance the convenience and quality of the theater-going experience.

We also face competition from various other forms of "beyond-the-home" entertainment, including sporting events, concerts, restaurants, casinos, vide o game arcades, and nightclubs. Our cinemas also face competition from live theaters and vice versa.

Our cinema and live theater business es may be vulnerable to fears of terrorism, other natural disasters which could cause customers to avoid public assembly seating

Political events, such as terrorist attacks, and health-related epidemics, such as flu outbreaks, could cause patrons to avoid our cinemas or other public places where large crowds are in attendance. In addition, a natural disaster, such as a typhoon or an earthquake, could impact our ability to operate certain of our cinemas, which could adversely affect our results of operations.

Our cinema operations depend upon access to film that is attractive to our patrons , and our live theater operations depend upon the continued attractiveness of our theaters to producers.

Our ability to generate revenue and profits is largely dependent on factors outside of our control, specifically, the continued ability of motion picture and live theater producers to produce films and plays that are attractive to audiences, the amount of money spent by film distributors and theatrical producers to promote their motion pictures and plays, and the willingness of these producers to license their films on terms that are financially viable to our cinemas and to rent our theaters for the presentation of their plays. To the extent that popular movies and plays are produced, our cinema and live theater activities are ultimately dependent upon our ability, in the face of competition from other cinema and live theater operators to book these movies and plays into our facilities, and to provide a superior customer offering.

We rely on film distributors to supply the films shown in our theatres. In the U.S., the film distribution business is highly concentrated, with seven major film distributors accounting for approximately 89.5% of U.S. box office revenues. Numerous antitrust cases and the consent decree resulting from these antitrust cases affect the distribution of films. Consequently, we cannot gnarantee a supply of films by entering into long-term arrangements with major distributors. We are therefore required to negotiate licenses for each film and for each theatre. A deterioration of our relationship with any of the seven major film distributors could adversely affect our ability to obtain commercially successful films and to negotiate favorable licensing terms for such films, both of which could adversely affect our business and operating results .

In the U.S. , at least until recently, distributors have had broad discretion not to show the same film at competitive cinemas. This has, in many situations, given the larger exhibitors (as a result of their market power) power to influence distributors to exercise their discretion in this regard in favor of the larger exhibitors. In this industry, this is called "clearance." Recent judicial decisions, however, have thrown doubt on the extent to which this practice will continue to be permitted under applicable antitrust laws.

Adverse economic conditions could materially affect our business by reducing discretionary income and by limiting or reducing sources of film and live theater funding.

Cinema and live theater attendance is a luxury, not a necessity. Accordingly, a decline in the economy resulting in a decrease in discretionary income, or a perception of such a decline, may result in decreased discretionary spending, which could adversely affect our cinema and live theater businesses. Adverse economic conditions can also affect the supply side of our business, as reduced

liquidity can adversely affect the availability of funding for movies and plays. This is particularly true in the case of Off-Broadway plays, which are often times financed by high net worth individuals (or groups of such individuals) and that are very risky due to the absence of any ability to recoup investment in secondary markets like Blu-ray/DVD, cable, satellite or internet distribution .

Our screen advertising revenue may decline.

Over the past several years, cinema exhibitors have been looking increasingly to screen advertising as a way to improve income. No assurances can be given that this source of income will be continuing , or that the use of such advertising will not ultimately prove to be counterproductive , by giving consumers a disincentive to choose going to the movies over "in-home" or mobile entertainment alternatives.

We face uncertainty as to the timing and direction of technological innovations in the cinema exhibition business and as to our access to those technologies.

We have converted all of our cinema auditoriums to digital projection. However, no assurances can be given that other technological advances will not require us to make further material investments in our cinemas or face loss of business. Also, equipment is currently being developed for holographic or las er projection. The future of these technologies in the cinema exhibition industry is uncertain.

We face competition from new competitors offering food and beverage as an integral part of their cinema offerings.

A number of new entrants , such as Alamo Drafthouse and i Pic, offering an expanded food and beverage menu (including the sale of alcoholic beverages), have emerged in recent periods. In addition, some competitors are converting existing cinemas to provide such expanded menu offerings and in- theater dining options. The existence of such cinemas may alter traditional cinema selection practices of moviegoers, as they seek out cinemas with such expanded offerings as a preferred alternative to traditional cinemas.

We may be subject to increased labor and benefits costs.

We are subject to laws governing such matters as minimum wages, working conditions and overtime. As minimum wage rates increase, we may need to increase not only the wages of our minimum wage employees, but also the wages paid to employees at wage rates that are above minimum wage. Labor shortages, increased employee turnover and health care mandates could also increase our labor costs. This in turn could lead us to increase prices which could impact our sales. Conversely, if competitive pressures or other factors prevent us from offsetting increased labor costs by increases in prices, our results of operations may be adversely impacted.

Cyber security threats and our failure to protect our electronically stored data could adversely affect our business.

We store and maintain electronic information and data ne cessary to conduct our business. Data maintained in electronic form is subject to the risk of intrusion, tampering and theft. While we have adopted industry-accepted security measures and technology to protect the confidential and proprietary information, the development and maintenance of these systems is costly and require ongoing monitoring and updating as technologies change and efforts to overcome security measures become more sophisticated. As such, we may be unable to anticipate and implement adequate preventive measures in time. This may adversely affect our business, including exposure to goverument enforcement actions and private litigation, and our reputation with our customers and employees may be injured. In addition to Company-specific cyber threats or attacks, our business and results of operations could also be impacted by breaches affecting our peers and partners within the entertainment industry, as well as other retail companies.

Real Estate Development and Ownership Business Risks

We operate in a highly competitive environment in which we must compete against companies with much greater financial and human resources than we have.

We have limited financial and human resources, compared to our principal real estate competitors. In recent periods, we have relied heavily on outside professionals in counection with our real estate development activities. Many of our competitors have significantly greater resources and may be able to achieve greater economies of scale than we can .

Risks Related to the Real Estate Industry Generally

Our financial performance will be affected by risks associated with the real estate industry generally.

Events and conditions generally applicable to developers, owners, and operators of real property will affect our performance as well. These include (i) changes in the national, regional and local economic climate, (ii) local conditions, such as an oversupply of, or a reduction in demand for, commercial space and/or entertainment-oriented properties, (iii) reduced attractiveness of our properties to

tenants, (iv) the rental rates and capitalization rates applicable to the markets in which we operate and the quality of properties that we own, (v) competition from other properties, (vi) inability to collect rent from tenants, (vii) increased operating costs, including labor, materials, real estate taxes, insurance premiums, and utilities, (viii) costs of complying with changes in government regulations, (ix) the relative illiquidity of real estate investments, and (x) decreases in sources of both construction and long-term lending as traditional sources of such funding leave or reduce their commitments to real estate-based lending. In addition, periods of economic slowdown or recession, rising interest rates or declining demand for real estate, or the public perception that any of these events may occur, could result in declining rents or increased lease defaults .

We may incur costs complying with the Americans with Disabilities Act and similar laws.

Under the Americans with Disabilities Act and similar statutory regimes in Australia and New Zealand or under applicable state or local law, all places of public accommodation (including cinemas and theaters) are required to meet certain governmental requirements related to access and use by persons with disabilities. A determination that we are not in compliance with those governmental requirements with respect to any of our properties could result in the imposition of fines or an award of damages to private litigants. The cost of addressing these issues could be substantial .

Illiquidity of real estate investments could impede our ability to respond to adverse changes in the performance of our properties.

Real estate investments are relatively illiquid and, therefore, tend to limit our ability to vary our portfolio promptly in response to changes in economic or other conditions. Many of our properties are either (i) "special purpose" properties that could not be readily converted to general residential, retail or office use, or (ii) undeveloped land. In addition, certain siguificant expenditures associated with real estate investment, such as real estate taxes and maintenance costs, are generally not reduced when circnmstances cause a reduction in income from the investment , and competitive factors may prevent the pass-through of such costs to tenants.

Real estate development involves a variety of risks.

Real estate development involves a variety of risks, including the following :

- *The identification and acquisition of suitable development properties* . Competition for suitable development properties is intense. Our ability to identify and acquire development properties may be limited by our size and resources. Also, as we and our affiliates are considered to be "foreigu owned" for purposes of certain Australian and New Zealand statutes, we have been in the past, and may in the future be, subject to regulations that are not applicable to other persons doing business in those countries.
- *The procurement of necessary land use entitlements for the project* . This process can take many years, particularly if opposed by competing interests. Competitors and community groups (sometimes funded by such competitors) may object based on various factors, including, for example, impacts on density, parking, traffic, noise levels and the historic or architectural nature of the building being replaced. If they are unsuccessful at the local governmental level, they may seek recourse to the courts or other tribunals. This can delay projects and increase costs.
- *The construction of the project on time and on budget* . Construction risks include the availability and cost of financing; the availability and costs of material and labor; the costs of dealing with unknown site conditions (including addressing pollution or environmental wastes deposited upon the property by prior owners); inclement weather conditions; and the ever-present potential for labor-related disruptions.
- *The leasing or sell-out of the project* . Ultimately, there are risks involved in the leasing of a rental property or the sale of a condominium or built -for-sale property. For our ET Cs, the extent to which our cinemas can continue to serve as an anchor tenant will be influenced by the same factors as will influence generally the results of our cinema operations. Leasing or sale can be influenced by economic factors that are neither known nor knowable at the commencement of the development process and by local, national, and even international economic conditions, both real and perceived.
- *The refinancing of completed properties* . Properties are often developed using relatively short-term loans. Upon completion of the project, it may be necessary to find replacement financing for these loans. This process involves risk as to the availability of such permanent or other take-out financing, the interest rates, and the payment terms applicable to such financing, which may be adversely influenced by local, national, or international factors. To date, we have been successful in negotiating development loans with "roll over" or other provisions mitigating our need to refinance immediately upon completion of construction .

The ownership of properties involves risk.

The ownership of investment properties involves risks, such as: (i) ongoing leasing and re-leasing risks, (ii) ongoing financing and re-financing risks, (iii) market risks as to the multiples offered by buyers of investment properties, (iv) risks related to the ongoing compliance with changing governmental regulation (including, without limitation, environmental laws and requirements to remediate environmental contamination that may exist on a property (such as, by way of example, asbestos), even though not deposited on the property by us), (v) relative illiquidity compared to some other types of assets, and (vi) susceptibility of assets to uninsurable risks, such as biological, chemical or nuclear terrorism, or risks that are subject to caps tied to the concentration of such assets in certain geographic areas, such as earthquakes. Furthermore, as our properties are typically developed around an entertainment use, the attractiveness of these properties to tenants, sources of finance and real estate investors will be influenced by market perceptions of the benefits and detriments of such entertainment-type properties .

A number of our assets are in geologically active areas, presenting risk of earthquake and land movement.

We have cinemas in California and New Zealand, areas that present a greater risk of earthquake and/or land movement than other locations. New Zealand has in recent periods had several major earthquakes damaging our facilities in Christchurch and Wellington. The ability to insure for such casualties is limited and may become more difficult and/or more expensive in future periods.

We may be subject to liability under environmental laws and regulations.

We own and operate a large number of cinemas and other properties within the U.S. and internationally, which may be subject to various foreigu, federal, state and local laws and regulations relating to the protection of the environment or hnman health. Such environmental laws and regulations include those that impose liability for the investigation and remediation of spills or releases of hazardous materials. We may incur such liability, including for any currently or formerly owned, leased or operated property, or for any site, to which we may have disposed, or arranged for the disposal of, hazardous materials or wastes. Certain of these laws and regulations may impose liability, including on a joint and several liability, which can result in a liable party being obliged to pay for greater than its share, regardless of fault or the legality of the original disposal. Environmental conditions relating to our properties or operations could have an adverse effect on our business and results of operations and cash flows.

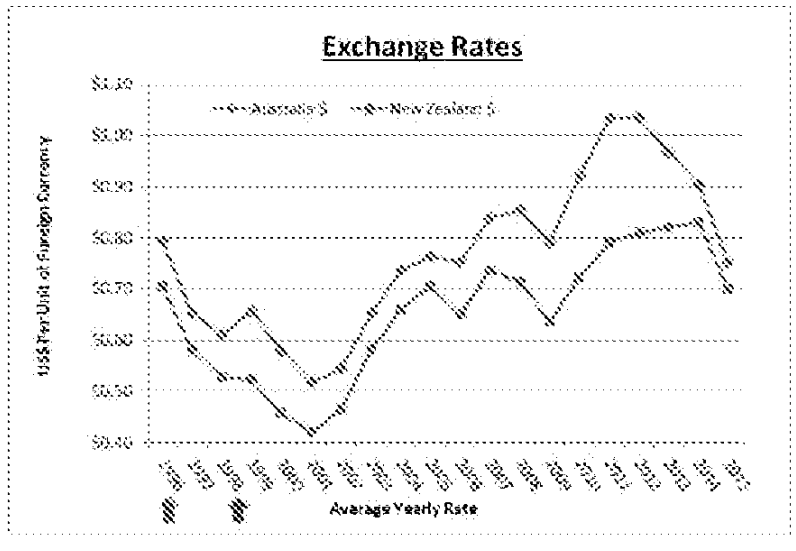
Legislative or regulatory initiatives related to global warming/climate change concerns may negatively impact our business.

Recently, there has been an increasing focus and continuous debate on global climate change including increased attention from regulatory agencies and legislative bodies. This increased focus may lead to new initiatives directed at regulating an as yet unspecified array of environmental matters. Legislative, regulatory or other efforts in the U.S. to combat climate change could result in future increases in the cost of raw materials, taxes, transportation and utilities for our vendors and for us which would result in higher operating costs for the Company. Also, compliance by our cinemas and accompanying real estate with new and revised environmental, zoning, land-use or building codes, laws, rules or regulations, could have a material and adverse effect on our business. However, we are unable to predict at this time, the potential effects, if any, that any future environmental initiatives may have on our business.

International Business Risks

Our international operations are subject to a variety of risks, including the following:

Currency Risk : w hile we report our earnings and net assets in U . S . dollars, substantial portions of our revenue and of our obligations are denominated in either Aust ralian or New Zealand dollars. The value of these currencies can vary siguificanfly compared to the U . S . dol lar and compared to each other. We do not hedge the currency risk , but rather have relied upon the natural hedges that exist as a result of the fact that our film costs are typically fixed as a percentage of the box office, and our local operating costs and obligations are likewise typically d enominated in local currencies. However, we do have debt at our parent company level that is serviced by our overseas cash flow , and our ability to service this debt could be adversely impacted by declines in the relative value of the Australian and New Zealand dollar compared to the U . S . dollar. Also, our use of local borrowings to mitigate the business risk of currency fluctuations has reduced our flexibility to move cash between jurisdictions. Set forth below is a chart of the exchange ratios between these three currencies over the past twenty years:



- ***Risk of adverse government regulation*** : currently , we believe that relations between the United States, Australia, and New Zealand are good. However, no assurances can be given that this relationship will continue and that Australia and New Zealand will not in the future seek to regulate more highly the business done by U . S . companies in their countries.
- ***Risk of adverse labor relations*** : deterioration in labor relations could lead to an increased cost of labor (including future government requirements with respect to pension liabilities, disability insurance and health coverage, and vacations and leave).

Risks Associated with Certain Discontinued Operations

Certain of our subsidiaries were previously in industrial businesses. As a consequence, properties that are currently owned or may have in the past been owned by these subsidiaries may prove to have environmental issues. Where we have knowledge of such environmental issues and are in a position to make an assessment as to our exposure, we have established what we believe to be appropriate reserves, but we are exposed to the risk that currently unkn own problems may be discovered. These subsidiaries are also exposed to potential claims related to exposure of former employees to coal dust, asbestos, and other materials now considered to be, or which in the future may be found to be, carcinogenic or otherwise injurious to health.

Operating Results, Financial Structure and Borrowing Risk

From time to time, we may have negative working capital.

In recent years, as we have invested our cash in new acquisitions and the development of our existing properties, we have from time-to- tim e had negative working capital. This negative working capital is typical in the cinema exhibition industry because our short-term liabilities are in part financing our long-term assets instead of long-term liabilities financing short-term assets , as is the case in other industries such as manufacturing and distribution.

We have substantial short to medium term debt.

Generally speaking, we have historically financed our operations through relatively short-term debt. No assurances can be given that we will be able to refinance this debt, or if we can, that the terms will be reasonable. However, as a counterbalance to this debt, we have significant unencumbered real property assets, which could be sold to pay debt or encumbered to assist in the refinancing of existing debt, if necessary.

We have substantial lease liabilities.

Most of our cinemas operate in leased facilities. These leases typically have "cost of living" or other rent adjustment features and require that we operate the properties as cinemas. A downturn in our cinema exhibition business might, depending on its severity, adversely affect the ability of our cinema operating subsidiaries to meet these rental obligations. Even if our cinema exhibition business remains relatively constant, cinema level cash flow will likely be adversely affected unless we can increase our revenue sufficiently to offset increases in our rental liabilities. Unlike property rental leases, our newly added digital equipment leases do not have "cost of living" or other lease adjustment features .

Our stock is thinly traded .

Our stock is thinly traded, with an average daily volume in 2015 of only approximately 56,000 Class A Common shares. This can result in significant volatility, as demand by buyers and sellers can easily get out of balance.

Ownership and Management Structure, Corporate Governance, and Change of Control Risks

Pending disputes among the Cotter family raise uncertainty regarding the ongoing control of the Company and may distract the time and attention of our officers and directors from our business and operations or interfere with the effective management of the Company.

Up until his death on September 13, 2014, James J. Cotter, Sr., the father of Ellen Cotter, James J. Cotter, Jr. and Margaret Cotter, was our controlling stockholder, having the sole power to vote approximately 66.9 % of the outstanding voting stock of the Company. Under applicable Nevada Law, a stockholder holding more than 2/3rds of the Company's voting stock ha s the power at any time, with o r without cause, to remove any one or more directors (up to and including the entire board of directors) by written consent taken without a meeting of the stockholders.

Since his death, disputes have arisen among Ellen Cotter, James J. Cotter, Jr. and Margaret Cotter concerning the voting control of those shares and regarding the exercise by the Estate of James J. Cotter, Sr. Deceased (the "Cotter Estate") of options to acquire an additional 100,000 shares of Class B Stock. At the present time, Ellen Cotter is the Chair, President and Chief Exe cutive Officer of our Company. James J. Cotter, Jr. is a director and from June 2013 until June 12, 2015 was the Pr esident and from Augnst 7 , 2014 until June 12, 2015 was the Chief Executive Officer of our Company, having been removed from those positions by B oard action on June 12, 2015. Margaret Cotter is the Vice-Chair of our Company and the President of Liberty Theaters, LLC, the company th r ough which we own and operate our live theaters. She heads up the management and redevelopment of our New York properties.

As of December 31, 2015, according to the books of the Company, the Living Trust established by Declaration of Trust dated June 5 , 2013, by James J. Cotter, Sr. (the "Cotter Trust"), held of rec ord 696,080 shares of our Class B Voting Stock ("Voting Stock") constituting approximately 41.4% of the voting power of our outstanding capital stock. According to the books of the Company, the Cotter Estate as of that date held of record an additional 427,808 shares of Voting Stock, constituting approximately 25.5% of the voting power of our outstanding capital stock. W e are advised, based upon public filings made by one or more of Ellen Cotter, Margaret Cotter and James J. Cotter, Jr. (the "Cotter Filings") that the Voting Stock currently held of record by the Cotter Estate will eventually pour over into the Cotter Trust. We are further advise d from the Cotter Filings that the Cotter Trust also provides for the establishment of a voting trust (the "Cotter Voting Trust") which will eventually hold the Voting Stock currently held by the Cotter Estate and the Cotter Trust. At the present time, however, such Voting Stock is held of record by the Cotter Trust and the Cotter Estate, respectively.

Ellen Cotter, James J. Cotter, Jr. and Margaret Cotter are currently the trustees of the Cotter Trnst. On December 22, 2014, the District Court of Clark County, Nevada appointed Ellen Cotter and Margaret Cotter as co-execu tors of the Cotter Estate. Accordingly, at the present time, Ellen Cotter and Margaret Cotter acting as a majority of the Trustees of the Cotter Trust with respect to the shares held by the Cotter Trnst and as the co-executors of the Cotter Estate with respect to the shares held by the Cotter Estate (including the 100,000 shares of Voting Stock acquired by the Cotter Estate through the exercise of stock options previously granted to Mr. Cotter, Sr.), and voting in their individual capacity their direct holdings of 50,000 shares and 35,100 shares respectively of the Voting Stock, have the power to vote Voting Stock representing 71.9% of our outstanding Voting Stock.

The identity of the trustee(s) of the Cotter Voting Trust and the terms of that trust are in dispute as between Ellen Cotter, James J. Cotter, Jr. and Margaret Cotter.

We are advised by the Cotter Filings that the 2013 amended and restated declaration of trust for the Cotter Trust names Margaret Cotter as the sole trustee of the Cotter Voting Trust and names James J. Cotter, Jr., as the first alternate trustee in the event that Margaret Cotter is unable or unwilling to act as trustee. We are further advised by the Cotter Filings that a 2014 partial amendment to the declaration of trust, signed by Mr . Cotter, Sr. while he was in the hospital, names Margaret Cotter and James J. Cotter, Jr. as co-trustees of the Cotter Voting Trust and provides that, in the event they are unable to agree upon an important trust decision, they shall rotate the voting of the Voting Stock between them annually on each January 1st. It further directs the trustees of the Cotter Voting Trust to, among other things, vote such shares of our Voting Stock held by the Cotter Voting Trust in favor of the election of Ellen Cotter, Margaret Cotter and James J. Cotter, Jr. to our board of directors and to rotate annually the chairmanship of our board between Ellen Cotter, Margaret Cotter and James J. Cotter, Jr.

On February 6, 2015, Ellen Cotter and Margaret Cotter filed a Petition in the Superior Court of the State of California, County of Los Angeles, captioned *In re James J. Cotter Living Trust dated August 1, 2000* (Case No. BP159755) (the "Trust Case"). The Petition, among other things, seeks relief that could determine the validity of the 2014 partial amendment and who, as between Margaret Cotter and James J. Cotter Jr., has authority as trustee or co-trustees of the Cotter Voting Trust to vote the Cotter Voting Trust's shares of our Voting Stock (in whole or in part) and the scope and extent of such authority. James J. Cotter, Jr. has filed an opposition to the Petition and has filed pleadings in that proceeding seeking the removal of Ellen Cotter and Margaret Cotter as trustees of the Cotter Trust. The Trust Case is currently scheduled to be tried in July of this year.

In addition, James J. Cotter, Jr. and certain other stockholders have filed two derivative actions (discussed in greater detail below) against Ellen Cotter and Margaret Cotter and certain of our Directors and officers, alleging a variety of misconduct on their part, and among other things seeking the reinstatement of James J. Cotter, Jr. as president and chief executive officer of our Company, challenging the voting by Ellen Cotter and Margaret Cotter of the shares held by the Cotter Estate, and seeking to void the result of the election of directors held at our 2015 Aunual Meeting of Stockholders. See discussion under the heading, Legal Proceedings; Derivative Litigation and James J. Cotter, Jr. Arbitration, *infra*.

Although the Company is not a party to the Trust Case and takes no position as to the claims asserted or the relief sought therein, the matters raised in the Trust Case create uncertainty regarding the ongoing control of the Company. Until these matters can be resolved, it is unclear whether, upon the creation of and the transfer of ownership of the Voting Stock to the Cotter Voting Trust, Margaret Cotter will be the sole trustee of the Cotter Voting Trust or whether Margaret Cotter and James J. Cotter. Jr. will be co-trustees of the Cotter Voting Trust. It is likewise uncertain, in the event that the court should determine that Margaret Cotter and James J. Cotter are co-trustees of the Cotter Voting Trust, how the power-sharing authority would be applied in practice.

These pending matters could, in the f uture, potentially distract the time and attention of Ellen Cotter, James J. Cotter, Jr. and Margaret Cotter from the business and operations of our Company and thus potentially have an adverse effect on the effective management of our Company. Furthermore, the uncertainty as to the future management and control of our Company could potentially adversely impact, among other things (i) our ability to develop and maintain favorable business relationships, (ii) our ability to attract and retain talented and experienced directors, executives and employees, (iii) the compensation and other terms needed to attract and retain such individuals, (iv) our ability to borrow money on favorable long-term terms, and (v) our ability to pursue and complete l ong-term business objectives .

The interests of our controlling stockholder may conflict with your interests.

As of December 31, 2015, the Cott er Estate and the Cotter Trust beneficially own 66.9% of our outstanding Class B Stock. At the present time, according to the books of the Company, Ellen Cotter and Margaret Cotter vote (including their direct holdings of 50,000 shares and 35,100 shares respectively of the Class B Stoc k), Class B Stock representing 71.9% of our outstanding Class B Stock. Our Class A Stock is non-voting, while our Class B Stock represents all of the voting power of our Company. For as long as the Cotter Estate, the Cotter Trust and/or the Cotter Voting Trust (referred to herein collectively as the "Cotter Entities") continue to own shares of Class B Stock representing more than 50% of the voting power of our common stock, the Cotter Entities will be able to elect all of the members of our Board of Directors and determine the outcome of all matters submitted to a vote of our stockholders, including matters involving mergers or other business combinations, the acquisition or disposition of assets, the incurrence of indebtedness, the issuance of any additional shares of common stock or other equity securities and the payment of dividends on common stock. The Cotter Entities will also have the power to prevent or cause a change in control, and could take other actions that might be desirable to the Cotter Entities but not to other stockholders. To the extent that the Cotter Entities hold more than 2/3rds of our outstanding Class B Stock, the Cotter Entities will have the power at any time, with or without cause, to remove any one or more Directors (up to and including the entire board of directors) by written consent taken without a meeting of the stockholders.

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In addition, the Cotter Estate or the Cotter Trust and /or their respective affiliates have controlling interests in companies in related and unrelated industries. In the future, we may participate in transactions with these companies (see Note 18 – *Related Parties and Transactions*).

While controlling stockholders may owe certain fiduciary duties to the company and/or minority stockholders, these duties are limited. No assurances can be given that the Cotter Entities will not take action that, while beneficial to them and legally enforceable, would not necessarily be in the best interests of our Company and/or our stockholders generally.

We are a "Controlled Company" under applicable NASDAQ Regulations. As permitted by those Regulations, our Board has elected to opt out of certain corporate governance rules applicable to non-controlled companies.

Generally speaking, the NASDAQ requires listed companies to meet certain minimum corporate governance provisions. However, a "Controlled Company", such as we, may elect not to be governed by certain of these provisions. Our Board of Directors has elected to exempt our Company from requirements that (i) at least a majority of our Directors be independent, (ii) nominees to our Board of Directors be nominated by a committee comprised entirely of independent Directors or by a majority of our Company's independent Directors, and (iii) the compensation of our Chief Executive Officer be determined or recommended to our Board of Directors by a compensation committee comprised entirely of independent Directors or by a majority of our Company's independent Directors. Notwithstanding the determination by our Board of Directors to opt-out of these NASDAQ requirements, we believe that a majority of our Board of Directors is nevertheless currently comprised of independent Directors, and our compensation committee is nevertheless currently comprised entirely of independent Directors. Nominations are considered by the Board, acting as a whole.

We depend on key personnel for our current and future performance.

Our current and future performance depends to a significant degree upon the continued contributions of our senior management team and other key personnel. The loss or unavailability to us of any member of our senior management team or a key employee could significantly harm us. We cannot assure you that we would be able to locate or employ qualified replacements for senior management or key employees on acceptable terms. Due to the uncertainty of our control situation, the ongoing availability of these employees and our ability to replace them is uncertain.

Item 1B - Unresolved Staff Comments

None.

Item 2 – Properties

EXECUTIVE AND ADMINISTRATIVE OFFICES

We lease approximately 11,700 square feet of office space in Los Angeles , California to serve as our executive headquarters. This lease expires on December 31, 2016 and we will not renew it, since as discussed below we have purchase d a headquarters building in Culver City, California. We own an 8,100 square foot office building in Melbourne, Australia, approximately 5,200 square feet of which serves as the headquarters for our Australian and New Zealand operations (the remainder being leased to an unrelated third party). We maintain our accounting personnel and certain IT and operational personnel in approximately 5,800 square foot of offices located in our Wellington Courtenay Central ET C. We occupy approximately 3,500 square feet at our Village East leasehold property for administrative purposes.

On April 11 , 2016, we purchase d a 24,000 square foot Class B office building with 72 parking spaces located at 5995 Sepulveda Boulevard in Culver City, California. We intend to use approximately 50% of the leasable area for our headquarters offices and to lease the remainder to unaffiliated third parties.

ENTERTAINMENT PROPERTIES

Entertainment Use Leasehold Interests

As of December 31, 2015 , we lease approximately 1,800,000 square feet of completed cinema space in the United States, Australia, and New Zealand as follows:

	Aggregate Square Footage	Approximate Range of Remaining Lease Terms (Including renewals)
United States	966,000	2017 – 2050
Australia	659,000	2019 – 2039
New Zealand	190,000	2019 – 2050

In 2014, we entered into a long term lease for a new state-of-the-art Angelika Film Center in the Union Market distri ct of Washington DC. However, the lease was terminated as the anticipated location for this cinema ultimately was determined by the landlord, Edens, to not be feasible. We are currently finalizing with Edens the terms and conditions of a new lease for a cinema in a different location in the Union Market area.

In December 2014, we entered into a lease for a new luxury cinema, under the Consolidated Theatres brand, at the new Ka Makana Ali'i Shopping Center being developed in Kapolei, Hawaii by an affiliate of DeBartolo Development and finalized terms for a new eight -screen cinema complex in Auckland, New Zealand, which opened in November 2015.

Fee Interests

In Australia, as of December 31, 2015 , we own ed approximately 1,200,000 square feet of land at nine locations. Most of this land is located in the greater metropolitan areas of Brisbane, Melbourne, Perth, and Sydney. The foregoing does not include the 50.6-acre Burwood, Australia site, which has been sold but not yet recognized as a sale under accounting principles generally accepted in the United States of America ("US GAAP") . Of these fee interests, approximately 165,000 square feet are currently improved with cinemas . This figure includes an approximately 23,000 square foot parcel currently improved with an approximately 22,000 square foo t office building that we intend to integrate with and into our New market Shopping Center and that , accordingly, is not listed above as a separate location.

In New Zealand, as of December 31, 2015 , we own ed approximately 3,400,000 square feet of land at seven locations. The foregoing ex clude s the 0.5-acre Taupo, New Zealand site, which has been sold but not yet recognized as a sale under US GAAP. The foregoing includes the Court enay Central ET C in Wellington, the development land behind the Courtenay Central ETC, the 70. 4 -acre Manukau site, and the fee interests underlying four cinemas in New Zealand, which properties include approximately 21,000 square feet of ancillary retail space.

In the United States, as of December 31, 2015 , we own ed approximately 74,000 square feet of improved real estate comprised of three live theater buildings, which include approximately 16,000 square feet of leasable space, the fee interest in the Union Square property formally used as a live theater, and the fee interest in our Cinemas 1, 2, 3 in Manhattan (held through a limited liability company in

which we have a 75% managing member interest). We also own 202 acres of unimproved land in Coachella Valley, California, held through a limited li ability company in which the Cotter Estate has a 50% non-managing member interest.

As discussed above we purchase d a property in Culver City to house our executive offices.

Live Theaters

Included among our real estate holdings are three Off-Broadway style live theaters, operated through our Li berty Theaters subsidiary. We license theater a uditoriums to the producers of Off-Broadway theatrical productions and provide various box o ffice and concession services. The terms of our licenses are, naturally, principally dependent upon the comm ercial success of our tenants. While we attempt to choose productions that we believe will be successful, we have no control over the production itself. At the current time, we have t wo single- auditorium theaters in Manhattan:

- the Minetta Lane (399 seats); and
- the Orpheum (347 seats);

We also own a four-auditorium theater complex, the Royal George in Chicago (main stage 452 seats, cabaret 199 seats, great room 100 seats and gallery 60 seats), which has ancillary retail and office space.

At the end of 2015, we closed our Union Square Theater as a part of our redevelopment of that property.

Liberty Theaters is primarily in the business of renting theater space. However, we may from time-to-time participate as an investor in a play, which can help facilitate the production of the play at one of our facilities, and do from time-to-time rent space on a basis that allows us to share in a production's revenue or profits. Revenue, expense, and profits are reported as a part of the real estate segment of our business .

Joint Venture Interests

We also hold real estate through s everal unincorporated joint ventures, two 75%-owned subsidiaries, and one majority-owned subsidiary, as described below:

- in Australia, we own a 75% interest in a subsidiary company that leases two cinemas with 11 screens in two Australian country towns, and a 33% unincorporate d joint venture interest in a 16 -screen leasehold cinema in a suburb of Brisbane.
- in New Zealand, we own a 50% unincorporated joint venture interest in two cinemas with 13 screens in the New Zealand cities of Auckland and Dunedin. This Dunedin joint venture interest is in addition to our fee interest in our Dunedin six-screen Cinema.
- In the United States, we own a 75% managing member interest in the limited liability company that owns our Cinemas 1,2,3 property and a 50% managing member interest in Shadow View Land & Farming, LLC , which owns an approximately 202 -acre property in Coachella , California that is currently zoned for residential and mixed use, and approved for approximately 550 single-family lots .

OPERATING PROPERTY

As of December 31 , 2015 , we own fee interests in approximately 1,300,000 square feet of income - producing properties (including certain properties principally occupied by our cinemas) as follows:

	Property	Square Feet of Improvements (rental/entertainment) [1]	Percentage Leased [2]	Gross Book Value [3] (in USD)	Address
In United States					
1	Cinemas 1, 2, 3 [4]	0 / 21000	N/A	$ 25,041,416	1003 Third Avenue, Manhattan, NY
2	Minetta Lane Theatre	0 / 9000	N/A	$ 8,582,151	18-22 Minetta Lane, Manhattan, NY
3	Orpheum Theatre	1000 / 5000	100%	$ 3,617,926	126 2nd Street, Manhattan, NY
4	Royal George	16000 / 23000	100%	3,546,245	1633 N. Halsted Street, Chicago, IL
		plus a 55-space parking structure		$	
In Australia					
1	Newmarket(5)	126000 / 0	100%	$ 37,411,774	400 Newmarket Road, Newmarket, QLD
		plus a 521-space parking structure			
2	Auburn(5)	60000 / 57000	100%	$ 26,531,321	100 Parramatta Road, Auburn, NSW
		plus a 871-space parking structure			
3	Cannon Park City Center	36000 / 28000	95%	$ 17,465,973	High Range Drive, Thuringowa, Queensland
4	Belmont	15000 / 45000	100%	$ 11,422,186	Knutsford Avenue and Fulham Street, Belmont, WA
5	Cannon Park Distribution Center	69000 / 0	100%	$ 6,986,132	High Range Drive, Thuringowa, Queensland
6	York Street Office	3000 / 5000	N/A	$ 2,149,622	98 York Street, South Melbourne, VIC
7	Maitland Cinema	0 / 22000	N/A	$ 1,733,329	Ken Tubman Drive, Maitland, NSW
8	Bundaberg	0 / 14000	N/A	$ 1,596,130	1 Johanna Boulevard, Bundaberg, QLD
In New Zealand					
1	Courtenay Central	34000 / 76000	70%	$ 32,544,516	100 Courtenay Place, Wellington
		plus a 1,036-space parking structure			
2	Dunedin Cinema	0 / 25000	N/A	$ 7,335,651	33 The Octagon, Dunedin
3	Napier Cinema	12000 / 18000	100%	$ 2,935,250	154 Station Street, Napier
4	Invercargill Cinema	9000 / 24000	69%	$ 2,703,722	29 Dee Street, Invercargill
5	Rotorua Cinema	0 / 19000	N/A	$ 2,519,445	1281 Eniers Street, Rotorua

[1] Rental square footage refers to the amount of area available to be rented to third parties. A number of our real estate holdings include entertainment components rented to one or more of our subsidiaries at fair market rent. The rental area to such subsidiaries is noted under the entertainment square footage.
[2] Represents the percentage of rental square footage currently leased to third parties .
[3] Refers to the gross carrying cost of the land and buildings of the property.
[4] Owned by a limited liability company in which we hold a 75% managing member interest. The remaining 25% is owned by Sutton Hill Capital, LLC ("SHC"), a company owned in equal parts by the Cotter Estate or the Cotter Trust and a third party.
[5] For further information on the developments of these properties, refer to succ e eding section " *Investment and Development Property* ".

L ONG-TERM LEASEHOLD OPERATING PROPERTY

In addition, in certain cases we have long-term leases that we view more akin to real estate investments than cinema leases. As of December 31, 2015 , we had approximately 155,000 square foot of space subject to such long-term leases as follows:

	Property	Square Feet of Improvements (rental/entertainment) [1]	Percentage Leased [2]	Gross Book Value [3] (in USD)
In United States				
1	Village East [4]	4000 / 38000	100%	$ 9,899,556
2	Manville	0 / 52000	N/A	$ 2,360,555
In Australia				
1	Waurn Ponds	6000 / 38000	100%	$ 5,153,928

[1] Rental square footage refers to the amount of area available to be rented to third parties. A number of our real estate holdings include entertainment components rented to one or more of our subsidiaries at fair market rent. The rental area to such subsidiaries is noted under the entertainment square footage.
[2] Represents the percentage of rental square footage currently leased to third parties .
[3] Refers to the gross carrying cost of the land and buildings of the property.
[4] The lease of the Village East provides for a call option pursuant to which Reading may purchase the cinema ground lease for $5.9 million at the end of the lease term in 2020. Additionally, the lease has a put option pursuant to which SHC may require Reading to purchase all or a portion of SHC's interest in the existing cinema lease and the cinema ground lease at any time between July 1, 2013 and December 4, 2019. See Note 18 - *Related Parties and Transactions* to our 2015 c onsolidated f inancial s tatements.

INVESTMENT AND DEVELOPMENT PROPERTY

We are engaged in several investment and development projects relative to our currently undeveloped parcels of land. In addition, we anticipate that redevelopment of one or more of our existing developed properties may also occur. The following table summarizes our investment and development projects as of December 31, 2015 :

	Property [1]	Acreage	Gross Book Value [2] (in USD)	Status
In United States				
1	Union Square Theatre	0.27	$ $11,818,622	We closed down the live theatre business and terminated other third party retail tenants in order to actively pursue the development of this property.
2	Coachella, CA	202.00	$ $5,510,000	We continue to evaluate our options with regards to this property.
In Australia				
1	Burwood, VIC	50.60	$ $37,966,107	Property was contracted to sell in 2014. Currently classified as an Asset Held for Sale.
2	Newmarket, QLD	0.62	$ $4,257,504	We are actively pursuing the development of this property. We have obtained approvals for the construction of an eight-screen cinema, 10,297 square foot of additional retail and 142 car parks. It is anticipated that construction will commence later this year and be completed by the fourth quarter 2017. In addition, we have acquired an additional 23,000 square foot parcel of land located adjacent to the center, which is currently improved with a 22,000 square foot office building. We intend, over time, to incorporate this property into our center.
3	Auburn, Sydney, NSW	0.00	$ $1,902,000	We are actively pursuing the development of the next phase of this property, and in 2015 entered into agreements to lease approximately 15,000 square feet of to-be-built retail space. It is anticipated that construction will commence later this year and be completed by the first quarter 2017. The center still has approximately 108,000 square foot of land area available for development.

In New Zealand

1	Manukau, Auckland	64.0 acres zoned agricultural and 6.4 acres zoned light industrial	$	$11,789,099	The bulk of the land is zoned for agriculture and is currently used for horticultural commercial purposes. A development plan has been filed to rezone the property for warehouse, distribution and manufacturing uses. We currently anticipate that this rezoning will be approved. In 2010, we acquired an adjacent property that is zoned industrial, but is currently unimproved. That property links our existing parcel with the existing road network.
2	Courtenay Central, Wellington (including Wakefield and Taranaki)	1.1	$	$6,375,555	We are actively pursuing the development of the next phase of this property, having signed a lease agreement for a Countdown supermarket to be developed on this site. The construction budgets have been agreed between the parties, and we currently estimate that construction will commence in the third quarter 2016, looking towards a completion date of the fourth quarter 2017. In addition, we are adding approximately 4,000 square feet of general retail space.

(1) A number of our real estate holdings include additional land held for development. In addition, we have acquired certain parcels for future development.
(2) Includes, as applicable, the land, building, development costs, and capitalized interest of the property.

Some of our income operating properties and our investment and development properties carry various debt encumbrances based on their income streams and geographic locations. For an explanation of our debt and the associated security collateral please see Note 10 – *Debt* to our 2015 Consolidated Financial Statements.

OTHER PROPERTY INTERESTS AND INVESTMENTS

We own the fee interest in 11 parcels comprising 195 acres in Pennsylvania and Delaware. These acres consist primarily of vacant land. With the exception of certain properties located in Philadelphia (including the raised railroad bed leading to the old Reading Railroad Station), the properties are principally located in rural areas of Pennsylvania and Delaware. These properties are unencumbered by any debt.

Item 3 – Legal Proceedings

TAX AUDIT/LITIGATION

The Internal Revenue Service (the "IRS") examined the tax return of Craig Corporation ("CRG") for its tax year ended June 30, 1997. CRG was a stand-alone entity in the year of audit but is now a wholly-owned subsidiary of the Company. In Tax Court, CRG and the IRS agreed to compromise the claims made by the IRS against CRG, and the court order was entered on January 6, 2011. As of December 31, 2015, the remaining federal tax obligation was $2.5 million, reflecting additional interest accrued during the term of the four year installment plan. For additional information, see Note 9 – *Income Taxes*.

ENVIRONMENTAL AND ASBETOS CLAIMS

Certain of our subsidiaries were historically involved in railroad operations, coal mining, and manufacturing. Also, certain of these subsidiaries appear in the chain-of-title of properties that may suffer from pollution. Accordingly, certain of these subsidiaries have, from time-to-time, been named in and may in the future be named in various actions brought under applicable environmental laws. Also, we are in the real estate development business and may encounter from time-to-time unanticipated environmental conditions at properties that we have acquired for development. These environmental conditions can increase the cost of such projects and adversely affect the value and potential for profit of such projects. We do not currently believe that our exposure under applicable environmental laws is material in amount.

From time-to-time, we have claims brought against us relating to the exposure of former employees of our railroad operations to asbestos and coal dust. These are generally covered by an insurance settlement reached in September 1990 with our insurance carriers. However, this insurance settlement does not cover litigation by people who were not our employees and who may claim second-hand exposure to asbestos, coal dust and/or other chemicals or elements now recognized as potentially causing cancer in humans. Our known exposure to these types of claims, asserted or probable of being asserted, is not material.

DERIVATIVE LITIGATION AND JAMES J. COTTER, JR. ARBITRATION

On June 12, 2015, the Board of Directors terminated James J. Cotter, Jr. as the President and Chief Executive Officer of our Company. That same day, Mr. Cotter, Jr. filed a lawsuit, styled as both an individual and a derivative action, and titled "James J. Cotter, Jr., individually and derivatively on behalf of Reading International, Inc. vs. Margaret Cotter, et al." Case No,: A-15-719860-V, Dept XI (the "Cotter Jr. Derivative Action" and the "Cotter, Jr. Complaint," respectively) against the C ompany and each of our other tha n sitting Directors (Ellen Cotter, Margaret Cotter, Guy Adams, William Gould, Edward Kane, Douglas McEachern, and Tim Storey, the "Defendant Directors") in the Eighth Judicial District Court of the State of Nevada for Clark County (the "Nevada District Court"). On October 22, 2015, Mr. Cotter, Jr., amended his complaint to drop his individual claims (the "Amended Cotter Jr. Derivative Complaint"). Accordingly, the Amended Cotter, Jr. Complaint presently purports to assert only purportedly derivative claims and to seek remedies only on behalf of the Company. The lawsuit currently alleges, among other things, that the Defendant Directors breached their fiduciary duties to the Company by terminating Mr. Cotter, Jr. as President and Chief Executive Officer, continuing to make use of the Executive Committee that has been in place for more than the past ten years, making allegedly potentially misleading statements in its press releases and filings with the Securities and Exchange Commission ("SEC"), paying certain compensation to Ms. Ellen Cotter, and allowing the Cotter Estate to make use of Class A Common Stock to pay for the exercise of certain long outstanding stock options held of record by the Cotter Estate. He seeks reinstatement as President and CEO and alleges as damages fluctuations in the price for our Company's shares after the announcement of his termination as President and CEO and certain unspecified damages to our Company's reputation.

In a derivative action, the stockholder plaintiff seeks damages or other relief for the benefit of the Company, and not for the stockholder plaintiff's individual benefit. Accordingly, the Company is, at least in theory, only a nominal defendant in such a derivative action. However, as a practical matter, because Mr. Cotter, Jr. is also seeking, among other things, an order that our Board's determination to terminate Mr. Cotter Jr. was ineffective and that he be reinstated as the President and CEO of the Company and also that our Board's Executive Committee be disbanded (an injunctive remedy that, if granted, would be binding on the Company), and as he asserts potentially misleading statements in certain press releases and filings with the SEC, the Company is incurring significant cost and expense defending the decision to terminate Mr. Cotter, Jr. as President and Chief Executive Officer, its board committee structure, and the adequacy of those press releases and filings. Also, the Company continues to incur costs promulgating and responding to discovery demands and satisfying indemnity obligations to the Defendant Directors.

Our d irectors and officers liability insurer is providing insurance coverage, subject to a $500,000 deductible (which has now been exhausted) and its standard reservation of rights, with respect to the defense of the Director Defendants. Our new Directors, Dr. Judy Codding and Mr. Michael Wrotniak, are not named in the Cotter Jr. Derivative Action as they were not Directors at the time of the breaches of fiduciary duty alleged by Mr. Cotter, Jr.

Pursuant to the terms of Mr. Cotter Jr.'s employment agreement with the Company, disputes relating to his employment are to be arbitrated. Accordingly, on July 14, 2015, the Company filed an arbitration demand with the American Arbitration Association against Mr. Cotter, Jr. The demand seeks declaratory relief, among other things, that Mr. Cotter, Jr.'s employment and employment agreement with the Company have been validly terminated and that the Board of Directors validly removed him from his positions as Chief Executive Officer and President of the Company and positions with the Company's subsidiaries.

Mr. Cotter, Jr. has filed a counter-complaint in the arbitration, asserting claims for breach of his employment contract, declaratory relief, and contractual indemnification. Mr. Cotter, Jr.'s counsel has advised that Mr. Cotter is seeking a variety of damages, including consequential damages, and that such claimed damages total not less than $1,000,000. On April 19, 2016, Mr. Cotter, Jr. filed an action in the District Court, Clark County, Nevada seeking to recover his costs of defending the Arbitration, plus compensatory damages and interest at the maximum legal rate. The Company intends to vigorously defend these claims.

On August 6, 2015, the Company received notice that a Motion to Intervene in the Cotte r Jr Derivative Action and a proposed derivative complaint had been filed in the Nevada District Court captioned T2 Partners Management, LP, a Delaware limited partnership, doing business as Kase Capital Management; T2 Accredited Fund, LP, a Delaware limited partnership, doing business as Kase Fund; T2 Qualified Fund, LP, a Delaware limited partnership, doing business as Kase Qualified Fund; Tilson Offshore Fund, Ltd, a Cayman Islands exempted company; T2 Partners Management I, LLC, a Delaware limited liability company, doing business as Kase Management: T2 Partners Management Group, LLC, a Delaware limited liability company, doing business as Kase Group; JMG Capital Management, LLC, a Delaware limited liability company, Pacific Capital Management, LLC, a Delaware limited liability company, derivatively on behalf of Reading International, Inc. vs. Margaret Cotter, Ellen Cotter, Guy Adams, Edward Kane, Douglas McEachern, Timothy Storey, William Gould and Does 1 through 100, inclusive, as defendants, and, Reading International, Inc., a Nevada corporation, as Nominal Defendant (the "T2 Derivative Action"). On Augnst 11, 2015, the Court granted the motion of T2 Partners Management, LP et. al. (the "T2 Plaintiffs"), allowing these plaintiffs to file their complaint (the "T2 Derivative Complaint").

On September 9, 2015, certain of the Defendant Directors filed a Motion to Dismiss the T2 Derivative Complaint. The Company joined this Motion to Dismiss on September 14, 2015. The hearing on this Motion to Dismiss was vacated as the T2 Plaintiffs voluntarily withdrew the T2 Derivative Complaint, with the parties agreeing that T2 Plaintiffs would have leave to amend the Complaint. On February 12, 2016, The T2 plaintiff filed an amended T2 Derivative Complaint (the "Amended T2 Derivative Complaint").

The T2 Plaintiffs allege in their Amended T2 Derivative Complaint various violations of fiduciary duty, abuse of control, gross mismanagement and corporate waste by the Defendant Directors. More specifically the T2 Derivative Complaint seeks the reinstatement of James J. Cotter, Jr. as President and Chief Executive Officer and certain monetary damages, as well as equitable injunctive relief, attorney fees and costs of suit. Once again, the Company has been named as a nominal defendant. However, because the T2 Derivative Complaint also seeks the reinstatement of Mr. Cotter, Jr., as our President and CEO, it is being defended by the Company. In addition, the Company continues to incur costs promulgating and responding to discovery demands and satisfying indemnity obligations to the Defendant Directors. The Defendant Directors are the same as named in the Cotter Jr. Derivative Action as well as our two new Directors Dr. Judy Codding and Michael Wrotniak and Company legal counsel, Craig Tompkins. The cost of the defense of Directors Codding and Wrotniak is likewise being covered by our Directors and officer's liability insurance carrier with the same reservations of right as in the Cotter Jr. Derivative Action, but without any separate deductible. The cost of the defense of Mr. Tompkins is being covered by the Company under its indemnity agreement with him.

The Amended T2 Derivative Complaint has deleted its request for an order disbanding our Executive Committee and for an order "collapsing the Class A and B stock structure into a single class of voting stock." The Amended T2 Complaint has added a request for an order setting aside the election results from the 2015 Annual Meeting of Stockholders, based on an allegation that Ellen Cotter and Margaret Cotter were not entitled to vote the shares of Class B Common Stock held of record by the Cotter Estate and the Cotter Trust. The Company and the other defendants contest the allegations of the T2 Plaintiffs. The Company followed applicable Nevada law in recognizing that Ellen Cotter and Margaret Cotter had the legal right and power to vote the shares of Class B Common Stock held of record by the Cotter Estate and the Cotter Trust, and the independent Inspector of Elections has certified the results of that election. Furthermore, even if the election results were to be overturned or voided, this would have no impact on the current composition of our Board or any action taken by our Board since our 2015 Annual Meeting of Stockholders, as all of the nominees were standing for re-election and accordingly retain their directorships until their replacements are elected. The Company will vigorously contest any assertions by the T2 Plaintiffs challenging the voting at the 2015 Annual Meeting of Stockholders and believes that the court will rule for the Company should this issue ever reach the court. The case is current ly set for trial in November, 2016. The T2 Plaintiffs have not sought any expedited ruling from the Court with respect to their assertions that Ellen Cotter and Margaret Cotter did not have the right and power to vote the shares of Class B Common Stock held of record by the Cotter Estate and the Cotter Trust.

The Company believes that the claims set forth in the Amended Cotter Jr. Derivative Complaint and the Amended T2 Derivative Complaint are entirely without merit and seek equitable remedies for which no relief can be given. The Company intends to defend vigorously against any claims against our officers and directors and against any attempt to reinstate Mr. Cotter, Jr. as President and Chief Executive Officer or to effect any changes in the rights of our Company's stockholders.

THE STOMP ARBITRATION

In April 2015, Liberty Theatres, LLC ("Liberty"), a wholly owned subsidiary of the Company, commenced an American Arbitration Association arbitration proceeding (Case No.:01-15-0003-3728) against The Stomp Company Limited Partnership (the "Producer") in response to the Producer's purported termination of their license agreement with Liberty relating to the long playing show STOMP. Liberty sought specific performance, injunctive and declaratory relief and damages. The Producer counterclaimed for unspecified damages, alleging that Liberty has interfered with the Producer's endeavors to move the show to another Off-Broadway theater. The Producer based its purported termination of the license agreement upon the alleged deficient condition of the Orpheum Theater, in which STOMP has been playing for more than the past 20 years.

On December 18, 2015, the Arbitrator issued his Partial Final Award of Arbitration, providing for, among other things (i) the issuance of a permanent injunction prohibiting the Producer from "transferring or taking actions to market, promote, or otherwise facilitate any transfer of, STOMP to another theatre in New York City having fewer than 500 seats without Liberty's prior written consent", (ii) the Producer's Notice of Termination purportedly terminating the parties' license agreement was invalid, null and void and the License Agreement remains in full force and effect, and (iii) the award to Liberty of its reasonable attorneys' fees in an amount to be determined by the Arbitrator. The Company expects the final award of attorneys' fees to be decided during the second quarter of 2016.

In explaining his decision to award Liberty its reasonable attorneys' fees, the Arbitrator stated as follows: " Liberty is entitled to such an award [of attorneys' fees] not only because it is the prevailing party in this proceeding, but because [the Producer] unfairly disparaged the Orpheum and caused Liberty to incur attorneys' fees in order to address and resolve [the Producer's] groundless and

frivolous allegations with respect to the Orpheum's condition, Liberty's performance under the License Agreement, and Stomp's reasons for seeking to transfer STOMP to a larger theatre."

PA RT II

I tem 5 – Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

MARKET INFORMATION

The following table sets forth the high and low closing prices of the RDI and RDIB common stock for each of the quarters in 2015 and 2014 as reported by NASDAQ:

	Class A Stock		Class B Stock	
	High	Low	High	Low
2015				
4th Quarter	$ 16.21	$ 13.11	$ 17.81	$ 11.15
3rd Quarter	14.15	11.78	15.50	13.00
2nd Quarter	14.06	13.07	15.20	13.00
1st Quarter	13.65	11.97	13.79	12.16
2014(1)				
4th Quarter	$ 13.26	$ 8.31	$ 13.00	$ 9.50
3rd Quarter	8.84	8.00	11.50	9.70
2nd Quarter	8.92	6.96	10.87	8.11
1st Quarter	7.60	7.15	10.23	9.00

As of December 31, 2015, the approximate number of common stockholders of record was 2,200 for Class A stock and 350 , for Class B stock. On April 25, 2016 , the closing price per share of our Class A Stock and Class B stock was $1 2 . 79 and $1 1 . 65 , respectively.

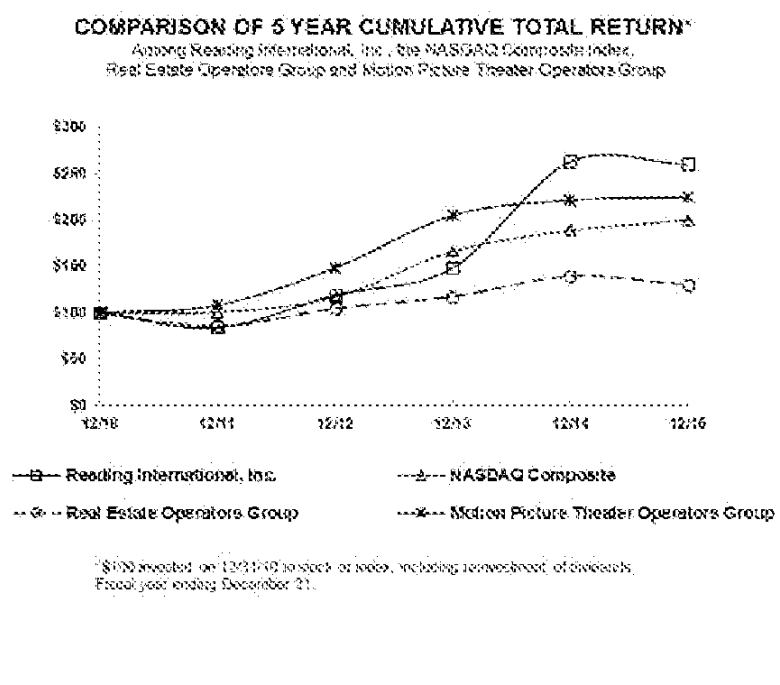
We have never declared a cash dividend on our common stock and we have no current plans to declare a dividend; however, we review this matter on an ongoing basis.

The following table summarizes the securities authorized for issuance under our equity compensation plans:

	Number of securities to be issued upon exercise of outstanding options, warrants, and rights	Weighted-average exercise price of outstanding options, warrants, and rights	Number of securities remaining available for future issuance under equity compensation plans
Equity compensation plans approved by security holders	486,565	$ 8.68	551,800

Performance Graph

The following line graph compares the cumulative total stockholder return on Reading International, Inc.'s common stock for the five- year period ended December 31, 2015 against the cumulative total return as calculated by the NASDAQ composite, a peer group of public companies engaged in the motion picture theater operator industry and a peer group of public companies engaged in the real estate operator industry. Measurement points are the last trading day for each of the five year s ended D ecember 31 , 201 5 . The graph assumes that $100 was invested on December 31, 20 10 in our common stock, the NASDAQ composite and the noted peer group s, and assumes reinvestment of any dividends. The stock price performance on the following graph is not necessarily indicative of future stock price performance.



RECENT SALES OF UNREGISTERED SECURITIES; USE OF PROCEEDS FROM REGISTERED SECURITIES

None.

PURCHASE OF EQUITY SECURITIES BY THE ISSUER AND AFFILIATED PURCHASERS

In May 2014, our Board of Directors authorized a stock buy-back program to spend up to an aggregate of $10.0 million to acquire shares of the Company's common stock. As part of this program, during 2015 , we purchased 240,102 Class A Non - voting shares on the open market for $3.1 million f or a weighted average price of $12.95 per share. As of December 31, 2015, approximately $2.8 million may yet be purchased under the program.

Also in 2015, a number of executives ch ose to net settle their share options with the Company, as allowed by our share option plan. T his resulted in the C ompany issuing 52,777 Class A Non-voting shares. A s part of this transaction the C ompany also remitted $201,000 of taxes on their behalf. The C ompany also acquired an additional 141,288 Class A Non-voting shares as payment on the excise of 185,100 class B voting stock options that had a combined exercise price of $1.8 million.

Item 6 – Selected Financial Data

The table below sets forth certain historical financi al data regarding our Company. This information is derived in part from, and should be read in conjunction with , our consolidated financial statements included in Item 8 of this Aunual Report on Form 10-K for the year ended December 31, 2015 (the " 2015 Annual Report"), and the related notes to the consolidated financial statements.

($ in thousands, except per share data)	2015	2014	2013	2012	2011
Statement of operations					
Revenue	$ 257,323	$ 254,748	$ 258,221	$ 254,430	$ 244,979
Operating income	23,154	22,173	20,935	19,127	18,178
Income (loss) from discontinued operations	–	--	--	(405)	1,888
Net income (loss) attributable to RDI	22,773	25,701	9,041	(914)	9,956
Per common share					
Net income/(loss) attributed to RDI					
Basic EPS	$ 0.98	$ 1.10	$ 0.39	$ (0.04)	$ 0.44
Diluted EPS	0.97	1.08	0.38	(0.04)	0.43
Balance sheet					
Total assets	$ 375,091	$ 401,586	$ 386,807	$ 428,588	$ 430,764
Total debt	130,941	164,036	168,460	196,597	209,614
Working capital (deficit)	(38,514)	(15,119)	(75,067)	(25,074)	(14,829)
Stockholders' equity	137,196	132,298	121,747	130,954	124,987
Statement of cash flows					
Cash provided by (used):					
Operating activities	$ 28,574	$ 28,343	$ 25,183	$ 25,496	$ 24,253
Investing activities	(29,710)	(9,898)	(6,142)	(6,095)	(3,768)
Financing activities	(27,961)	(3,275)	(17,775)	(12,719)	(23,411)
Other Information					
EBIT	$ 35,020	$ 24,916	$ 24,020	$ 20,416	$ 18,664
Depreciation and amortization	$ 14,562	$ 15,468	$ 15,197	$ 16,049	$ 16,595
Add: Adjustments for discontinued operations	$ –	$ --	$ --	$ 333	$ 365
EBITDA	49,582	40,384	39,217	36,800	35,624
Debt to EBITDA	2.64	4.06	4.30	5.34	5.88
Capital expenditure (including acquisitions)	53,119	14,914	20,082	13,723	9,376
Shares outstanding	23,334,892	23,237,076	23,385,519	23,083,265	22,806,838
Weighted average - basic	23,293,696	23,431,855	23,348,003	23,028,596	22,764,666
Weighted average - diluted	23,495,618	23,749,221	23,520,271	23,028,596	22,993,135
Number of employees at 12/31	2,712	2,596	2,494	2,412	2,263

Both EBIT and EBITDA are non- US GAAP measures and are presented for informational purposes. They should not be construed as an alternative to net earnings (loss), as an indicator of operating performance or as an alternative to cash flow provided by operating activities as a measure of liquidity (as determined in accordance with US GAAP) . These measures should be reviewed in conjunction with the relevant US GAAP financial measures. EBIT and EBITDA as we have calculated them may not be comparable to similarly titled measures reported by other companies.

EBIT presented above represents net income (loss) adjusted for interest expense (net of interest income), income tax expense and an adjustment of interest expense for discontinued operations, if any . EBIT is useful in evaluating our operating results for the following reasons:

- EBIT removes the impact of the varying tax rates and tax regimes in the jurisdictions where we operate and the impact of tax timing differences that may vary from time-to-time and from jurisdiction-to-jurisdiction

- EBIT removes the impact from our effective tax rate of factors not directly related to our business operations, such as whether we have acquired operating assets by purchasing those assets directly, or indirectly by purchasing the stock of a company that hold s such operating assets.
- EBIT removes the impact of our historically significant net loss carry-forwards .
- EBIT allows a better performance comparison between RDI and other companies. For example, it allows us to compare ourselves with other companies that may have more or less debt than we do.

We define EBITDA as net income adjusted for interest expense (net of interest income), income tax expense, depreciation and amortization expense, and an adjustment of interest expense, depreciation, and amortization for discontinued operations, if any. EBITDA is useful principally for the following reasons:

- EBITDA is an industry comparative measure of financial performance . A nalysts and financial commentators who report on the cinema exhibition and real estate industries often use EBITDA to determine the valuation of a company in such industries.
- EBITDA is a measure used by financial institutions to determine the credit rating of companies in cinema exhibition and real estate industries.

Reconciliation of EBIT and EBITDA to net income is presented below:

($ in thousands)	**2015**	**2014**	**2013**	**2012**	**2011**
Net income (loss) attributable to RDI	**$ 22,773**	$ 25,701	$ 9,041	$ (914)	$ 9,956
Add: Interest expense, net	**7,304**	9,000	10,037	16,426	21,038
Add: Income tax (benefit) expense	**4,943**	(9,785)	4,942	4,904	(12,330)
EBIT	**$ 35,020**	$ 24,916	$ 24,020	$ 20,416	$ 18,664
Add: Depreciation and amortization	**14,562**	15,468	15,197	16,049	16,595
Adjustments for discontinued operations	**—**	--	--	335	365
EBITDA	**$ 49,582**	$ 40,384	$ 39,217	$ 36,800	$ 35,624

Item 7 – Management's Discussions and Analysis of Financial Condition and Results of Operations

Organization of Information

Management's Discussion and Analysis provides a narrative on the Company's financial performance and condition that should be read in conjunction with the accompanying financial statements. It includes the following sections:

- Forward-Looking Statements
- Company Overview
- Cinema Activities
- Consolidated Results and Non-Segment Results
- Business Segment Results
- Business Plan, Liquidity and Capital Resources
- Contractual Obligations, Commitments and Contingencies
- Financial Risk Management
- Critical Accounting Policies and Estimates

FORWARD LOOKING STATEMENTS

Our statements in this annual report, including the documents incorporated herein by reference, contain a variety of forward-looking statements as defined by the Securities Litigation Reform Act of 1995. Forward-looking statements reflect only our expectations regarding future events and operating performance and necessarily speak only as of the date the information was prepared. No guarantees can be given that our expectation will in fact be realized, in whole or in part. You can recognize these statements by our use of words such as, by way of example, "may," "will," "expect," "believe," and "anticipate" or other similar terminology.

These forward-looking statements are neither historical facts nor assurances of future performance. Instead, they are based only on our current beliefs, expectations and assumptions regarding the future of our business, future plans and strategies after having considered a variety of risks and uncertainties. Forward-looking statements are necessarily the product of internal discussion and do not necessarily completely reflect the views of individual members of our Board of Directors or of our management team. Individual Board members and individual members of our management team may have a different view as to the risks and uncertainties involved, and may have different views as to future events or our operating performance.

Among the factors that could cause actual results and our financial condition to differ materially from those expressed in or underlying our forward-looking statements are the following:

- with respect to our cinema operations:
  - the number and attractiveness to movie goers of the films released in future periods;
  - the amount of money spent by film distributors to promote their motion pictures;
  - the licensing fees and terms required by film distributors from motion picture exhibitors in order to exhibit their films;
  - the comparative attractiveness of motion pictures as a source of entertainment and willingness and/or ability of consumers (i) to spend their dollars on entertainment and (ii) to spend their entertainment dollars on movies in an outside-the-home environment;
  - the extent to which we encounter competition from other cinema exhibitors, from other sources of outside-the-home entertainment, and from inside-the-home entertainment options, such as "home theaters" and competitive film product distribution technology, such as, by way of example, cable, satellite broadcast and Blu-ray/DVD rentals and sales, and so called "movies on demand;" and
  - the extent to, and the efficiency with, which we are able to integrate acquisitions of cinema circuits with our existing operations.
- with respect to our real estate development and operation activities:
  - the rental rates and capitalization rates applicable to the markets in which we operate and the quality of properties that we own;
  - the extent to which we can obtain on a timely basis the various land use approvals and entitlements needed to develop our properties;
  - the risks and uncertainties associated with real estate development;
  - the availability and cost of labor and materials;
  - competition for development sites and tenants;
  - environmental remediation issues;

- the extent to which our cinemas can continue to serve as an anchor tenant that will, in turn, be influenced by the same factors as will influence generally the results of our cinema operations; and
- certain of our activities are in geologically active areas, creating a risk of damage and/or disruption of real estate and/or cinema businesses from earthquakes.

- with respect to our operations generally as an international company involved in both the development and operation of cinemas and the development and operation of real estate; and previously engaged for many years in the railroad business in the United States:
  - our ongoing access to borrowed funds and capital and the interest that must be paid on that debt and the returns that must be paid on such capital;
  - the relative values of the currency used in the countries in which we operate;
  - changes in government regulation, including by way of example, the costs resulting from the implementation of the requirements of Sarbanes-Oxley;
  - our labor relations and costs of labor (including future government requirements with respect to pension liabilities, disability insurance and health coverage, and vacations and leave);
  - our exposure from time-to-time to legal claims and to uninsurable risks, such as those related to our historic railroad operations, including potential environmental claims and health-related claims relating to alleged exposure to asbestos or other substances now or in the future recognized as being possible causes of cancer or other health related problems;
  - changes in future effective tax rates and the results of currently ongoing and future potential audits by taxing authorities having jurisdiction over our various companies; and
  - changes in applicable accounting policies and practices.

The above list is not necessarily exhaustive, as business is by definition unpredictable and risky, and it is subject to influence by numerous factors outside of our control, such as changes in government regulation or policy, competition, interest rates, supply, technological innovation, changes in consumer taste, the weather, and the extent to which consumers in our markets have the economic wherewithal to spend money on beyond-the-home entertainment.

Given the variety and unpredictability of the factors that will ultimately influence our businesses and our results of operation, it naturally follows that no guarantees can be given that any of our forward-looking statements will ultimately prove to be correct. Actual results will undoubtedly vary and there is no guarantee as to how our securities will perform either when considered in isolation or when compared to other securities or investment opportunities.

Finally, we undertake no obligation to update publicly or to revise any of our forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required under applicable law. Accordingly, you should always note the date to which our forward-looking statements speak.

Additionally, certain of the presentations included in this annual report may contain "non-US GAAP financial measures." In such case, a reconciliation of this information to our US GAAP financial statements will be made available in connection with such statements.

COMPANY OVERVIEW

We are an internationally diversified company principally focused on the development, ownership, and operation of entertainment and real estate assets in the United States, Australia, and New Zealand. Currently, we operate in two business segments:

- Cinema exhibition, through our 58 multiplex cinemas; and
- Real estate, including real estate development and the rental of retail, commercial and live theater assets.

We believe that these two business segments can complement one another, as we can use the comparatively consistent cash flows generated by our cinema operations to fund the front-end cash demands of our real estate development business.

We manage our worldwide cinema exhibition businesses under various brands:

- in the U.S., under the following brands: Reading Cinemas, Angelika Film Centers, Consolidated Theatres, and City Cinemas;
- in Australia, under the Reading Cinemas brand; and
- in New Zealand, under the Reading Cinemas and Rialto brands.

CINEMA ACTIVITIES

We believe t he cinema business to be one that will likely continue to generate fairly consistent cash flows in the years ahead, even in a recessionary or inflationary environment. This is based on our belief that people will continue to spend some reasonable portion of their entertainment dollar on entertainment outside of the home and that, when compared to other forms of outside-the-home entertainment, movies continue to be a popular and competitively priced option. Because we believe the cinema exhibition business to be a mature business with most markets either adequately screened or over-screened, we see growth in our cinema business coming principally from (i) the enhancement of our existing cinemas (for example, by the addition of luxury seating and expanding our food and beverage offerings), (ii) the development in select markets of specialty cinemas, and (iii) the opportunistic acquisition of already existing cinemas, rather than from the development of new conventional cinemas. From time-to-time, we invest in the securities of other companies, where we believe the business or assets of those companies to be attractive or to offer synergies to our existing entertainment and real estate businesses. We continue to focus on the development and redevelopment of our existing assets (particularly our New York assets and our Angelika Film Center chain), as well as to continue to be opportunistic in identifying and endeavoring to acquire undervalued assets, particularly assets with proven cash flow and that we believe to be resistant to recessionary trends.

W e see ourselves principally as a geographically diversified real estate and cinema exhibition company and intend to add to stockholder value by building the value of our portfolio of tangible assets, including both entertainment and other types of land and "brick and mortar" assets. We endeavor to maintain a reasonable asset allocation between our domestic and international assets and operations, and between our cash-generating cinema operations and our cash-consuming real estate investment and development activities. We believe that , by blending the cash generating capabilities of a cinema operation with the investment and development opportunities of our real estate operations, our business strategy is unique among public companies.

Business Climate

Cinema Exhibition - General

Along with the majority of our industry, we have completed the conversion of all of our U.S., Australia, and New Zealand cinema operations to digital exhibition. W e anticipate that the cost of this conversion will be covered in substantial part by the receipt of "virtual print fees" paid by film distributors for the use of such digital projection equipment.

The "in-home" entertainment industry has experienced significant leaps in recent periods in both the quality and affordability of in-home entertainment systems and in the accessibility to and quality of entertainment programming through alternative film distribution channels, such as network, cable, satellite, internet distribution channels, and Blu-ray/ DVD. The success of these alternative distribution channels puts additional pressure on film distributors to reduce and/or eliminate the time period between theatrical and secondary release dates. These are issues common to both our U.S. and international cinema operations.

Certain new entrants to the cinema exhibition market, as well as certain of our historic competitors, have begun to develop new, and to reposition existing, cinemas that offer a broader selection of premium seating and food and beverage choices. These include, in some cases, food service to the seat and the offering of alcoholic beverages. We have for some years offered premium seating , café food selections and alcoholic beverages in certain cinemas. Accordingly, we are experienced in, and believe that we can compete effectively with, this emerging competition. We are currently reviewing the potential for further expanding our offerings at a variety of our cinemas.

Cinema Exhibition – Australia / New Zealand

The film exhibition industry in Australia and New Zealand is highly concentrated in that Village, Event, and Hoyts (the "Major Exhibitors") control approximately 65% of the cinema box office in Australia, while Event and Hoyts control approximately 56% of New Zealand's cinema box office. The industry is also vertically integrated in that one of the Major Exhibitors, Roadshow Film Distributors (part of Village), also serves as a distributor of film in Australia and New Zealand for Warner Bros. Films produced or distributed by the majority of the local international independent producers are also distributed by Roadshow. Typically, the Major Exhibitors own the newer multiplex and megaplex cinemas, while the independent exhibitors typically have older and smaller cinemas. In addition, the Major Exhibitors have in recent periods built a number of new multiplexes as joint venture partners or under shared facility arrangements, and have historically not engaged in head-to-head competition.

Cinema Exhibition – North America

In North America, distributors may find it more commercially appealing to deal with major exhibitors, rather than to deal with independents like us, which tends to compress the supply of screens in a very limited number of markets. This competitive disadvantage has increased significantly in recent periods , with the development of mega-circuits like Regal and AMC , who are able

to offer distributors access to screens on a truly nationwide basis, or, on the other hand, to deny access if their desires with respect to film supply are not satisfied.

These consolidations can adversely affect our ability to get film in certain U.S. markets where we compete against major exhibitors. With the restructuring and consolidation undertaken in the industry, and the emergence of increasingly attractive "in-home" entertainment alternatives, strategic cinema acquisitions by our U.S. operation have and can continue to be a way to combat such a competitive disadvantage.

Real Estate – Australia and New Zealand

Over the past few years, there has been a noted stabilization in real estate market activity resulting in some increases to commercial and retail property values in Australia and to a lesser extent in New Zealand. Both countries have relatively stable economies with varying degrees of economic growth that are mostly influenced by global trends. Also, we have noted that our Australian and New Zealand developed properties have had consistent growth in rentals and values , and we have a number of projects commencing. Once developed, we remain confident that our Australian and Ne w Zealand holdings will continue to provide value and cash flows to our operations.

Real Estate – North America

The commercial real estate market has improved significantly over the past three years , and we have noted strengthening rental income associated with our real estate located in large urban environments.

Business Segments

As indicated above, our two primary business segments are cinema exhibition and real estate. These segments are summarized as follows:

Cinema Exhibition

One of our primary businesses consists of the ownership and operation of cinemas. For a breakdown of our current cinema assets that we own and/or manage please see Item 1 – *Our Business* of this 2015 Annual Report under the subheading " *Operating Information – Cinema Exhibition* ."

In September 2015, we reopened a completely refurbished state-of-the-art cinema complex in Harbourt own, Australia. In October 2015, we re opened the twelve- screen Angelika Film Center & Cafe, a state-of-the-art luxury cinema, located at Carmel Mountain Plaza in San Diego. Finally, in November 2015, we op ened the new state-of-the-art eight- scre en Reading Cinemas LyunMall, our first Reading branded Auckland cinema complex, in New Lyun, New Zealand .

In October 2015, at the end of our lease period, we closed our Redbank cinema, in Queensland Australia.

During 2014, we opened a three-screen Angelika Pop-Up! at Union Market in Washington, D.C. , as well as a six-screen complex in Dunedin, New Zealand.

In December 2013, we acquired a five -screen cinema in Plano, Texas that we previously had managed since 2003.

Our cinema revenue consists primarily of admissions, concessions, advertising and theater rentals. The cinema operating expense consists of the costs directly attributable to the operation of the cinemas, including film rent expense, operating costs, and occupancy costs. Cinema revenue and expense fluctuate with the availability of quality first-run films and the numbers of weeks the first–run films stay in the market.

Real Estate

For 2015 , our income operating property consisted of the following:

- ou r Belmont, Western Australia ET C, our Auburn, New South Wales ET C and our Wellington, New Zealand ET C;
- our Newmarket shopping center in Newmarket, Queensland, a suburb of Brisbane;
- three single- auditorium live theaters in Manhattan (Minetta Lane, Orpheum, and Union Square) and a four-auditorium live theater complex in Chicago (The Royal George) and, in the case of the Union Square and the Royal George, their accompanying ancillary retail and commercial tenants ; at the end of December 2015, the Union Square building was closed in counection with the proposed redevelopment of the building ;
- Australian commercial properties rented to unrelated third parties, to be held for current income and long-term appreciation; and

- the ancillary retail and commercia l tenants at some of our non-ET C cinema properties.

In addition, we had various parcels of unimproved real estate held for development in Australia and New Zealand and certain unimproved land in the United States including some that was used in our historic activities. We also own an 8,100 square foot commercial building in Melbourne, which serves as our administrative headquarters for Australia and New Zealand, approximately 36% of which is leased to an unrelated third party.

Acquisitions

Operating Assets

Cannon Park, Australia

In December 2015, w e acquired two adjoining entertainment themed centers in Townsville, Queensland, Australia for a total of $ 24.3 million (AU $33. 6 million). The total gross leasable area of the two adjoining properties, the Cannon Park City Centre and the Cannon Park Discount Centre, is 133,000 square feet. The Cannon Park City Centre is anchored by a Reading Cinema, which is owned by Reading International's 75% owned subsidiary , Australia Country Cinemas , and has three mini-major tenants and ten specialty family oriented restaurant tenants. The Cannon Park Discount Centre is anchored by Kingpin Bowling and supported by four other retailers. The properties are located approximately 0.6 miles from downtown Townsville, the second largest city in Queensland, Australia. For additional information, see Note 4 – *Acquisitions, Disposals, and Assets Held for Sale – 2015 Transactions – Cannon Park, Queensland, Australia* .

Newmarket, Australia

In November 2015, we acquired a commercial building in Newmarket adjacent to our Newmarket shopping complex currently improved with an office building. The total cost of the acquisition was $5.5 million (AU$7.6 million). Our intention is that this parcel will ultimately be integrated into our Newmarket Shopping Center. See Note 4 – *Acquisitions, Disposals, and Assets Held for Sale – 2015 Transactions – Cannon Park, Queensland, Australia* .

Plano, Texas

In December 2013, we settled a management fee claim that we had against the owner of the Plano, Texas cinema that we had managed since 2003 for a cash receipt of $1.9 million. As part of the settlement, we acquired that entity, and through the purchase of that entity acquired the underlying cinema's lease and the associated personal property, equipment, and trade fixtures. Because the fair value of the lease, in light of anticipated rent payments, resulted in a lease liability of $320,000 and the acquired net assets, including cash received in counection with the settlement, were valued at $1.7 million, we recorded a net gain on acquisition and settlement of $1.4 million which is included as "*other income*" in our consolidated statement of operati ons for the year ended December 31, 2013. We also acquired in 2013 the 50% interest we did not own in Angelika Film Centers, LLC.

Disposals

Land Held for Sale – Burwood

On May 12, 2014, we entered into a contract to sell our undeveloped 50.6-acre parcel in Burwood, Victoria, Australia, to an affiliate of Australand Holdings Limited for a purchase price of $ 47. 5 million (AU$65.0 million). Reading received $5.5 million (AU$6.5 million) on May 23, 2014 closing. The balance of the purchase price is due on December 31, 2017.

Taupo

On March 31, 2015, we entered into sale agreements to sell both of our Lake Taupo properties to the same purchaser. 138 Lake Terrace , an improved 20 unit motor iun, settled on May 6, 2015 for $1.7 million (N Z$2.2 million). Settlement of $821,000 (NZ$1.2 million) was received on March 31, 2016 for 142 Lake Terrace , an unimproved vacant p arcel of land .

Moonee Ponds Property

In 2013, we entered into a purchase and sale agreement to sell our 3.3 -acre properties in Moonee Ponds for $21.4 million (AU $23.0 million) which close d on April 16, 2015 .

Investment and Development Property

We are engaged in several real estate development projects. For a complete list of these properties with their size, status, and gross book values see Item 2 – *Properties* under the heading of "*Investment and Development Property* ."

CONSOLIDATED RESULTS AND NON-SEGMENT RESULT S

(Dollars in thousands)	2015	2014	2013	% Change Fav/(Unfav) 2015 vs. 2014	% Change Fav/(Unfav) 2014 vs. 2013
SEGMENT RESULTS					
Cinema exhibition operating income	**$ 31,576**	$ 27,343	$ 24,545	15 %	11 %
Real estate operating income	**6,796**	9,475	10,959	(28)%	(14)%
NON-SEGMENT RESULTS					
Depreciation and amortization expense	**(294)**	(360)	(433)	18 %	17 %
General and administrative expense	**(14,924)**	(14,285)	(14,136)	(4)%	(1)%
Interest expense, net	**(7,304)**	(9,000)	(10,037)	19 %	10 %
Equity earnings of unconsolidated joint ventures and entities	**1,204**	1,015	1,369	19 %	(26)%
Gain on sale of assets	**11,023**	25	(56)	> 100%	(> 100)%
Other income (expense)	**(440)**	1,646	1,876	(> 100)%	(12)%
Income before income taxes	**27,637**	15,859	14,087	74 %	13 %
Income tax benefit (expense)	**(4,943)**	9,785	(4,942)	(> 100)%	(> 100)%
Net income	**22,694**	25,644	9,145	(12)%	> 100%
Less: Net income (loss) attributable to noncontrolling interests	**(79)**	(57)	104	39 %	> 100%
Net income attributable to RDI common stockholders	**$ 22,773**	$ 25,701	$ 9,041	(11)%	> 100%
Basic EPS	**$ 0.98**	$ 1.10	$ 0.39	(11)%	> 100%

Consolidated Results - 2015 vs. 2014

Net income attributable to RDI com mon stockholders was lower by $2. 9 million or 11 % to $2 2 . 8 million. This reduction was mainly due to a $1 4 . 7 million increase in income tax expense, a $2.7 million decrease in Real Estate segment income , a $2.1 million reduction in other income and a $638,000 increase in non-segment g eneral and administrative expense. These were offset by an $11.0 million gain on sale, a $4.2 million increase in Cinema segment income and a $1.7 million reduction in net interest expense. These are discussed in more detail below.

Non-Segment Results - 2015 vs. 2014

General and administrative expense

General and administrative expense for 2015 increased by $639 ,000 or 4%, mainly due to higher legal, consulting and Board of D irector s fees in the U.S. , offset by lower payroll expenses and foreign exchange rate movements resulting in lower Australia and New Zealand general and administration expense in U.S. dollars. For more information about legal expenses, please refer to Item 3- *Legal Proceedings* .

Interest expense, net

Interest expense, net for 2015 , de creased by $1.7 million or 19%, mainly due to a reduction in interest rates, lower net borrowing, favorable revaluations of interest rate swaps , as well as foreign exchange rate movements.

Gain on sale of assets

Net gain on sale of assets for 2015 increased by $11.0 million, primarily due to the finalization of the sale of our Moonee Ponds site in Australia, our Los Angeles condominium and our Lake Taupo Motel in New Zealand.

Other income (expense)

Other income and expense changed by $2.1 million or 127% , mainly due to a $1.6 million (NZ $ 2 .0 million) reduction in business interruption income from the Courtenay C entral carpark building , as well as a $ 495 ,000 (AU $700,000) settlement relating to a historical accident at one of our Australian sites.

Equity earnings
Equity earnings fr om unconsolidated investments i ncreased by $189 ,000 or 19% , primarily related to a in crease in income from our Mt. Gravatt investment .

Income tax benefit (expense)
Income tax expense changed by $14 . 7 million compared to 2014 , mainly due to the reversal in 2014 of the U.S. valuation allowance that had been recorded against deferred tax assets .

Consolidated Results 201 4 vs. 201 3

Net income attributable to RDI common stockholders increased by $16. 7 million or 1 85 % to $25. 7 million. This increase was mainly due to a $14.7 million change in income tax expense, a $1.3 million increase in segment operating income , as well as a $1.0 million reduction in net interest expense. These are discussed in more detail below.

Non-Segment Results - 2014 vs. 2013

General and administrative expense
General and administrative expenses for 2014 increased marginally by $149,000 or 1.1% from 2013 .

Interest expense, net
Net interest expense decreased by $1.0 million compared to 2013. The decrease in interest expense during 2014 resulted from our ability to refinance certain debt obligations at favorable rates in comparison to the existing rates. Additionally, our interest expense was lower in the 2014 due to a decrease in the fair value of our interest rate swap liabilities in 2014 compared to 2013.

Other income (expense)
The $1.6 million in other income during 2014 was primarily related to the receipt of insurance proceeds received during 2014 for the Courtenay Central parking structure business interruption recovery claim. The $1.9 million in other income during 2013 was primarily related to a $1.4 million gain on the acquisition of a cinema and the receipt of insurance proceeds from our business interruption claim for the temporary closure of our cinema in Christchurch, New Zealand due to the February 22, 2011 earthquake (see Note 19 – *Casualty Loss* to our c onsolidated f inancial s tatements).

Equity earnings
Equity earnings from unconsolidated investments decreased by $354,000 or 26% primarily related to a decrease in income from our Mt. Gravatt investment.

Income tax benefit (expense)
I ncome tax benefit of $9.8 million in 2014 compared to a $4.9 million expense in 2013 was a result of the reversal of the valuation allowance in the United States. The valuation allowance reversal is a result of the tax benefit that we now expect to realize.

BUSINESS SEGMENT RESULTS

At December 31, 2015 , we wholly owned and operated 54 cinemas with 443 screens, had interests in certain unconsolidated joint ventures and entities that own an additional 3 cinemas with 29 screens and managed 1 cinema with 4 screens. During the period, we also (i) owned and operated five ET Cs that we developed in Australia and New Zealand, (ii) owned the fee interests in three developed commercial properties in Manhattan and Chicago improved with live theaters , which have s ix stages and ancillary retail and commercial space, (iii) owned the fee interests in the Union Square building in Manhattan that we are redevelop ing , which had, until the end of this fiscal year, operated as a live theater and rental property, (iv) owned the fee interests underlying one of our Manhattan cinemas, (v) held for development an additional four parcels aggregating approximately 7 4 acres located principally in urbanized areas of Australia and New Zealand (calculated net of our Lake Taupo and Burwood Properties), and (v i) owned 50% of a 202-acre property that is zoned for the development of approximately 550 single-family residential units in the U.S. In addition, we continue to hold various properties that had been previously used in our historic railroad operations.

The Company transacts business in Australia and New Zealand and is subject to risks associated with changing foreign currency exchange rates. During the current year , compared to the prior-year , the Australian dollar and New Zealand dollar weakened against the U.S. dollars by 11% and 12 %, respectively.

Business Segment Results - 2015 vs. 2014

	2015		2014		% Change Better/(Worse)	
(Dollars in thousands)	Cinema	Real Estate	Cinema	Real Estate	Cinema	Real Estate
Segment Revenue	$ 242,281	$ 21,579	$ 237,861	$ 24,348	2 %	(11)%
Segment expenses						
Cost of services and products (excluding depreciation and amortization)	(196,544)	(10,948)	(195,896)	(9,770)	-%	(12)%
Depreciation and amortization	(11,161)	(3,107)	(11,047)	(4,061)	(1)%	23 %
General and administrative expense	(3,000)	(728)	(3,575)	(1,042)	16 %	30 %
Total segment expenses	(210,705)	(14,783)	(210,518)	(14,873)	-%	1 %
Segment operating income	$ 31,576	$ 6,796	$ 27,343	$ 9,475	15 %	(28)%

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Cinema Exhibition - 2015 vs. 2014

(Dollars in thousands)		2015	% of Revenue	2014	% of Revenue	2015 vs. 2014 Fav / (Unfav)
REVENUE						
United States	Admission revenue	$ 86,377	65 %	$ 83,197	66 %	4 %
	Concession revenue	38,267	29 %	35,580	28 %	8 %
	Advertising and other revenue	8,239	6 %	6,942	6 %	19 %
		$ 132,883	100 %	**$ 125,719**	100 %	6 %
Australia	Admission revenue	54,814	64 %	58,148	66 %	(6) %
	Concession revenue	24,549	28 %	24,278	27 %	1 %
	Advertising and other revenue	6,872	8 %	6,068	7 %	13 %
		$ 86,235	100 %	**$ 88,494**	100 %	(3) %
New Zealand	Admission revenue	15,489	67 %	15,908	67 %	(3) %
	Concession revenue	6,368	27 %	6,475	27 %	(2) %
	Advertising and other revenue	1,306	6 %	1,265	5 %	3 %
		$ 23,163	100 %	**$ 23,648**	100 %	(2) %
Total revenue		**$ 242,281**	100 %	**$ 237,861**	100 %	2 %
OPERATING EXPENSE						
Cost of services and products (excl. depreciation and amortization)						
United States	Film rent and advertising cost	$ (46,175)	(35)%	$ (43,511)	(35)%	(6) %
	Concession cost	(6,448)	(5)%	(6,145)	(5)%	(5) %
	Occupancy expense	(26,886)	(20)%	(25,701)	(20)%	(5) %
	Other expense	(35,970)	(27)%	(34,073)	(27)%	(6) %
		$ (115,479)	(87)%	**$ (109,430)**	(87)%	(6) %
Australia	Film rent and advertising cost	(25,491)	(30)%	(26,677)	(30)%	4 %
	Concession cost	(4,938)	(6)%	(4,781)	(5)%	(3) %
	Occupancy expense	(14,383)	(17)%	(16,995)	(19)%	15 %
	Other expense	(18,328)	(21)%	(19,026)	(21)%	4 %
		$ (63,140)	(73)%	**$ (67,479)**	(76)%	6 %
New Zealand	Film rent and advertising cost	(7,161)	(31)%	(7,388)	(31)%	3 %
	Concession cost	(1,470)	(6)%	(1,661)	(7)%	11 %
	Occupancy expense	(4,107)	(18)%	(4,459)	(19)%	8 %
	Other expense	(5,187)	(22)%	(5,512)	(23)%	6 %
		$ (17,925)	(77)%	**$ (18,987)**	(80)%	6 %
Total cost of services and products (excl. depreciation and amortization)		**$ (196,544)**	(81)%	**$ (195,896)**	(82)%	- %
Depreciation, amortization, and general and administrative expense						
United States	Depreciation and amortization	$ (5,531)	(4)%	$ (5,118)	(4)%	(8) %
	General and administrative expense	(2,225)	(2)%	(2,474)	(2)%	10 %
		$ (7,756)	(6)%	**$ (7,592)**	(6)%	(2) %
Australia	Depreciation and amortization	(4,325)	(5)%	(4,669)	(5)%	7 %
	General and administrative expense	(782)	(1)%	(1,054)	(1)%	26 %
		$ (5,107)	(6)%	**$ (5,723)**	(6)%	11 %
New Zealand	Depreciation and amortization	(1,304)	(6)%	(1,260)	(5)%	(3) %
	General and administrative expense	6	0 %	(47)	(0)%	113 %

	$ (1,298)	(6)%	$ (1,307)	(6)%	1 %
Total depreciation, amortization, and general and administrative expense	$ (14,161)	(6)%	$ (14,622)	(6)%	3 %
Total expenses	$ (210,705)	(87)%	$ (210,518)	(89)%	- %
OPERATING INCOME					
United States	$ 9,648	7 %	$ 8,697	7 %	11 %
Australia	17,988	21 %	15,292	17 %	18 %
New Zealand	3,940	17 %	3,354	14 %	17 %
Total operating income	$ 31,576	13 %	$ 27,343	11 %	15 %

Cinema s egment operating income

Cinema segment operating income increased by 15%, or $4.2 million, to $31.6 million for the year ended December 31, 2015 compared to December 31, 2014, primarily driven by increased admissio ns , offset by unfavorable foreign currency movements. Refer below for further explanations.

Revenue

The revenue in the United States for 2015 increased by $7.2 million or 6%, primarily driven by a higher average admission price. Australia n cinema revenue decreased by $2.3 million, or 3%, primarily due to higher admission revenue and higher concession revenue in local currencies as result of higher attendance , more than offset by unfavorable foreign exchange movements. In New Zealand, ci nema revenue decreased by $485,000 or 2% , mainly due to higher admission revenue and higher concession revenue in local currencies as a result of higher attendance and the opening of our Dunedin cinema in the last week of June 2014 and our LynnMall cinema in November 2015 , more than offset by unfavorable foreign exchange movements .

Cost of services and products (excludin g depreciation and amortization)

Cost of services and products for 2015 increased by $64 8 ,000 , which was mainly attributable to increased costs due to increased admissions , which include d higher film rental, payroll , occupancy and other costs . We also had additional costs associated with the refurbishment of our A ngelika F ilm C enter Carmel Mountain Plaza , the opening of our new theater, LynnMall in Auckland , New Zealand , and cost relating to the preparation f or closing our Gaslamp T heater; these increased costs were mostly offset by movements in foreign currency.

U.S. c ost of services and products increased by $6.0 milli on or 6% , primarily driven by higher film rent associated with increased box office sales . Australia and New Zealand cinema c ost of services and products both decreased by 6% , primarily due to the favorable impact of foreign exchange rate movements.

Cost of services and products as a percentage of gross revenue improved by 1% down to 81%, mainly attributable to the percentage of fixed costs compared to the increases in our revenue streams.

Depreciation, amortization, general and administrative expense

Depreciation, amortization, general and administrative expense for 2015 decreased by $461,000, or 3%, with lower general and administrative expense being the main driver . General and administrati ve expense decreased by $574,000, or 16% , mainly driven by cost reductions from a favorable currency effect for expenses in Australia and New Zealand , an d some cost savings in the U.S.

Real Estate - 2015 vs. 2014

(Dollars in thousands)		2015	% of Revenue	2014	% of Revenue	2015 vs. 2014 Fav / (Unfav)
REVENUE						
United States	Live theater rental and ancillary income	$ 3,844	*72 %*	$ 3,343	*65 %*	15 %
	Property rental income	1,496	*28 %*	1,786	*35 %*	(16) %
		$ 5,340	*100 %*	**$ 5,129**	*100 %*	4 %
Australia	Property rental income	**$ 11,374**	*100 %*	**$ 13,702**	*100 %*	(17) %
New Zealand	Property rental income	**$ 4,865**	*100 %*	**$ 5,517**	*100 %*	(12) %
Total revenue		**$ 21,579**	*100 %*	**$ 24,348**	*100 %*	(11) %
OPERATING EXPENSE						
Cost of services and products (excl. depreciation and amortization)						
United States	Live theater cost	$ (4,263)	*(80)%*	$ (1,592)	*(31)%*	(168) %
	Property cost	(224)	*(4)%*	2	*0 %*	11,300 %
	Occupancy expense	(1,016)	*(19)%*	(974)	*(19)%*	(4) %
		$ (5,503)	*(103)%*	**$ (2,564)**	*(50)%*	(115) %
Australia	Property cost	(1,675)	*(15)%*	(2,229)	*(16)%*	25 %
	Occupancy expense	(1,726)	*(15)%*	(2,532)	*(18)%*	32 %
		$ (3,401)	*(30)%*	**$ (4,761)**	*(35)%*	29 %
New Zealand	Property cost	(1,344)	*(28)%*	(1,599)	*(29)%*	16 %
	Occupancy expense	(700)	*(14)%*	(846)	*(15)%*	17 %
		$ (2,044)	*(42)%*	**$ (2,445)**	*(44)%*	16 %
Total cost of services and products (excl. depreciation and amortization)		**$ (10,948)**	*(51)%*	**$ (9,770)**	*(40)%*	(12) %
Depreciation, amortization, and general and administrative expense						
United States	Depreciation and amortization	$ (330)	*(6)%*	$ (327)	*(6)%*	(1) %
	General and administrative expense	41	*1 %*	(14)	*(0)%*	393 %
		$ (289)	*(5)%*	**$ (341)**	*(7)%*	15 %
Australia	Depreciation and amortization	(1,854)	*(16)%*	(2,785)	*(20)%*	33 %
	General and administrative expense	(719)	*(6)%*	(973)	*(7)%*	26 %
		$ (2,573)	*(23)%*	**$ (3,758)**	*(27)%*	32 %
New Zealand	Depreciation and amortization	(923)	*(19)%*	(949)	*(17)%*	3 %
	General and administrative expense	(50)	*(1)%*	(55)	*(1)%*	9 %
		$ (973)	*(20) %*	**$ (1,004)**	*(18)%*	3 %
Total depreciation, amortization, and general and administrative expense		**$ (3,835)**	*(18)%*	**$ (5,103)**	*(21)%*	25 %
Total operating expenses		**$ (14,783)**	*(69)%*	**$ (14,873)**	*(61)%*	1 %
OPERATING INCOME						
United States		$ (452)	*(8)%*	$ 2,224	*43 %*	(120) %
Australia		5,400	*47 %*	5,183	*38 %*	4 %
New Zealand		1,848	*38 %*	2,068	*37 %*	(11) %
Total operating income		**$ 6,796**	*31 %*	**$ 9,475**	*39 %*	(28) %

Real Estate s egment operating incom e

Real estate segment operat ing income decreased by $2.7 million or 28% , to $6.8 million for 2015 compared to 2014, the decrease was primarily attributable to 11% lower revenue, which was primarily caused by unfavorable currency fluctuations. Total operating costs decreased by $90,000, mai nly due to savings caused by foreign currency exchange fluctuations , partially offset by increased legal costs due to the "STOMP" arbitration. See, "Item 3 – Legal Proceedings".

Revenue

Real estate revenue for 2015 decreased by 11%, or $2.8 million, mainly due to an unfavorable currency fluctuations in our foreign operations.

Cost of services and products (excluding depreciation and amortization)

Cost of services and products for 2015 inc reased by 12%, or $1.2 million. W e had lower operating costs after the sale of our Burwood and Moonee Ponds properties , and costs also benefited from the appreciation of the U.S. dollar against the New Zealand and the Australian dollar s . However, t hese lower costs were more than offset by higher legal costs in our live theater business. The legal expenses relate to the costs (litigation and arbitration) associated with the prosecution of certain claims against the producers of STOMP, which is playing at our Orpheum theater . See, "Item 3 – Legal Proceedings".

Depreciation, amortization, general and administrative expense

Depreciation, amortization, general and administrative expense for 2015 de creased by 25%, or $1.3 million . Depreciation and amortization expense for the twelve-month period decreased by 23%, or $954,000, mainly due to the appreciation of the U.S. dolla r against the New Zealand and Australian dollar s . General and administrative expense for 2015 decreased by 30%, or $315,000, mainly attributable to lower consult ing fees in 2015 , and the favorable impact from foreign exchange rate movements.

Business Segment Results - 2014 vs. 2013

	2014		2013		% Change Better/(Worse)	
(Dollars in thousands)	Cinema	Real Estate	Cinema	Real Estate	Cinema	Real Estate
Revenue	$ 237,361	$ 24,343	$ 239,418	$ 26,456	(1)%	(8)%
Segment expenses						
Cost of services and products (excluding depreciation and amortization)	(195,896)	(9,770)	(200,859)	(10,830)	2 %	10 %
Depreciation and amortization	(11,047)	(4,061)	(10,741)	(4,023)	(3)%	(1)%
General and administrative expense	(3,575)	(1,042)	(3,273)	(644)	(9)%	(62)%
Total segment expenses	(210,518)	(14,873)	(214,873)	(15,497)	2 %	4 %
Segment operating income	$ 27,343	$ 9,475	$ 24,545	$ 10,959	11 %	(14)%

Cinema Exhibition - 2014 vs. 2013

(Dollars in thousands)		2014	% of Revenue	2013	% of Revenue	2014 vs. 2013 Fav / (Unfav)
REVENUE						
United States	Admission revenue	$ 83,197	66 %	$ 84,725	67 %	(2) %
	Concession revenue	35,580	28 %	35,036	28 %	1 %
	Advertising and other revenue	6,942	6 %	6,539	5 %	6 %
		$ 125,719	100 %	**$ 126,320**	100 %	%
Australia	Admission revenue	58,148	66 %	61,741	68 %	(6) %
	Concession revenue	24,278	27 %	24,025	26 %	1 %
	Advertising and other revenue	6,068	7 %	5,655	6 %	7 %

		$ 88,494	*100 %*	$ 91,421	*100 %*	(3) %
New Zealand	Admission revenue	15,908	*67 %*	15,039	*69 %*	6 %
	Concession revenue	6,475	*27 %*	5,596	*26 %*	16 %
	Advertising and other revenue	1,265	*5 %*	1,041	*5 %*	22 %
		$ 23,648	*100 %*	$ 21,676	*100 %*	9 %
Total revenue		$ 237,861	*100 %*	$ 239,417	*100 %*	(1) %
OPERATING EXPENSE						
Cost of services and products (excl. depreciation and amortization)						
United States	Film rent and advertising cost	$ (43,511)	*(35)%*	$ (44,284)	*(35)%*	2 %
	Concession cost	(6,145)	*(5)%*	(5,924)	*(5)%*	(4) %
	Occupancy expense	(25,701)	*(20)%*	(25,981)	*(21)%*	1 %
	Other operating expense	(34,073)	*(27)%*	(31,929)	*(25)%*	(7) %
		$ (109,430)	*(87)%*	$ (108,118)	*(86)%*	(1) %
Australia	Film rent and advertising cost	(26,677)	*(30)%*	(29,060)	*(32)%*	8 %
	Concession cost	(4,781)	*(5)%*	(4,847)	*(5)%*	1 %
	Occupancy expense	(16,995)	*(19)%*	(18,371)	*(20)%*	7 %
	Other operating expense	(19,026)	*(21)%*	(22,218)	*(24)%*	14 %
		$ (67,479)	*(76)%*	$ (74,496)	*(81)%*	9 %
New Zealand	Film rent and advertising cost	(7,355)	*(31)%*	(7,116)	*(33)%*	(3) %
	Concession cost	(1,661)	*(7)%*	(1,438)	*(7)%*	(16) %
	Occupancy expense	(4,459)	*(19)%*	(3,943)	*(18)%*	(13) %
	Other operating expense	(5,512)	*(23)%*	(5,747)	*(27)%*	4 %
		$ (18,987)	*(80)%*	$ (18,244)	*(84)%*	(4) %
Total cost of services and products (excl. depreciation and amortization)		$ (195,896)	*(82)%*	$ (200,858)	*(84)%*	2 %
Depreciation, amortization, and general and administrative expense						
United States	Depreciation and amortization	$ (5,118)	*(4)%*	$ (6,181)	*(5)%*	17 %
	General and administrative expense	(2,474)	*(2)%*	(2,347)	*(2)%*	(5) %
		$ (7,592)	*(6)%*	$ (8,528)	*(7)%*	11 %
Australia	Depreciation and amortization	(4,669)	*(5)%*	(3,603)	*(4)%*	(30) %
	General and administrative expense	(1,054)	*(1)%*	(926)	*(1)%*	(14) %
		$ (5,723)	*(6)%*	$ (4,529)	*(5)%*	(26) %
New Zealand	Depreciation and amortization	(1,260)	*(5)%*	(957)	*(4)%*	(32) %
	General and administrative expense	(47)	*(0)%*	-	*- %*	- %
		$ (1,307)	*(6)%*	$ (957)	*(4)%*	(37) %
Total depreciation, amortization, and general and administrative expense		$ (14,622)	*(6)%*	$ (14,014)	*(6)%*	(4) %
Total operating expense		$ (210,518)	*(89)%*	$ (214,872)	*(90)%*	2 %
OPERATING INCOME						
United States		$ 8,697	*7 %*	$ 9,674	*8 %*	(10) %
Australia		15,292	*17 %*	12,396	*14 %*	23 %
New Zealand		3,354	*14 %*	2,475	*11 %*	36 %
Total operating income		$ 27,343	*11 %*	$ 24,545	*10 %*	11 %

Cinema s egment operating income

C inema segment operating income increased by 11% , or $2.8 million , to $2 7 . 3 million for 2014 compared to 2013 , primarily driven by 2 % lower operating expense. Refer below for further detailed explanation.

Revenue

Cinema revenue for 2014 decreased by $1.6 million or 0.7% when compared to 2013 , primarily attributable to higher attendances in Australia and New Zealand, more than offset by the unfavorable impact from foreign exchange movements. Comparing the twelve months of 2014 to the twelve months of 2013, the Australian dollar weakened by 6.8% in 2014 from 2013 while the New Zealand dollar strengthened against the U.S. dollar by 1.2%.

The revenue in the United States for 2014 de creased $602,000, or 0 %. This decrease was partially driven by a reduction in box office revenue of $1.5 million, i n turn driven by an 82,000 admissions reduction , together with a 1.0% reduction in average ticket price, offset by increased concession and café revenues of approximately $524,000 . Revenue in Australia decreased by $2.9 million or 3.2%. This decrease was primarily due to the strengthening of the U.S. dollar against the Australian dollar in 2014. Local currency box office was consistent with 2013, with a decrease in average ticket price of 4.5% being offset by increased ticket sales of 4.9%. Excluding currency effects, concession revenue was up 7.0%, reflecting increased admission volume and spend per admit. Revenue in New Zealand increased by $2.0 million or 9.1%. Attendance increased by 88,000 or 5.1%. The majority of this increase was achieved through the opening of our Dunedin cinema. The attendance increase more than offset the local currency reduction in average ticket price of 1.8%. Concession revenue increased by $879,000 due to the combined positive effect of increased admission volumes, improved spend per patron, and a positive U.S. dollar to N.Z. dollar exchange rate movement

Cost of services and products (excluding depreciation and amortization)

Cost of services and products for 2014 decreased by $ 5.0 million or 2% , mainly attributable to foreign currency movements . Cost of services and products in the United States increased by $1.3 million or 1.2% , primarily related to a $773,000 decrease in film rent and advertising , together with a decrease of $280,000 in occupancy related costs , offset by an increase of $2.1 million in other operating expense , which includes not only i ncreases in labor related costs but also increases in insurance and utilities . Cost of services and products in Australia decreased by $7.0 million or 9.4%. As with revenue, a significant contributor to the decrease was the strengthening of the U.S. dollar against the Australian dollar in 2014. Film rental costs were also lower due to a lower film rental percentage being achieved. Other operating costs were reduced by $3.2 million or 14.4%, with many incremental cost improvements , most notably a reduction in marketing costs . Cost of services and products in New Zealand increased by $743,000 or 4.1%. This increase was in line with the above-mentioned increase in cinema revenue, which directly affects film rental costs and with the above-mentioned year-over-year increase in the value of the New Zealand dollar compared to the U.S. dollar

Cost of services and products as a percentage of gross revenue improved by 2 % to 8 2 % , mainly attributable to the percentage of fixed costs compared to the increases in our revenue streams.

Depreciation, amortization, general and administrative expense

Depreciation expense increased in 2014 by $306,000 or 2.8% compared to 2013. This primarily related to digital projection assets receiving their first full year of depreciation in 2014 in Australia and New Zealand.

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Real Estate - 2014 vs. 2013

(Dollars in thousands)		2014	% of Revenue	2013	% of Revenue	2014 vs. 2013 Fav / (Unfav)
REVENUE						
United States	Live theater rental and ancillary income	$ 3,343	*65 %*	$ 3,500	*67 %*	(4) %
	Property rental income	1,786	*35 %*	1,692	*33 %*	6 %
		$ 5,129	*100 %*	**$ 5,192**	*100 %*	(1) %
Australia	Property rental income	**$ 13,702**	*100 %*	**$ 14,424**	*100 %*	(5) %
New Zealand	Property rental income	**$ 5,517**	*100 %*	**$ 6,840**	*100 %*	(19) %
Total revenue		**$ 24,348**	*100 %*	**$ 26,456**	*100 %*	**(8)** %
OPERATING EXPENSE						
Cost of services and products (excl. depreciation and amortization)						
United States	Live theater cost	$ (1,592)	*(31)%*	$ (1,574)	*(30)%*	(1) %
	Property cost	2	*0 %*	(316)	*(6)%*	101 %
	Occupancy expense	(974)	*(19)%*	(946)	*(18)%*	(3) %
		$ (2,564)	*(50)%*	**$ (2,836)**	*(55)%*	10 %
Australia	Property cost	(2,229)	*(16)%*	(2,362)	*(16)%*	6 %
	Occupancy expense	(2,532)	*(18)%*	(3,139)	*(22)%*	19 %
		$ (4,761)	*(35)%*	**$ (5,501)**	*(38)%*	13 %
New Zealand	Property cost	$ (1,599)	*(29)%*	(1,684)	*(25)%*	5 %
	Occupancy expense	(846)	*(15)%*	(809)	*(12)%*	(5) %
		$ (2,445)	*(44)%*	**$ (2,493)**	*(38)%*	2 %
Total cost of services and products (excl. depreciation and amortization)		**$ (9,770)**	*(40)%*	**$ (10,830)**	*(41)%*	10 %
Depreciation, amortization, and general and administrative expense						
United States	Depreciation and amortization	$ (327)	*(6)%*	$ (314)	*(6)%*	(4) %
	General and administrative expense	(14)	*(0)%*	(67)	*(1)%*	79 %
		$ (341)	*(7)%*	**$ (381)**	*(7)%*	10 %
Australia	Depreciation and amortization	(2,785)	*(20)%*	(2,635)	*(18)%*	**(6)** %
	General and administrative expense	(973)	*(7)%*	(527)	*(4)%*	(85) %
		$ (3,758)	*(27)%*	**$ (3,162)**	*(22)%*	(19) %
New Zealand	Depreciation and amortization	(949)	*(17)%*	(1,074)	*(16)%*	12 %
	General and administrative expense	(55)	*(1)%*	(50)	*(1)%*	(10) %
		$ (1,004)	*(18)%*	**$ (1,124)**	*(16)%*	11 %
Total depreciation, amortization, and general and administrative expense		**$ (5,103)**	*(21)%*	**$ (4,667)**	*(18)%*	**(9)** %
Total operating expenses		**$ (14,873)**	*(61)%*	**$ (15,497)**	*(59)%*	4 %
OPERATING INCOME						
United States		$ 2,224	*43 %*	$ 1,975	*38 %*	13 %
Australia		5,183	*38 %*	5,761	*40 %*	(10) %
New Zealand		2,068	*37 %*	3,223	*47 %*	(36) %
Total operating income		**$ 9,475**	*39 %*	**$ 10,959**	*41 %*	(14) %

Real Estate s egment operating income

Real estate segment operating income decreased by $ 1.5 million or 14% , to $ 9.5 million for 2014 compared to 2013 , primarily attributable to 8 % lower revenue, partially offset by 4 % lower operating expense . Refer below for further explanation.

Revenue

Real estate revenue decreased by $2.1 million or 8.0% , compared to 2013 , this primarily due to the closure of the Courtney Central car park building in Wellington, New Zealand. The car park building re-opened in November 2014.

C ost of services and products

C ost of services and products for the real estate segment decreased by $1.1 million or 10 % , compared to 2013 . The main reduction in real estate operating expense was achieved in Australia and was as a result of the sale of our Burwood property, which led to significantly reduced property taxes compared to 2013 .

Depreciation, amortization, general and administrative expense

Depreciation, amortization, general and administrative expense for 2014 increased by $436,000 or 9% . This was primarily driven by g eneral and administrative costs increasing by $ 446 ,000 in Australia , due mainly to personnel changes in the Australian real estate department .

BUSINESS PLAN, LIQUIDITY AND CAPITAL RESOURCES

Business plan

Our cinema exhibition business plan is to enhance our current cinemas where it is financially viable to do so; develop our specialty cinemas in select markets ; expand our food and beverage offering and; continue on an opportnnistic basis, to identify, develop, and acquire cinema properties that allow us to leverage our cinema expertise and technology over a larger operating base.

Our real estate business plan, g iven the substantial increase in Manhattan rents and commercial real estate values in recent periods, is to progress the redevelopment of our Union Square and Cinemas 1,2,3 properties in the US; to build-out our Newmarket and Auburn sites in A ustralia as well as our Courtenay Central site in N ew Z ealand ; and to continue to be sensitive to opportnnities to convert our entertainment assets to higher and better uses, or, where appropriate, to dispose of such assets.

We will also continue to investigate potential synergistic acquisitions that may not readily fall into either our cinema or real estate segment .

Liquidity and capital resources

Liquidity risk is the risk relating to our ability to meet our financial obligations when they come due. In today's environment, our financial obligations arise mainly from capital expenditure needs , working capital requirements , and debt servicing requirements . We manage the liquidity risk by ensuring o ur ability to generate sufficient cash flows from operating activities and to obtain adequate, reasonable financing and/or to convert non-performing or non-strategic assets into cash.

The change in cash and cash equivalents is as follows:

				% Change	
(Dollars in thousands)	2015	2014	2013	2015 vs. 2014	2014 vs. 2013
Net cash provided by operating activities	$ 28,574	$ 28,343	25,183	1 %	13 %
Net cash used in investing activities	(29,710)	(9,898)	(6,142)	> 100%	61 %
Net cash used in financing activities	(27,961)	(3,275)	(17,775)	> 100%	(82)%
Impact of exchange rate on cash	(1,449)	(2,618)	(2,101)	(45)%	25 %
Increase (decrease) in cash and cash equivalents	$ (30,546)	$ 12,552	$ (835)	(> 100)%	(> 100)%

Operating activities

2015 vs. 2014: Cash provided by operating activities for 2015 increased by $ 231,000 or 1 % , to $28.6 million, primarily driven by a $ 6.2 million change in operating assets and liabi lities, partially offset by a $6 . 0 million decrease in operational cash flows.

2014 vs. 2013: Cash provided by operating activities for 2014 increased by $3.2 million or 13% , to $28.3 million, primarily driven by an increase of $2.3 million increase in operational c ash flows and a $900,000 change in operating assets and liabilities.

Investing activities

In 2015, the $29.7 million of cash u sed by investing activities was mainly related to the $53.1 million spent on fixed assets , which included the $2 4.3 million (AU$33.6 m illion) purchase of the two Cannon P ark centers in Queensland, Australia , as well as enhancements to our existing properties, offset by $21.9 million dollars received from the sale of the Moonee Ponds properties, the Los Angeles condo and the Lake Taupo sites.

The $9.9 million of cash used by investing activities in 2014 was primarily related to $14.9 million in property enhancements to our existing properties, partially offset by the $ 5.4 million deposit from the sale of our Burwood property.

Financing activities

The $2 8.0 million of cash used in financing activiti es in 2015 was primarily due to a repayment of debt in the amount of $24.7 million , as we ll as $3.1 million used in our stock buyback program and $201,000 as pa rt of share option transaction s .

In 2014, the $3.2 million cash used in financing activities was primarily due to a $4.1 million used in our stock buyback program, offset by $1.0 million of proceeds from the exercising of employee stock options.

Future liquidity and capital resources

We manage our cash, investments and capital structure so we are able to meet the short-term and long-term obligations of our business, while maintaining financial flexibility and liquidity. We forecast, analyze and monitor our cash flows to enable investment and financing within the overall constraints of our financial strategy.

At December 31, 2015, our consolidated cash an d cash equivalents totaled $19.7 million. Of this amount, $6.8 million and $3. 6 million were held by our Australia n and New Zeala nd subsidiaries, respectively. Our intention is to reinvest indefinitely Australia n earnings but not reinvest indefinitely New Zealand earnings. If the Australian earnings were used to fund U.S. operations, they would be subject to additional income taxes upon repatriation.

Our working capital deficiency increas ed from $15.1 million at December 2014 to $3 8.5 million at December 2015 . This was due to a $30.5 million reduction in cash primarily due to surplus cash being used to pay down long term debt. This was partially offset by a reduction in short term debt due to the refinancing of the Westpac Corporate Credit facility and the Union S quare loan, which is no longer current.

We have historically funded our working capital req uirements, capital expenditures and investments in individual properties primarily from a combination of internally generated cash flows and debt . The Company had $59.9 million unused capacity of available corporate credit facilities at December 31, 2015. In addition, we have $6.0 million and $10.3 million unused capacity for certain Cinema 1,2,3 uses and construction funding for New Zealand, respectively.

We expect to refinance the $15.0 mill ion Cinema 1,2,3 Term Loan prior to its maturity date of July 1, 2016.

C ONTRACTUAL OBLIGATIONS, COMMITMENTS AND CONTINGENCIES

The following table provides information with respect to the maturities and scheduled principal repayments of our recorded contractual obligations as of December 31, 2015:

(Dollars in thousands)	2016	2017	2018	2019	2020	Thereafter	Total
Notes payable	$ 15,000	$ 10,500	$ 21,184	$ 56,344	$ --	$ --	$ 103,028
Subordinated debt	--	--	--	--	--	27,913	27,913
Pension liability	1,539	684	684	684	684	3,500	7,775
Lease obligations	30,117	29,998	26,087	23,374	16,712	122,129	248,417
Estimated interest on debt (1)	4,511	4,230	3,629	2,642	1,196	7,775	23,984
Total	$ 51,167	$ 45,412	$ 51,584	$ 83,044	$ 18,592	$ 161,317	$ 411,117

(1) Estimated interest on debt is based on the anticipated loan balances for future periods and current applicable interest rates.

Litigation

We are currently involved in certain legal proceedings and, as required, have accrued estimates of probable and estimable losses for the resolution of these claims.

Where we are the plaintiffs, we expense all legal fees on an on-going basis and make no provision for any potential settlement amounts until received. In Australia, the prevailing party is usually entitled to recover its attorneys' fees, which recoveries typically work out to be approximately 60% of the amo unts actually spent where first- class legal counsel is engaged at customary rates. Where we are a plaintiff, we have likewise made no provision for the liability for the defendant's attorneys' fees in the event we are determined not to be the prevailing party.

Where we are the defendants, we accrue for probable damages that insurance may not cover as they become known and can be reasonably estimated. In our opinion, any claims and litigation in which we are currently involved are not reasonably likely to have a material adverse effect on our business, results of operations, financial position, or liquidity. I t is possible, however, that future results of the operations for any particular quarterly or annual period could be materially affected by the ultimate outcome of the legal proceedings. Please refer to Item 3 – *Legal Proceedings* in this report for more information.

Off-Balance Sheet Arrangements

There are no off-balance sheet arrangements or obligations (including contingent obligations) that have, or are reasonably likely to have, a current or future material effect on our financial condition, changes in the financial condition, revenue or expense, results of operations, liquidity, capital expenditures or capital resources.

FINANCIAL RISK MANAGEMENT

Currency and interest rate risk

The Company's objective in managing exposure to foreign currency and interest rate fluctuations is to reduce volatility of earnings and cash flows in order to allow management to focus on core business issues and challenges.

We currently manage our currency exposure by creating, whenever possible, natural hedges in Australia and New Zealand. This involves local country sourcing of goods and services, as well as borrowing in local currencies to match revenues and expenses. Since we intend to conduct business on a self-funding basis, (except for funds used to pay an ap propriate share of our U.S. corporate overhead), we do not believe th e currency fluctuations present a material risk to the Company. As such, we do not use derivative financial instruments to hedge against the risk of foreign currency exposure.

O ur U.S. operations are funded in part by the operational results of Australia and New Zealand, and fluctuations in these foreign currencies affect such funding. As we continue to progress with our acquisition and development activities in Australia and New Zealand, the effect of variations in currency values will likely increase.

Our exposure to interest rate risk arises out of our long-term floating-rate borrowings. To manage the risk, we utilize interest rate derivative contracts to convert certain floating-rate borrowings into fixed-rate borrowings. It is the Company's policy to enter into interest rate derivative transactions only to the extent considered necessary to meet its objectives as stated above. The Company does not enter into these transactions or any other hedging transactions for speculative purposes.

Inflation

We continually monitor inflation and the effects of changing prices. Inflation increases the cost of goods and services used. Competitive conditions in many of our markets restrict our ability to recover fully the higher costs of acquired goods and services through price increases. We attempt to mitigate the impact of inflation by implementing continuous process improvement solutions to enhance productivity and efficiency and, as a result, lower costs and operating expenses. In our opinion, we have managed the effects of inflation appropriately, and, as a result, it has not had a material impact on our operations and the resulting financial position or liquidity.

Accounting Pronouncements Adopted and Issued During 2015

Please see Note 2 – *Summary of Significant Accounting Policies – Accounting Pronouncements Adopted and Issued During 2015* to our consolidated financial statements for information regarding new accounting pronouncements adopted and issued in 2015.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

We believe that the application of the following accounting policies, which are important to our financial position and results of operations , require significant judgments and estimates on the part of management. For a summary of our significant accounting policies, including the accounting policies discussed below, see Note 2 to the c onsolidated f inancial s tatements .

Impairment of long-lived assets, including goodwill and intangible assets

We review long-lived assets, including goodwill and intangibles, for impairment as part of our annual budgeting process, at the beginning of the fourth quarter, and whenever events or changes in circumstances indicate that the carrying amount of the asset may not be fully recoverable.

Pursuant to US GAAP, we review internal management reports on a monthly basis as well as monitoring current and potential future competition in film markets for indications of potential impairment. We evaluate our long-lived assets using historical and projected data of cash flow as our primary indicator of potential impairment, and we also take into consideration the seasonality of our business. If the sum of the estimated, undiscounted future cash flows is less than the carrying amount of the asset, then impairment is recognized for the amount by which the carrying value of the asset exceeds its estimated fair value based on an appraisal or a discounted cash flow calculation.

For certain non-income producing properties, we obtain appraisals or other evidence to evaluate whether there are impairment indicators for these assets. No impairment losses were recorded for the years ended December 31, 2015 , 2014 or 2013 .

Pursuant to US GAAP, goodwill and intangible assets are evaluated annually on a reporting unit basis. The impairment evaluation is based on the present value of estimated future cash flows of the segment plus the expected terminal value. There are significant assumptions and estimates used in determining the present value. The most significant assumptions include our estimated future cash flow, cost of debt and cost of equity assumptions that comprise the weighted average cost of capital for each reporting unit. Accordingly, actual results could vary materially from such estimates. There was no impairment for the goodwill and intangible assets for the years ended December 31, 2015 , 2014 , and 2013 .

Tax valuation allowance and obligations

We record our estimated future tax benefits and liabilities arising from the temporary differences between the tax bases of assets and liabilities and amounts reported in the accompanying consolidated balance sheets, as well as operating loss carry-forwards. We estimate the recoverability of any tax assets recorded on the balance sheet and provide any necessary allowances as required. As of December 31, 2015, we had recorded approximately $ 3 7 . 1 million of deferred tax assets (net of $ 13.4 million deferred tax liabilities) related to the temporary differences between the tax bases of assets and liabilities and amounts reported in the accompanying consolidated balance sheets, as well as operating loss carry-forwards and tax credit carry-forwards. These deferred tax assets were offset by a valuation allowance of $ 11 . 5 million resulting in a net deferred tax asset of $ 2 5 . 6 million. The recoverability of deferred tax assets is dependent upon our ability to generate future taxable income. There is no assurance that sufficient future taxable income will be generated to benefit from our tax loss carry-forwards and tax credit carry-forwards.

Legal and environmental obligations

Certain of our subsidiaries were historically involved in railroad operations, coal mining, and manufacturing. Also, certain of these subsidiaries appear in the chain of title of properties that may suffer from contamination. Accordingly, certain of these subsidiaries have, from time-to-time, been named in, and may in the future be named in, various actions brought under applicable environmental laws. Also, we are in the real estate development business and may encounter from time-to-time unanticipated environmental conditions at properties that we have acquired for development. These environmental conditions can increase the cost of such projects and adversely affect the value and potential for profit of such projects. We do not currently believe that our exposure under applicable environmental laws is material in amount .

From time-to- time, we have claims brought against us relating to the exposure of former employees of our railroad operations to asbe stos and coal dust. These are generally covered by an insurance settlement reached in September 19 90 with our insurance carriers. However, this insurance settlement does not cover litigation by people who were not our emp loyees and who may claim second- hand exposure to asbestos, coal dust, and/or other chemicals or elements now recognized as potenti ally causing cancer in hnmans. Our known exposure to these types of claims, asserted or probable of being asserted, is not material.

From time-to- time, we are involved with claims and lawsuits arising in the ordinary course of our business that may include contractual obligations, insurance claims, tax claims, employment matters, and anti-trust issues, among other matters .

All of these matters require that we make judgments based on the facts known to us. These judgments are inherently uncertain and can change significantly when additional facts become known. We provide accruals for matters that are either probably or reasonably possible and can be properly estimated as to their expected negative outcome. We do not record expected gains until the proceeds are received by us.

Item 7A – Quantitative and Qualitative Disclosure about Market Risk

The Securities and Exchange Commission requires that registrants include information about potential effects of changes in currency exchange and interest rates in their Form 10-K filings. Several alternatives, all with some limitations, have been offered. The following discussion is based on a sensitivity analysis, which models the effects of fluctuations in currency exch ange rates and interest rates. This analysis is constrained by several factors, including the following:

- it is based on a single point in time; and
- it does not include the effects of other complex market reactions that would arise from the changes modeled.

Although the results of such an analysis may be useful as a benchmark, they should not be viewed as forecasts.

At December 31, 2015 , approximately 46% and 19% of our assets were invested in assets denominated in Australian dollars (Reading Australia) and New Zealand dollars (Reading New Zealand), respectively, including approximately $10.4 million in cash and cash equivalents. At December 31, 2014 , approximately 44% and 21% of our assets were invested in assets denominated in Australian and New Zealand dollars, respectively, including approximately $40.1 million in cash and cash equivalents.

Our policy in Australia and New Zealand is to match revenues and expenses, whenever possible, in local currencies. As a result, we have procured in local currencies a majority of our expenses in Australia and New Zealand. Due to the developing nature of our operations in Australia and New Zealand, our revenue is not yet significantly greater than our operating and interest expenses. Despite this natural hedge, recent movements in foreign currencies have had an effect on our current earnings. Although foreign currency has had an effect on our current earnings, the effect of the translation adjustment on our assets and liabilities noted in our other comprehensive income was a decrease of $ 16 . 5 million for the year ended December 3 1 , 2015. As we continue to progress our acquisition and development activities in Australia and New Zealand, we cannot assure you that the foreign currency effect on our earnings will be negligible in the future.

Historically, our policy has been to borrow in local currencies to finance the development and construction of our long-term assets in Australia and New Zealand whenever possible. As a result, the borrowings in local currencies have provided somewhat of a natural hedge against the foreign currency exchange exposure. Even so, and as a result of our issuance of fully subordinated Trust Preferred Securities in 2007, and their subsequent partial repayment, approximately 75% and 52% of our Australian and New Zealand assets, respectively, remain subject to such exposure, unless we elect to hedge our foreign currency exchange between the U . S . and Australian and New Zealand dollars. If the foreign currency rates were to fluctuate by 10%, the resulting change in Australian and New Zealand assets would be $13.0 million and $3.7 million, respectively, and the change in our net income for the year would be $1.9 million and $102,000 , respectively. Presently, we have no plan to hedge such exposure .

We record unrealized foreign currency translation gains or losses that could materially affect our financial position. We have accumulated unrealized foreign currency translation gains of approximately $14.6 million and $31.1 million as of December 31, 2015 and 2014 , respectively.

Historically, we maintained most of our cash and cash equivalent balances in short-term money market instruments with original maturities of six months or less. Some of our money market investments may decline in value if interest rates increase. Due to the short-term nature of such investments, a change of 1% in short-term interest rates would not have a material effect on our financial conditio n.

We have a combination of fixed and variable interest rate loan s . In counection with our variable interest rate loans, a change of approximately 1% in short-term interest rates would have resulted in approximately $658,000 increase or decrease in our 2015 interest expense.

RDI-A03871

Item 8 – Financial Statements and Supplementary Data

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RDI-A03872

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Board of Directors and Stockholders
Reading International, Inc.

We have audited the accompanying consolidated balance sheets of Reading International, Inc. and subsidiaries (the "Company") as of December 31 , 2015 and 2014 , and the related consolidated statements of operations, comprehensive income (loss), stockholders' equity, and cash flows for each of the three years in the period ended December 31, 2015 . Our audits of the basic consolidated financial statements included the financial statement schedule listed in the index appearing under Schedule II. These financial statements and financial statement schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements and financial statement schedule based on our audits .

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Reading International, Inc. and subsidiaries as of December 31 , 2015 and 2014 , and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2015 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the related financial statement schedule, when considered in relation to the basic consolidated financial statements taken as a whole, presents fairly, in all material respects, the information set forth therein.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the Company's internal control over financial reporting as of December 31 , 2015 , based on criteria established in the 2013 *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), and our report dated April 29, 2016 expressed an adverse opinion .

/s/ GRANT THORNTON LLP
Los Angeles, California
April 29, 2016

RDI-A03873

Reading International, Inc. and Subsidiaries
Consolidated Balance Sheets as of December 31, 2015 and 2014
(U.S. dollars in thousands , except share data)

	December 31, 2015	December 31, 2014 [1]
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 19,702	$ 50,248
Receivables	10,036	11,348
Inventory	1,122	1,010
Investment in marketable securities	51	54
Restricted cash	160	1,433
Prepaid and other current assets	5,429	3,426
Land held for sale-current	421	10,112
Total current assets	36,921	77,631
Operating property, net	210,298	186,889
Land held for sale-non current	37,966	42,588
Investment and development property, net	23,002	26,124
Investment in unconsolidated joint ventures and entities	5,370	6,169
Investment in Reading International Trust I	838	838
Goodwill	19,715	21,281
Intangible assets, net	9,889	11,486
Deferred tax asset, net	25,649	22,267
Other assets	5,443	6,313
Total assets	$ 375,091	$ 401,586
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable and accrued liabilities	$ 23,638	$ 19,517
Film rent payable	9,291	9,328
Debt – current portion	15,000	38,104
Taxes payable	5,275	4,593
Deferred current revenue	14,591	14,239
Other current liabilities	7,640	6,969
Total current liabilities	75,435	92,750
Debt – long-term portion	88,028	98,019
Subordinated debt	27,913	27,913
Noncurrent tax liabilities	16,457	17,045
Other liabilities	30,062	33,561
Total liabilities	237,895	269,288
Commitments and contingencies (Note 12)		
Stockholders' equity:		
Class A non-voting common stock, par value $0.01 , 100,000,000 shares authorized, 32,831,113 issued and 21,654,302 outstanding at December 31, 2015 and 32,537,008 issued and 21,741,586 outstanding at December 31, 2014	229	228
Class B voting common stock, par value $0.01 , 20,000,000 shares authorized and 1,680,590 issued and outstanding at December 31, 2015 and 1,495,490 issued and outstanding at December 31, 2014	17	15
Nonvoting preferred stock, par value $0.01 , 12,000 shares authorized and no issued or outstanding shares at December 31, 2015 and 2014	–	–

Additional paid-in capital	143,815	140,237
Accumulated deficit	(9,478)	(32,251)
Treasury shares	(13,524)	(8,582)
Accumulated other comprehensive income	11,806	28,039
Total Reading International, Inc. stockholders' equity	132,865	127,686
Noncontrolling interests	4,331	4,612
Total stockholders' equity	137,196	132,298
Total liabilities and stockholders' equity	$ 375,091	$ 401,586

See accompanying notes to consolidated financial statement s .

(1) Certain prior period amounts have been reclassified to conform to the current period presentation (see Note 2 – *Significant Accounting Policies – Reclassifications*).

Reading International, Inc. and Subsidiaries
Consolidated Statements of Operations for the Three Years Ended December 31 , 2015
(U.S. dollars in thousands, except share and per share data)

	2015	2014 [1]	2013 [1]
Revenue			
Cinema	$ 242,281	$ 237,861	$ 239,418
Real estate	15,042	16,887	18,803
Total revenue	257,323	254,748	258,221
Costs and expenses			
Cinema	(190,007)	(188,435)	(193,206)
Real estate	(10,948)	(9,770)	(10,830)
Depreciation and amortization	(14,562)	(15,468)	(15,197)
General and administrative	(18,652)	(18,902)	(18,053)
Total costs and expenses	(234,169)	(232,575)	(237,286)
Operating income	23,154	22,173	20,935
Interest income	1,268	662	407
Interest expense	(8,572)	(9,662)	(10,444)
Net gain (loss) on sale of assets	11,023	25	(56)
Other income (expense)	(440)	1,646	1,876
Income before income taxes and equity earnings of unconsolidated joint ventures and entities	26,433	14,844	12,718
Equity earnings of unconsolidated joint ventures and entities	1,204	1,015	1,369
Income before income taxes	27,637	15,859	14,087
Income tax benefit (expense)	(4,943)	9,785	(4,942)
Net income	$ 22,694	$ 25,644	$ 9,145
Less: Net income (loss) attributable to noncontrolling interests	(79)	(57)	104
Net income attributable to Reading International, Inc. common shareholders	$ 22,773	$ 25,701	$ 9,041
Basic income per share attributable to Reading International, Inc. shareholders	$ 0.98	$ 1.10	$ 0.39
Diluted income per share attributable to Reading International, Inc. shareholders	$ 0.97	$ 1.08	$ 0.38
Weighted average number of shares outstanding–basic	23,293,696	23,431,855	23,348,003
Weighted average number of shares outstanding–diluted	23,495,618	23,749,221	23,520,271

See accompanying notes to consolidated financial statements.

[1] Certain prior period amounts have been reclassified to conform to the current period presentation (see Note 2 – *Significant Accounting Policies – Reclassifications*).

Reading International, Inc. and Subsidiaries
Consolidated Statements of Comprehensive Income (Loss) for the Three Years Ended December 31 , 2015
(U.S. dollars in thousands)

	2015	2014 [1]	2013
Net income	$ 22,694	$ 25,644	$ 9,145
Cumulative foreign currency adjustment	(16,488)	(14,255)	(19,368)
Unrealized income on available for sale investments	2	-	-
Accrued pension service benefit (costs)	207	738	(593)
Comprehensive income (loss)	$ 6,415	$ 12,127	$ (10,816)
Less: Net income (loss) attributable to noncontrolling interests	(79)	(57)	104
Less: Comprehensive loss attributable to noncontrolling interests	(46)	(41)	(107)
Comprehensive income (loss) attributable to Reading International, Inc.	$ 6,540	$ 12,225	$ (10,813)

See accompanying notes to consolidated financial statements.

[1] Certain prior period amounts have been reclassified to conform to the current period presentation (see Note 2 – *Significant Accounting Policies – Reclassifications*).

Reading International, Inc. and Subsidiaries
Consolidated Statements of Stockholders' Equity for the Three Years Ended December 31, 2015
(In thousands)

	Common Stock										
	Class A Shares	Class A Par Value	Class B Shares	Class B Par Value	Additional Paid-In Capital	Accumulated Deficit	Treasury Stock	Accumulated Other Comprehensive Income/(Loss)	Reading International Inc. Stockholders' Equity	Noncontrolling Interests	Total Stockholders' Equity
At January 1, 2013	21,588	$ 223	1,495	$ 15	$ 136,754	$ (68,993)	$ (4,512)	$ 61,469	$ 126,856	$ 4,098	$ 130,954
Net income	--	--	--	--	--	9,041	--	--	9,041	104	9,145
Other comprehensive loss	--	--	--	--	--	--	--	(19,854)	(19,854)	(107)	(19,961)
Stock option and restricted stock compensation expense	--	2	--	--	948	--	--	--	950	--	950
In-kind exchange of stock for the exercise of options, net issued	22	--	--	--	--	--	--	--	--	--	--
Class A common stock issued for stock bonuses and options exercised	280	--	--	--	248	--	--	--	248	--	248
Conversion of noncontrolling interest to equity	--	--	--	--	(101)	--	--	--	(101)	101	--
Contributions from noncontrolling shareholders	--	--	--	--	--	--	--	--	--	2,513	2,513
Distributions to noncontrolling shareholders	--	--	--	--	--	--	--	--	--	(2,102)	(2,102)
At December 31, 2013	21,890	$ 225	1,495	$ 15	$ 137,849	$ (57,952)	$ (4,512)	$ 41,515	$ 117,140	$ 4,607	$ 121,747
Net income (loss)	--	--	--	--	--	25,701	--	--	25,701	(57)	25,644
Other comprehensive loss	--	--	--	--	--	--	--	(13,476)	(13,476)	(41)	(13,517)
Stock option and restricted stock compensation expense	--	3	--	--	1,410	--	--	--	1,413	--	1,413
Stock repurchase plan	(432)	--	--	--	--	--	(4,070)	--	(4,070)	--	(4,070)
Class A common stock issued for stock bonuses and options exercised	283	--	--	--	978	--	--	--	978	--	978
Contributions from noncontrolling shareholders	--	--	--	--	--	--	--	--	--	327	327
Distributions to noncontrolling shareholders	--	--	--	--	--	--	--	--	--	(224)	(224)
At December 31, 2014	21,741	$ 228	1,495	$ 15	$ 140,237	$ (32,251)	$ (8,582)	$ 28,039	$ 127,686	$ 4,612	$ 132,298
Net income (loss)	--	--	--	--	--	22,773	--	--	22,773	(79)	22,694
Other comprehensive loss	--	--	--	--	--	--	--	(16,233)	(16,233)	(46)	(16,279)
Stock option and restricted stock compensation expense	7	--	--	--	1,458	--	--	--	1,458	--	1,458
Stock repurchase plan	(240)	--	--	--	--	--	(3,110)	--	(3,110)	--	(3,110)
Class A common stock issued for stock bonuses and options exercised	235	2	--	--	490	--	--	--	492	--	492
In-kind exchange of stock for the exercise of options, net issued	(89)	(1)	185	2	1,630	--	(1,832)	--	(201)	--	(201)
Contributions from noncontrolling shareholders	--	--	--	--	--	--	--	--	--	17	17
Distributions to noncontrolling shareholders	--	--	--	--	--	--	--	--	--	(173)	(173)
At December 31, 2015	21,654	$ 229	1,680	$ 17	$ 143,815	$ (9,478)	$ (13,524)	$ 11,806	$ 132,865	$ 4,331	$ 137,196

See accompanying notes to consolidated financial statements.

Reading International, Inc. and Subsidiaries
Consolidated Statements of Cash Flows for the Three Years Ended December 31, 2015
(U.S. dollars in thousands)

	2015	2014 [1]	2013 [1]
Operating Activities			
Net income	$ 22,694	$ 25,644	$ 9,145
Adjustments to reconcile net income to net cash provided by operating activities:			
Foreign currency transactions	--	--	(415)
Equity earnings of unconsolidated joint ventures and entities	(1,204)	(1,015)	(1,369)
Distributions of earnings from unconsolidated joint ventures and entities	1,074	857	1,095
(Gain) loss on sale of assets	(11,023)	(25)	56
Gain on cinema acquisition and settlement	--	--	(1,359)
Change in net deferred tax assets	(4,067)	(14,029)	2,198
Depreciation and amortization	14,562	15,468	15,197
Other amortization	919	2,077	2,601
Stock based compensation expense	1,458	1,413	950
Net change in:			
Receivables	620	(2,753)	281
Prepaid and other assets	(2,386)	(493)	(16)
Accounts payable and accrued expenses	6,479	148	556
Film rent payable	282	3,117	133
Taxes payable	(631)	(4,743)	(3,294)
Deferred revenue and other liabilities	(203)	2,677	(576)
Net cash provided by operating activities	28,574	28,343	25,183
Investing Activities			
Cash received from cinema acquisition	--	--	1,936
Purchases of and additions to operating property	(53,119)	(14,914)	(20,082)
Change in restricted cash	1,292	(614)	1,609
Proceeds from notes receivable	--	--	2,000
Distributions of investment in unconsolidated joint ventures and entities	228	208	395
Proceeds from sale of property	21,889	5,422	--
Proceeds from time deposits	--	--	8,000
Net cash used in investing activities	(29,710)	(9,898)	(6,142)
Financing Activities			
Repayment of long-term borrowings	(35,239)	(7,140)	(28,121)
Proceeds from borrowings	10,500	8,173	12,500
Capitalized borrowing costs	(248)	(1,320)	(563)
Repurchase of Class A Nonvoting Common Stock	(3,310)	(4,070)	--
Proceeds from the exercise of stock options	492	978	248
Noncontrolling interest contributions	17	327	263
Noncontrolling interest distributions	(173)	(223)	(2,102)
Net cash used in financing activities	(27,961)	(3,275)	(17,775)
Effect of exchange rate on cash	(1,449)	(2,618)	(2,101)
Increase (decrease) in cash and cash equivalents	(30,546)	12,552	(835)
Cash and cash equivalents at the beginning of the period	50,248	37,696	38,531
Cash and cash equivalents at the end of the period	$ 19,702	$ 50,248	$ 37,696
Supplemental Disclosures			
Interest paid	$ 9,023	$ 9,504	$ 6,953
Income taxes paid, net	8,553	6,407	5,903
Non-Cash Transactions			
Lease make-good accrual	$ 1,314	$ 4,385	$ --
Contribution from noncontrolling shareholder in exchange for debt reduction - related party	--	--	2,250
Conversion of noncontrolling interest to equity	--	--	101
In-kind exchange of stock for the exercise of options, net	1,833	--	301

See accompanying notes to consolidated financial statements.
[1] Certain prior period amounts have been reclassified to conform to the current period presentation (see Note 2 – *Significant Accounting Policies – Reclassifications*).

NOTE 1 – Description of Business and Segment Reporting

Reading International, Inc., a Nevada corporation ("RDI" and collectively with our consolidated subsidiaries and corporate predecessors, the "Company," "Reading" and "we," "us," or "our"), was incorporated in 1999, and, following the consummation of a consolidation transaction on December 31, 2001, is now the owner of the consolidated businesses and assets of Reading Entertainment, Inc. ("RDGE"), Craig Corporation ("CRG"), and Citadel Holding Corporation ("CDL"). Our businesses consist primarily of:

- Development, ownership and operation of multiplex cinemas in the United States, Australia, and New Zealand; and
- Development, ownership, and operation of retail and commercial real estate in Australia, New Zealand, and the United States

Reported below are the operating segments of the Company for which separate financial information is available and for which segment results are evaluated regularly by the Chief Executive Officer. In addition to the cinema exhibition and real estate activities, we have acquired, and continue to hold, raw land in urban and suburban centers in Australia, New Zealand, and the United States as part of our real estate activities.

The tables below summarize the results of operations for each of our business segments. Operating expense includes costs associated with the day-to-day operations of the cinemas and the management of rental properties, including our live theater assets.

	2015			2014			2013		
(Dollars in thousands)	Cinema	Real Estate	Total	Cinema	Real Estate	Total	Cinema	Real Estate	Total
Revenue	$ 242,281	$ 21,579	$ 263,860	$ 237,361	$ 24,348	$ 262,209	$ 239,418	$ 26,456	$ 265,874
Inter-segment elimination [1]	--	-	(6,537)	--	-	(7,461)	--	--	(7,653)
Total revenue	242,281	21,579	257,323	237,361	24,348	254,748	239,418	26,456	258,221
Operating expense									
Cost of services and products (excluding depreciation and amortization)	(196,544)	(10,948)	(207,492)	(195,896)	(9,770)	(205,666)	(200,859)	(10,830)	(211,689)
Inter-segment elimination [1]	-	--	6,537	-	--	7,461	-	--	7,653
Total cost of services and products	(196,544)	(10,948)	(200,955)	(195,896)	(9,770)	(198,205)	(200,859)	(10,830)	(204,036)
Depreciation and amortization	(11,161)	(3,107)	(14,268)	(11,047)	(4,061)	(15,108)	(10,741)	(4,023)	(14,764)
General and administrative expense	(3,000)	(728)	(3,728)	(3,575)	(1,042)	(4,617)	(3,273)	(644)	(3,917)
Total operating expense	(210,705)	(14,783)	(218,951)	(210,518)	(14,873)	(217,930)	(214,873)	(15,497)	(222,717)
Segment operating income	$ 31,576	$ 6,796	$ 38,372	$ 27,343	$ 9,475	$ 36,818	$ 24,545	$ 10,959	$ 35,504

[1] Inter-segment eliminations relates to the internal charge between the two segments where the cinema operates within real estate owned within the group.

A reconciliation of segment operating income to income before income taxes is as follows:

(Dollars in thousands)	2015	2014	2013
Segment operating income	$ 38,372	$ 36,818	$ 35,504
Unallocated corporate expense:			
Depreciation and amortization expense	(294)	(360)	(433)
General and administrative expense	(14,924)	(14,285)	(14,136)
Interest expense, net	(7,304)	(9,000)	(10,037)
Equity earnings of unconsolidated joint ventures and entities	1,204	1,015	1,369
Gain (loss) on sale of assets	11,023	25	(56)
Other income (expense)	(440)	1,646	1,876
Income before income taxes	$ 27,637	$ 15,859	$ 14,087

Assuming cash and cash equivalents are accounted for as corporate assets, total assets by business segment and by country are presented as follows:

(Dollars in thousands)	December 31, 2015	December 31, 2014	December 31, 2013
By segment:			
Cinema	$ 107,808	$ 107,695	$ 120,709
Real estate	219,813	219,737	226,926
Corporate [1]	47,470	74,154	39,172
Total assets	$ 375,091	$ 401,586	$ 386,807
By country:			
United States	$ 131,965	$ 141,768	$ 110,677
Australia	173,227	178,202	196,050
New Zealand	69,899	81,616	80,080
Total assets	$ 375,091	$ 401,586	$ 386,807

[1] Includes cash and cash equivalents of $19.7million, $50.2 million, and $37.7 million for the years ended December 31, 2015, 2014, and 2013, respectively.

The following table sets forth our operating properties by country:

(Dollars in thousands)	December 31, 2015	December 31, 2014	December 31, 2013
Australia	$ 106,935	$ 87,536	$ 97,240
New Zealand	36,526	39,800	36,319
United States	66,737	59,553	58,101
Total operating property	$ 210,298	$ 186,889	$ 191,660

The table below summarizes capital expenditures for the three years ended December 31, 2015:

(Dollars in thousands)	2015	2014	2013
Segment capital expenditures	$ 52,989	$ 14,310	$ 19,910
Corporate capital expenditures	130	604	172
Total capital expenditures	$ 53,119	$ 14,914	$ 20,082

NOTE 2 – Summary of Significant Accounting Policies

Significant Accounting Policies

Basis of Consolidation
The consolidated financial statements of RDI and its wholly-owned subsidiaries include the accounts of RDGE, CRG, and CDL. Also consolidated are Australia Country Cinemas Pty, Limited, a company in which we own a 75% interest and whose only assets are our leasehold cinemas in Townsville and Dubbo, Australia, Sutton Hill Properties, LLC, a company in which we own a 75% interest and whose only asset is the fee interest in the Cinemas 1,2,3, and Shadow View Land and Farming, LLC in which we own a 50 % controlling membership interest and whose only asset is a 202- acre land parcel in Coachella, California.

Our investment interests are accounted for as unconsolidated joint ventures and entities, and accordingly, our unconsolidated joint ventures and entities in 20% to 50% owned companies are accounted for on the equity method. These investment interests include our:

- 25% undivided interest in the unincorporated joint venture that owns 205-209 East 57th Street Associates, LLC a limited liability company formed to redevelop our former cinema site at 205 East 57th Street in Manhattan;
- 33.3% undivided interest in the unincorporated joint venture that owns the Mt. Gravatt cinema in a suburb of Brisbane, Australia;
- 33.3% undivided interest in Rialto Distribution, an unincorporated joint venture engaged in the business of distributing art film in New Zealand and Australia; and
- 50% undivided interest in the unincorporated joint venture that owns Rialto Cinemas.

Accounting Principles
Our consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("US GAAP").

Reclassifications
Certain reclassifications have been made in the 2014 and 2013 financial statements and notes to conform to the 2015 presentation. These changes include combining certain long-term debt items in the 2014 consolidated balance sheet, changing the line item presentation of "Equity earnings of unconsolidated joint ventures and entities" in the 2014 and 2013 consolidated statements of operations, reclassifying certain amounts in the 2014 consolidated statement of comprehensive income, reclassifying certain current deferred tax balances (see *Accounting Pronouncements Adopted and Issued During 2015*) and combining certain amortization items in the 2014 and 2013 consolidated statements of cash flows. These changes had no impact on our 2014 financial position, or our 2014 and 2013 results of operations and cash flows as previously reported.

Use of Estimates
The preparation of consolidated financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and footnotes thereto. Significant estimates include projections we make regarding the recoverability of our assets, valuations of our interest swaps and the recoverability of our deferred tax assets. Actual results may differ from those estimates.

Cash and Cash Equivalents
We consider all highly liquid investments with original maturities of three months or less when purchased to be cash equivalents for which cost approximates fair value.

Receivables
Our receivables balance is composed primarily of credit card receivables, representing the purchase price of tickets, concessions, or coupon books sold at our various businesses. Sales charged on customer credit cards are collected when the credit card transactions are processed. The remaining receivables balance is primarily made up of the goods and services tax refund receivable from our Australian taxing authorities and the management fee receivable from the managed cinemas and property damage insurance recovery proceeds . We have no history of significant bad debt losses and we have established an allowance for accounts that we deem uncollectible.

Investment in Marketable Securities
Our investment in Marketable Securities includes equity instruments that are classified as available for sale and are recorded at market using the specific identification method. Available for sale securities are carried at their fair market value and any difference between cost and market value is recorded as unrealized gain or loss, net of income taxes, and is reported as accumulated other comprehensive income in the consolidated statement of stockholders' equity. Premiums and discounts of any debt instruments are recognized in interest income using the effective interest method. Realized gains and losses and declines in value expected to be other-than-temporary on available for sale securities are included in other expense. We evaluate our available for sale securities for other than

temporary impairments at the end of each reporting period. These investments have a cumulative unrealized gain of $12,000 included in other comprehensive income at December 31, 2015. For the years ended December 31, 2015, 2014, and 2013, our net unrealized losses were $2,000 , $1,000 , and $0 , respectively. The cost of securities sold is based on the specific identification method. Interest and dividends on securities classified as available for sale are included in interest income.

Inventory
Inventory is composed of concession goods used in theater operations and is stated at the lower of cost (first-in, first-out method) or net realizable value.

Restricted Cash
We classify restricted cash as those cash accounts for which the use of funds is restricted by contract or bank covenant. At December 31, 2015 and 2014 , our restricted cash balance was $160,000 and $1,433,000 , respectively.

Fair Value Measurements
Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. If quoted prices in an active market are available, fair value is determined by reference to these prices. If quoted prices are not available, fair value is determined by valuation models that primarily use, as inputs, market-based or independently sourced parameters, including but not limited to interest rates, volatilities, and credit curves. Additionally, we may reference prices for similar instruments, quoted prices or recent transactions in less active markets. We use prices and inputs that are current as of the measurement date.

Level 1: Quoted (unadjusted) prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.
Level 2: Quoted prices in active markets for similar assets and liabilities, or inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability.
Level 3: Unobservable inputs that are supported by little or no market activity may require significant judgment in order to determine the fair value of the assets and liabilities.

The use of observable and unobservable inputs is reflected in the fair value hierarchy assessment disclosed in the tables within this document.

Recurring Fair Value Measurements

Cash Equivalents
Our cash equivalents mainly include money market funds and term deposits.

Investments in Marketable Securities
Investments in marketable securities primarily consist of investments associated with the ownership of marketable securities in U.S. and New Zealand. These investments are valued based on observable market quotes on the last trading date of the reporting period.

Derivatives
Derivative financial instruments are valued based on discounted cash flow models that incorporate observable inputs such as interest rates and yield curves from the derivative counterparties. The credit valuation adjustments associated with our non-performance risk and counterparty credit risk are incorporated in the fair value estimates of our derivatives.

Nonrecurring Fair Value Measurements

Goodwill, Other Intangible Assets, and Long-Lived Assets
Refer to the " *Goodwill, Other Intangible Assets and Long-Lived Assets"* below for a description of valuation methodology used for fair value measurements of goodwill, intangible assets and long-lived assets.

Debt
Debt includes our secured and unsecured notes payable, trust preferred securities and other debt instruments. The borrowings are valued based on discounted cash flow models that incorporate appropriate market discount rates. We calculated the market discount rate by obtaining period-end treasury rates for fixed-rate debt, or LIBOR for variable-rate debt, for maturities that correspond to the maturities of our debt, adding appropriate credit spreads derived from information obtained from third-party financial institutions. These credit spreads take into account factors such as our credit rate, debt maturity, types of borrowings, and the loan-to-value ratios of the debt.

Fair Value of Financial Instruments
The carrying amounts of our cash equivalents, accounts receivable, accounts payable and film rent payable approximate fair value due to their short-term maturities.

Derivative Financial Instruments
We carry all derivative financial instruments on our consolidated balance sheets at fair value. Derivatives are generally executed for interest rate management purposes but are not designated as hedges. Therefore, changes in market values are recognized in current earnings.

Operating property
Operating property consists of land, buildings and improvements, leasehold improvements, fixtures and equipment which we use to derive operating income associated with our two business segments, cinema exhibition and real estate. Buildings and improvements, leasehold improvements, fixtures and equipment are initially recorded at the lower of cost or fair market value and depreciated over the useful lives of the related assets. Land is not depreciated.

Investment and Development Property
Investment and development property consists of land, new buildings and improvements under development, and their associated capitalized interest and other development costs that we are either holding for development, currently developing, or holding for investment appreciation purposes. These properties are initially recorded at the lower of cost or fair market value. Within investment and development property are building and improvement costs directly associated with the development of potential cinemas (whether for sale or lease), the development of entertainment-themed centers ("ETCs"), or other improvements to real property. As incurred, we expense start-up costs (such as pre-opening cinema advertising and training expense) and other costs not directly related to the acquisition and development of long-term assets. We cease capitalization on a development property when the property is complete and ready for its intended use, or if activities necessary to get the property ready for its intended use have been substantially curtailed.

Goodwill, Other Intangible Assets and Long-Lived Assets
We review long-lived assets, including goodwill and intangibles, for impairment as part of our annual budgeting process, at the beginning of the fourth quarter, and whenever events or changes in circumstances indicate that the carrying amount of the asset may not be fully recoverable.

We review internal management reports on a monthly basis as well as monitor current and potential future competition in film markets for indications of potential impairment. We evaluate our long-lived assets and finite lived intangible assets using historical and projected data of cash flow as our primary indicator of potential impairment and we take into consideration the seasonality of our business. If the sum of the estimated, undiscounted future cash flows is less than the carrying amount of the asset, then an impairment is recognized for the amount by which the carrying value of the asset exceeds its estimated fair value based on an appraisal or a discounted cash flow calculation.

For certain non-income producing properties, we obtain appraisals or other evidence to evaluate whether there are impairment indicators for these assets. No impairment losses were recorded for long-lived and finite lived intangible assets for the years ended December 31, 2015, 2014 or 2013.

Goodwill and intangible assets with indefinite useful lives are not amortized, but instead, tested for impairment at least annually on a reporting unit basis. The impairment evaluation is based on the present value of estimated future cash flows of the segment plus the expected terminal value. There are significant assumptions and estimates used in determining the future cash flows and terminal value. The most significant assumptions include our cost of debt and cost of equity assumptions that comprise the weighted average cost of capital for each reporting unit. Accordingly, actual results could vary materially from such estimates. No impairment losses were recorded for goodwill and indefinite lived intangible assets for the years ended December 31, 2015, 2014, and 2013.

Variable Interest Entity
The Company enters into relationships or investments with other entities that may be a variable interest entity ("VIE"). A VIE is consolidated in the financial statements if the Company has the power to direct activities that most significantly impact the economic performance of the VIE and has the obligation to absorb losses or the right to receive benefits from the VIE that could potentially be significant to the VIE.

Reading International Trust I is a VIE. It is not consolidated in our financial statements but instead accounted for under the equity method of accounting because we are not the primary beneficiary. We carry our investment in the Reading International Trust I using the equity method of accounting because we have the ability to exercise significant influence (but not control) over operating and financial policies of the entity. We eliminate transactions with an equity method entity to the extent of our ownership in such an entity. Accordingly, our share of net income/(loss) of this equity method entity is included in consolidated net income/(loss). We have no implicit or explicit obligation to further fund our investment in Reading International Trust I.

Properties Held for Sale
When a property is classified as held for sale, we present the respective assets and liabilities related to the property held for sale separately on the balance sheet and cease to record depreciation and amortization expense. Properties held for sale are reported at the lower of their carrying value or their estimated fair value less the estimated costs to sell.

Revenue Recognition
Revenue from cinema ticket sales and concession sales are recognized when sold. Revenue from gift certificate sales is deferred and recognized when the certificates are redeemed. Rental revenue is recognized on a straight-line basis.

Deferred Leasing/Financing Costs
Direct costs incurred in connection with obtaining tenants and/or financing are amortized over the respective term of the lease or loan on a straight-line basis. Direct costs incurred in connection with financing are amortized over the respective term of the loan utilizing the effective interest method, or straight-line method if the result is not materially different. In addition, interest on loans with increasing interest rates and scheduled principal pre-payments are also recognized on the effective interest method. Net deferred financing costs are included in prepaid and other assets (see Note 8 – *Prepaid and Other Assets*)

Advertising Expense
We expense our advertising as incurred. The amount of our advertising expense was $2.3 million, $2.1 million, and $3.4 million for the years ended December 2015, 2014, and 2013, respectively.

Legal Settlement Income/Expense
For the years ended December 31, 2015, 2014, and 2013, we recorded gains/(losses) on the settlement of litigation of ($495,000) , ($83,000) , and ($285,000) , respectively, included in other income/(expense). Also included in other income/(expense) for the year ended December 31, 2013, was a $1.4 million net gain on acquisition and settlement (see Note 4 – *Acquisitions, Disposals, and Assets Held for Sale*).

Depreciation and Amortization
Depreciation and amortization are provided using the straight-line method over the estimated useful lives of the assets. The estimated useful lives are generally as follows:

Building and improvements	15 - 40 years
Leasehold improvements	Shorter of the life of the lease or useful life of the improvement
Theater equipment	7 years
Furniture and fixtures	5 – 10 years

Translation Policy
The financial statements and transactions of our Australian and New Zealand cinema and real estate operations are reported in their functional currencies, namely Australian and New Zealand dollars, respectively, and are then translated into U.S. dollars. Assets and liabilities of these operations are denominated in their functional currencies and are then translated at exchange rates in effect at the balance sheet date. Revenue and expenses are translated at the average exchange rate for the reporting period. Translation adjustments are reported in "Accumulated Other Comprehensive Income," a component of Stockholders' Equity.

The carrying value of our Australian and New Zealand assets fluctuates due to changes in the exchange rate between the U.S. dollar and the Australian and New Zealand dollars. The exchange rates of the Australian dollar to the U.S. dollar were $0.7286 , $0.8173 and $0.8929 as of December 31, 2015 , 2014 and 2013 respectively. The exchange rates of the New Zealand dollar to the U.S. dollar were $0.6842 , $0.7796 and $0.8229 as of December 31, 2015 , 2014 and 2013 respectively.

Income Taxes
We account for income taxes under an asset and liability approach. Under the asset and liability method, deferred tax assets and liabilities are recognized for the expected future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and the respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled, and are classified as noncurrent on the balance sheets in accordance with current US GAAP (see *Accounting Pronouncements Adopted and Issued During 2015* below). Valuation allowances are established, when necessary, to reduce deferred tax assets to the amount expected to be realized. Income tax expense (benefit) is the tax payable (refundable) for the period and the change during the period in deferred tax assets and liabilities.

In evaluating our ability to recover our deferred tax assets within the jurisdiction from which they arise, we consider all available positive and negative evidence, including scheduled reversals of deferred tax liabilities, projected future taxable income, tax planning strategies and recent financial operations. In projecting future taxable income, we begin with historical results adjusted for the results

of discontinued operations and changes in accounting policies. We then include assumptions about the amount of projected future state, federal and foreign pretax operating income, the reversal of temporary differences, and the implementation of feasible and prudent tax planning strategies. These assumptions require significant judgment about the forecasts of future taxable income and are consistent with the plans and estimates we use to manage the underlying businesses. In evaluating the objective evidence that historical results provide, we consider three years of cumulative operating income/(loss). In the event we were to determine that we would be able to realize our deferred income tax assets in the future in excess of their net recorded amount, we would make an adjustment to the valuation allowance, which would reduce the provision for income taxes.

A tax benefit from an uncertain tax position may be recognized when it is more likely than not that the position will be sustained upon examination, including resolutions of any related appeals or litigation processes, based on the technical merits.

We recognize tax liabilities for uncertain tax p ositions and adjust these liabilities when our judgment changes as a result of the evaluation of new information not previously available. Due to the complexity of some of these uncertainties, the ultimate resolution may result in a payment that is materially different from our current estimate of the tax liabilities. These differences will be reflected as increases or decreases to income tax expense in the period in which they are determined.

Earnings Per Share

The Company presents both basic and diluted earnings per share amounts. Basic EPS is calculated by dividing net income attributable to the Company by the weighted average number of common shares outstanding during the year. Diluted EPS is based upon the weighted average number of common and common equivalent shares outstanding during the year, which is calculated using the treasury-stock method for equity-based awards. Common equivalent shares are excluded from the computation of diluted EPS in periods for which they have an anti-dilutive effect. Stock options for which the exercise price exceeds the average market price over the period are anti-dilutive and, accordingly, are excluded from the calculation

Real Estate Purchase Price Allocation

We allocate the purchase price to tangible assets of an acquired property (which includes land, building and tenant improvements) based on the estimated fair values of those tangible assets assuming the building was vacant. Estimates of fair value for land are based on factors such as comparisons to other properties sold in the same geographic area adjusted for unique characteristics. Estimates of fair values of buildings and tenant improvements are based on present values determined based upon the application of hypothetical leases with market rates and terms.

We record above-market and below-market in-place lease values for acquired properties based on the present value (using an interest rate which reflects the risks associated with the leases acquired) of the difference between (i) the contractual amounts to be paid pursuant to the in-place leases and (ii) management's estimate of fair market lease rates for the corresponding in-place leases, measured over a period equal to the remaining non-cancelable term of the lease. We amortize any capitalized above-market lease values as a reduction of rental income over the remaining non-cancelable terms of the respective leases. We amortize any capitalized below-market lease values as an increase to rental income over the initial term and any fixed-rate renewal periods in the respective leases.

We measure the aggregate value of other intangible assets acquired based on the difference between (i) the property valued with existing in-place leases adjusted to market rental rates and (ii) the property valued as if vacant. Management's estimates of value are made using methods similar to those used by independent appraisers (e.g., discounted cash flow analysis). Factors considered by management in its analysis include an estimate of carrying costs during hypothetical expected lease-up periods considering current market conditions, and costs to execute similar leases. We also consider information obtained about each property as a result of our pre-acquisition due diligence, marketing, and leasing activities in estimating the fair value of the tangible and intangible assets acquired. In estimating carrying costs, management includes real estate taxes, insurance and other operating expenses and estimates of lost rentals at market rates during the expected lease-up periods. Management also estimates costs to execute similar leases including leasing commissions, legal, and other related expenses to the extent that such costs are not already incurred in counection with a new lease origination as part of the transaction.

The total amount of other intangible assets acquired is further allocated to in-place lease values and customer relationship intangible values based on management's evaluation of the specific characteristics of each tenant's lease and our overall relationship with that respective tenant. Characteristics considered by management in allocating these values include the nature and extent of our existing business relationships with the tenant, growth prospects for developing new business with the tenant, the tenant's credit quality and expectations of lease renewals (including those existing under the terms of the lease agreement), among other factors.

We amortize the value of in-place leases to expense over the initial term of the respective leases. The value of customer relationship intangibles is amortized to expense over the initial term and any renewal periods in the respective leases, but in no event may the amortization period for intangible assets exceed the remaining depreciable life of the building. Should a tenant terminate its lease, the unamortized portion of the in-place lease value and customer relationship intangibles would be charged to expense.

These assessments have a direct impact on revenue and net income. If we assign more fair value to the in-place leases versus buildings and tenant improvements, assigned costs would generally be depreciated over a shorter period, resulting in more depreciation expense and a lower net income on an annual basis. Likewise, if we estimate that more of our leases in-place at acquisition are on terms believed to be above the current market rates for similar properties, the calculated present value of the amount above-market would be amortized monthly as a direct reduction to rental revenue and ultimately reduce the amount of net income.

Business Acquisition Valuations
The assets and liabilities of businesses acquired are recorded at their respective preliminary fair values as of the acquisition date. Upon the acquisition of real properties, we allocate the purchase price of such properties to acquired tangible assets, consisting of land and building, and identified intangible assets and liabilities, consisting of the value of above-market and below-market leases and the value of in-place leases, based in each case on their fair values. We use independent appraisals to assist in the determination of the fair values of the tangible assets of an acquired property (which includes land and building). We also perform valuations and physical counts of property, plant and equipment, valuations of investments and the involuntary termination of employees, as necessary. Costs in excess of the net fair values of assets and liabilities acquired are recorded as goodwill.

We record and amortize above-market and below-market operating leases assumed in the acquisition of a business in the same way as those under real estate acquisitions.

The fair values of any other intangible assets acquired are based on the expected discounted cash flows of the identified intangible assets. Finite lived intangible assets are amortized using the straight-line method of amortization over the expected period in which those assets are expected to contribute to our future cash flows. We do not amortize indefinite lived intangibles and goodwill.

Out-of-Period Adjustment
In the fourth quarter of fiscal year 2015, we recorded out-of-period adjustments of $514,000 to decrease our income tax expenses in our consolidated statements of operations. The adjustments, which increased deferred tax asset by $2, 116 ,000 , increased additional paid in capital by $ 793 ,000 , increased other comprehensive income by $1,859,000 and de creased other non-current liabilities by $1,050,000 , were made to correct our income tax and related equity and liability accounts. Of the $514,000 adjustment to decrease the income tax expense in 2015, $1,286,000 relates to the adjustment that should have been recorded in 2014, thus reducing our income tax benefit by this amount. The remaining $1,800,000 relates to income taxes pertaining to years prior to 2014 cumulatively, that would have increased our deferred tax asset by such amount. We determined that the adjustments did not have a material impact to our current or prior period consolidated financial statements .

Accounting Pronouncements Adopted and Issued During 2015

Adopted:
On January 1, 2015, the Company adopted changes issued by the Financial Accounting Standards Board's ("FASB") to reporting discontinued operations and disclosures of disposals of components of an entity. These changes require a disposal of a component to meet a higher threshold in order to be reported as a discontinued operation in an entity's financial statements. The threshold is defined as a strategic shift that has, or will have, a major effect on an entity's operations and financial results such as a disposal of a major geographical area or a major line of business. In addition, the following two criteria have been removed from consideration of whether a component meets the requirements for discontinued operations presentation: (i) the operations and cash flows of a disposal component have been or will be eliminated from the ongoing operations of an entity as a result of the disposal transaction, and (ii) an entity will not have any significant continuing involvement in the operations of the disposal component after the disposal transaction. Furthermore, equity method investments now may qualify for discontinued operations presentation. The gnidance applies prospectively to new disposals and new classifications of disposal groups as held for sale after the effective date. The adoption of these changes had no material impact on the consolidated financial statements.

In November 2015, the FASB issued Accounting Standards Update ("ASU") 2015-17, *Income Taxes (Topic 740) -Balance Sheet Classification of Deferred Taxes,* which simplifies the presentation of deferred income taxes by requiring deferred tax assets and liabilities be classified as noncurrent on the balance sheets. The amendments in this ASU are effective for financial statements issued for annual periods beginning after December 15, 2016, and interim periods within those annual periods. Early adoption is permitted and the amendments may be applied either prospectively to all deferred tax assets and liabilities or retrospectively to all periods presented. We early adopted this ASU as of December 31, 2015 on a retrospective basis and included the current portion of deferred tax assets within the noncurrent portion of deferred tax assets within our consolidated balance sheets as of December 31, 2015 and 2014. There was no impact on our results of operations as a result of the adoption of this ASU.

Issued:
On February 25, the FASB released ASU 2016-02, *Leases* , completing its project to overhaul lease accounting. The ASU codifies ASC 842, *Leases* , which will replace the guidance in ASC 840. The new gnidance is effective for public business entities in fiscal

years beginning after December 15, 2018. Early adoption is permitted for all entities. The Company is evaluating the impact of adopting this new accounting guidance on the consolidated financial statements .

In January 2016, the FASB issued ASU 2016-01, *Financial Instruments - Overall (Subtopic 825-10) - Recognition and Measurement of Financial Assets and Financial Liabilities* , effective for the Company on January 1, 2018. The ASU mainly relates to accounting for equity investments (except those accounted for under the equity method or those that result in consolidation of the investee), financial liabilities under the fair value option, and the presentation and disclosure requirements for certain financial instruments. In addition, the FASB clarified guidance related to the valuation allowance assessment when recognizing deferred tax assets resulting from unrealized losses on available-for-sale debt securities. The Company is evaluating the impact of adopting this new accounting guidance on the consolidated financial statements.

In September 2015, the FASB issued ASU 2015-16, *Simplifying the Accounting for Measurement-Period Adjustments,* effective for the Company on January 1, 2016. Under the ASU, an acquirer in a business combination transaction must recognize adjustments to provisional amounts that are identified during the measurement period in the reporting period in which the adjustment amounts are determined. The effect on earnings of changes in depreciation or amortization, or other income effects, if any, as a result of the change to the provisional amounts, calculated as if the accounting had been completed as of the acquisition date, must be recorded in the reporting period in which the adjustment amounts are determined rather than retrospectively. The ASU also requires that the acquirer present separately on the face of the income statement, or disclose in the notes, the portion of the amount recorded in current-period earnings by line item that would have been recorded in previous reporting periods if the adjustment to the provisional amounts had been recognized as of the acquisition date. The adoption of this standard is not expected to have a material impact on the Company's consolidated financial statements.

In April 2015, the FASB issued ASU 2015-03, *Interest-Imputation of Interest (Subtopic 835-03) - Simplifying the Presentation of Debt Issuance Costs* which requires unamortized debt issuance costs to be presented as a reduction of the corresponding debt liability rather than a separate asset. In Augnst 2015, the FASB issued ASU 2015-15, *Presentation and Subsequent Measurement of Debt Issuance Costs Associated with Line-of-Credit Arrangements* . This ASU states that the Securities and Exchange Commission ("SEC") staff would not object to an entity deferring and presenting debt issuance costs as an asset and subsequently amortizing deferred debt issuance costs ratably over the term of the line-of-credit arrangement, regardless of whether there are outstanding borrowings under the line-of-credit arrangement. These changes become effective for the Company on January 1, 2016. The adoption of these standards is not expected to have a material impact on the Company's consolidated financial statements.

In May 2014, the FASB issued a new standard to achieve a consistent application of revenue recognition within the U.S., resulting in a single revenue model to be applied by reporting companies under US GAAP. Under the new model, recognition of revenues occurs when a customer obtains control of promised goods or services in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. In addition, the new standard requires that reporting companies disclose the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers. The new standard becomes effective for the Company on January 1, 2018. Early adoption is permitted but cannot be earlier than January 1, 2017. The new standard is required to be applied retrospectively to each prior reporting period presented or retrospectively with the cumulative effect of initially applying it recognized at the date of initial application. We have not yet selected a transition method nor have we determined the impact of the new standard on our consolidated financial statements. While we believe the proposed guidance will not have a material impact on our business because our revenue predominantly comes from movie ticket sales and concession purchases, we plan to complete the analysis to ensure that we are in compliance prior to the effective date.

N OTE 3 – Earnings Per Share

The following table sets forth the computation of basic and diluted EPS and a reconciliation of the weighted average number of common and common equivalent shares outstanding f or the three years ended December 31, 2015

(Dollars in thousands, except share and per share data)	2015	2014	2013
Numerator:			
Net income attributable to RDI common stockholders	$ 22,773	$ 25,701	$ 9,041
Denominator:			
Weighted average shares of common stock – basic	23,293,696	23,431,855	23,348,003
Weighted average dilutive impact of stock-based awards	201,922	317,366	172,268
Weighted average shares of common stock – diluted	23,495,618	23,749,221	23,520,271
Basic EPS attributable to RDI common stockholders	$ 0.98	$ 1.10	$ 0.39
Diluted EPS attributable to RDI common stockholders	$ 0.97	$ 1.08	$ 0.38
Awards excluded from diluted EPS		248,750	528,850

NOTE 4 – Acquisitions, Disposals, and Assets Held for Sale

2015 Transactions

Doheny Condo, Los Angeles

On February 25, 2015 we sold our Los Angeles Condo for $3.0 million resulting in a $2.8 million gain on sale.

Taupo, New Zealand

On April 1, 2015, we entered into two definitive purchase and sale agreements to sell our properties in Taupo, New Zealand for a combined sales price of $2.3 million (NZ$3.4 million). The first agreement relates to a property with a sales price of $1.6 million (NZ$2.2 million) and a book value of $1.3 million (NZ$1.8 million), which closed on April 30, 2015 when we received the sales price in full. The other agreement relates to a property with a sales price of $821,000 (NZ$1.2 million) and a book value of $421,000 (NZ$615,000) with a closing date of March 31, 2016. This property is classified as held for sale as of December 31, 2015. O nly the first transaction qualifies as a sale under US GAAP and New Zealand tax.

Newmarket, Australia

On November 30, 2015, we completed the purchase of an approximately 23,000 square foot parcel adjacent to our existing Newmarket shopping center in Brisbane, Australia for a total consideration of $5.5 million (AU$7.6 million). The acquired land has an existing office building which was vacant at the time of purchase completion. We intend, over time, to integrate this property into our Newmarket development thereby increasing our footprint from approximately 204,000 to 227,000 square feet. The terms and circumstances of this acquisition were not considered to meet the definition of a business combination in accordance with US GAAP.

Cannon Park, Queensland, Australia

On December 23, 2015, we completed a 100% acquisition of two adjoining ETC s in Townsville, Queensland, Australia for a total of $24.3 million (AU $33.6 million) in cash. The total gross leasable area of the two adjoining properties, the Cannon Park City Centre and the Cannon Park Discount Centre, is 133,000 square feet. The Cannon Park City Centre is anchored by a Reading Cinema, which is operated by Reading International's 75% owned subsidiary , Australia Country Cinemas, in which we have a 75% interest, and has three mini-major tenants and ten specialty family oriented restaurant tenants. The Cannon Park Discount Centre is anchored by Kingpin Bowling and supported by four other retailers. The properties are located approximately 6 miles from downtown Townsville, the second largest city in Queensland, Australia. This acquisition is consistent with our business plan to own, where practical, the land underlying our entertaiument assets.

The acquired assets consist primarily of the land and buildings, which is approximately 98% leased to existing tenants. Tenancies range from having 9 months to 8 years left to run on their leases.

The total purchase price was allocated to the identifiable assets acquired and liabilities assumed based on our preliminary estimates of their fair values on the acquisition date. The Company is in the process of finalizing its allocation and this may result in potential adjustments within the 1-year measurement period from acquisition date . These fair value estimates of the land and building assets acquired have been allocated to the acquired tangible assets. We did not identify any intangible assets or liabilities (above and below-market leases) at the date of acquisition. There was no goodwill recorded as the purchase price did not exceed the fair value estimates of the net acquired assets. Our preliminary purchase price allocation is as follows:

(Dollars in thousands)	US Dollars	AU dollars
Prepaid assets	$ 28	38
Property & Equipment:		
Land	7,609	10,500
Building	16,712	23,060
Total purchase price	$ 24,349	33,598

The revenue and earnings from this acquisition, since the acquisition date as included in the consolidated statement of operations for the year ended December 31, 2015, were not significant. Based on the available information provided to us and after exhausting significant efforts to satisfy the pro-forma disclosure requirements assuming the business acquisition happened at the begiuning of the year, the Company concluded it to be impracticable to determine and disclose the full-year pro forma combined revenue and earnings for 2015 and 2014.

2014 Transactions

Burwood, Australia

On May 12, 2014, we entered into a contract to sell our undeveloped 50.6 acre parcel in Burwood, Victoria, Australia, to an affiliate of Australand Holdings Limited (now known as Frasers Property Australia) for a purchase price of $47 . 5 million (AU$65.0 million).

We received $5.9 million (AU$6.5 million) on May 23, 2014. The remaining purchase price of $42. 6 million (AU$58.5 million) is due on December 31, 2017. The agreement provides for mandatory pre-payments in the event that any of the land is sold by the buyer, any such prepayment being in an amount equal to the greater of (a) 90% of the net sales price or (b) the balance of the purchase price multiplied by a fraction the numerator of which is the square footage of property being sold by the buyer and the denominator of which is the original square footage of the property being sold to the buyer. The agreement does not provide for the payment of interest on the balance owed.

Our book value in the property is $38.0 million (AU$52.1 million) and while the transaction was treated as a current sale for tax purposes in 2014, it does not qualify as a sale under US GAAP until the receipt of the payment of the balance of the purchase price due on December 31, 2017 (or earlier depending upon whether any prepayment obligation is triggered). The asset is classified as long-term land held for sale on the consolidated balance sheets as of December 31, 2015 and 2014.

2013 Transactions

Plano Cinema

On December 31, 2013, we settled a management fee claim that we had against the owner of the Plano, Texas cinema that we had managed since 2003 for a cash receipt of $1.9 million. As part of the settlement, we acquired that entity, and through the purchase of that entity acquired the underlying cinema's lease and the associated personal property, equipment, and trade fixtures. Because the fair value of the lease, in light of anticipated rent payments, resulted in a lease liability of $320,000 and the acquired net assets, including cash received in counection with the settlement, were valued at $1.7 million, we recorded a net gain on acquisition and settlement of $1.4 million.

Moonee Ponds, Australia

On October 15, 2013, we entered into a definitive purchase and sale agreement to sell this property for a sales price of $17.5 million (AU$ 23.0 million) payable in full upon closing of the transaction on April 16, 2015. In accordance with the requirements under US GAAP, we recognized a gain of $8.0 million (AU$ 10.3 million) in the second quarter of 2015 upon the receipt of sale proceeds on April 16, 2015.

NOTE 5 – Property and Equipment

Operating Property, Net

Property associated with our operating activities is summarized as follows:

(Dollars in thousands)	December 31, 2015	December 31, 2014
Land	$ 70,063	$ 62,024
Building and improvements	126,622	120,913
Leasehold improvements	46,874	46,813
Fixtures and equipment	112,423	107,286
Construction-in-progress	7,825	4,681
Total cost	363,807	341,717
Less: accumulated depreciation	(153,509)	(154,828)
Operating property, net	$ 210,298	$ 186,889

Depreciation expense for operating property was $13.6 million, $14.4 million, and $14.0 million for 2015, 2014, and 2013, respectively.

Investment and Development Property

Investment and development property is summarized as follows:

(Dollars in thousands)	December 31, 2015	December 31, 2014
Land	$ 21,434	$ 23,833
Construction-in-progress (including capitalized interest)	1,568	2,291
Investment and development property, net	$ 23,002	$ 26,124

NOTE 6 – Investments in and Advances to Unconsolidated Joint Ventures and Entities

Investments in and advances to unconsolidated joint ventures and entities are accounted for under the equity method of accounting, except for Rialto Distribution as described below. The table below summarizes our investments in unconsolidated joint ventures and entities:

(Dollars in thousands)	Interest	December 31, 2015	December 31, 2014
Rialto Distribution	33.3%	$ --	$ --
Rialto Cinemas	50.0%	1,276	1,564
Mt. Gravatt	33.3%	4,094	4,605
Total investments		$ 5,370	$ 6,169

We recorded our share of equity earnings from our investments in unconsolidated joint ventures and entities as follows:

(Dollars in thousands)	2015	2014	2013
Rialto Distribution	$ 22	$ 120	$ 159
Rialto Cinemas	136	297	221
205-209 East 57th Street Associates, LLC	--	--	(1)
Mt. Gravatt	1,046	598	990
Total equity earnings	$ 1,204	$ 1,015	$ 1,369

Rialto Distribution
Due to significant losses in years past, we determined that the goodwill associated with Rialto Distribution's investment in the film distribution business was fully impaired. As a result of these losses, as of January 1, 2010, we treat our interest as a cost method interest in an unconsolidated joint venture, and record income based on the distributions we receive. We have also fully provided for any losses that may result from the bank guarantee that has been given to Rialto D istribution.

Rialto Cinemas
We own an undivided 50.0% interest in the assets and liabilities of the Rialto Entertainment joint venture that owns and operates 2 movie theaters, with 13 screens in New Zealand.

Mt. Gravatt
We own an undivided 33.3% interest in Mt. Gravatt, an unincorporated joint venture that owns and operates a sixteen -screen multiplex cinema in Australia.

Malulani Investments, Limited
On June 26, 2006, we acquired for $ 1.8 million, an 18.4 % interest in a private real estate company. On July 2, 2009, Magoon Acquisition and Development, LLC ("Magoon LLC") and we entered into a settlement agreement (the "Settlement Terms") with respect to a lawsuit against certain officers and directors of Malulani Investments, Limited ("MIL"). Under the Settlement Terms, Magoon LLC and we received $ 2.5 million in cash, a $ 6.8 million three -year 6.25 % secured promissory note issued by The Malulani Group ("TMG"), and a ten -year "tail interest" in MIL and TMG in exchange for the transfer of all ownership interests in MIL and TMG held by both Magoon, LLC and RDI and for the release of all claims against the defendants in this matter. A gain on the transfer of our ownership interest in MIL of $ 268,000 was recognized during 2009 as a result of this transaction. The tail interest allows us to participate in certain distributions made or received by MIL, TMG, and in certain cases, the shareholders of TMG. The tail interest, however, continues only for a period of ten years and we cannot assure that we will receive any distributions from this tail interest. During 2013, we received $ 191,000 in interest on the promissory note, and, on June 14, 2011, we received $ 6.8 million of principal and interest owed on this note. We believe that further amounts are owed under the note and we have begun litigation to collect such amounts. Any further collections will be recognized when received .

NOTE 7 – Goodwill and Intangible Assets

The table below summarizes goodwill by business segment:

(Dollars in thousands)	Cinema	Real Estate	Total
Balance at January 1, 2014	$ 16,935	$ 5,224	$ 22,159
Foreign currency translation adjustment	(878)	--	(878)
Balance at December 31, 2014	$ 16,057	$ 5,224	$ 21,281
Foreign currency translation adjustment	(1,566)	--	(1,566)
Balance at December 31, 2015	$ 14,491	$ 5,224	$ 19,715

The Company is required to test goodwill and other intangible assets for impairment on an annual basis and, if current events or circumstances require, on an interim basis. To test the impairment of goodwill, the Company compares the fair value of each reporting unit to its carrying amount, including the goodwill, to determine if there is potential goodwill impairment. A reporting unit is generally one level below the operating segment. The most recent annual assessment occurred in the fourth quarter of 2015. The assessment results indicated that there is no impairment to our goodwill as of December 31, 2015.

The tables below summarize intangible assets other than goodwill:

	December 31, 2015			
(Dollars in thousands)	Beneficial Leases	Trade Name	Other Intangible Assets	Total
Gross carrying amount	$ 26,793	$ 7,254	$ 696	$ 34,743
Less: Accumulated amortization	(20,108)	(4,300)	(446)	(24,854)
Net intangible assets other than goodwill	$ 6,685	$ 2,954	$ 250	$ 9,889

(Dollars in thousands)	December 31, 2014			
	Beneficial Leases	Trade Name	Other Intangible Assets	Total
Gross carrying amount	$ 24,150	$ 7,254	$ 423	$ 31,827
Less: Accumulated amortization	(15,989)	(3,929)	(423)	(20,341)
Net intangible assets other than goodwill	$ 8,161	$ 3,325	$ --	$ 11,486

We amortize our beneficial leases over the lease period, the longest of which is approximately 24 years; our trade name using an accelerated amortization method over its estimated useful life of 45 years; and our option fee and other intangible assets over 10 years. For the years ended December 31, 2015, 2014, and 2013, our amortization expense was $1.7 million, $2.0 million, and $2.2 million, respectively. As of December 31, 2015, the estimated amortization expense in the five succeeding years and thereafter is as follows:

(Dollars in thousands)	Estimated Future Amortization Expense
2016	$ 1,657
2017	1,263
2018	1,148
2019	815
2020	813
Thereafter	4,193
Total future amortization expense	$ 9,889

NOTE 8 – Prepaid and Other Assets

Prepaid and other assets are summarized as follows:

(Dollars in thousands)	December 31, 2015	December 31, 2014
Prepaid and other current assets		
Prepaid expenses	$ 879	$ 1,166
Prepaid taxes	1,023	855
Income taxes receivable	2,137	--
Prepaid rent	1,021	1,033
Deposits	369	369
Other	--	3
Total prepaid and other current assets	$ 5,429	$ 3,426
Other non-current assets		
Other non-cinema and non-rental real estate assets	$ 1,134	$ 1,134
Deferred financing costs, net	1,828	2,515
Interest rate cap at fair value	1	--
Straight-line rent asset	2,417	2,547
Long-term deposits	63	97
Other	--	20
Total non-current assets	$ 5,443	$ 6,313

NOTE 9 - Income Taxes

Income before income tax expense includes the following:

(Dollars in thousands)	2015	2014	2013
United States	$ 3,284	$ 2,778	$ 8,745
Foreign	23,149	12,066	3,973
Income before income tax expense and equity earnings of unconsolidated joint ventures and entities	$ 26,433	$ 14,844	$ 12,718
Net (income) expense attributable to noncontrolling interests :			
United States	206	200	24
Foreign	(127)	(143)	(128)
Equity earnings and gain on sale of unconsolidated subsidiary :			
United States	--	--	(1)
Foreign	1,204	1,015	1,370
Income before income tax expense, net of non-controlling interests	$ 27,716	$ 15,916	$ 13,983

Significant components of the provision for income taxes are as follows:

(Dollars in thousands)	2015	2014	2013
Current income tax expense			
Federal	$ 481	$ 827	$ 1,121
State	516	511	432
Foreign	3,120	1,251	1,283
Total	4,117	2,589	2,836
Deferred income tax expense (benefit)			
Federal	438	(14,341)	--
State	(971)	(1,234)	--
Foreign	1,359	3,201	2,106
Total	826	(12,374)	2,106
Total income tax expense (benefit)	$ 4,943	$ (9,785)	$ 4,942

Deferred income taxes reflect the "temporary differences" between the financial statement carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes, adjusted by the relevant tax rate. The components of the deferred tax assets and liabilities are as follows:

(Dollars in thousands)	December 31, 2015	December 31, 2014
Deferred Tax Assets:		
Net operating loss carry-forwards	$ 13,286	$ 9,218
Alternative minimum tax credit carry-forwards	540	3,540
Compensation and employee benefits	5,531	6,625
Deferred revenue	7,657	8,564
Accrued expenses	7,971	7,409
Accrued taxes	3,285	4,264
Land and property	11,264	12,797
Other	1,058	924
Total Deferred Tax Assets	50,592	53,341
Deferred Tax Liabilities:		
Intangibles	(2,321)	(3,217)
Cancellation of indebtedness	(2,396)	(3,824)
Notes receivable	(8,696)	(8,097)
Total Deferred Tax Liabilities	(13,413)	(15,138)
Net deferred tax assets before valuation allowance	37,179	38,203
Valuation allowance	(11,530)	(15,936)
Net deferred tax asset	$ 25,649	$ 22,267

We record net deferred tax assets to the extent we believe these assets will more likely than not be realized. In making such determination, we consider all available positive and negative evidence, including scheduled reversals of deferred tax liabilities, projected future taxable income, tax planning strategies and recent financial performance. US GAAP presumes that a valuation allowance is required when there is substantial negative evidence about the realization of deferred tax assets, such as a pattern of comprehensive losses in recent years, coupled with facts that suggest such losses may continue. Because such negative evidence is available for our Puerto Rico , New Zealand and US state operations as of December 31, 2015, we recorded a valuation allowance of $ 11 . 5 million.

As of December 31, 2015, we had the following carry-forwards:

- approximately $ 1.1 million in U.S. alternative minimum tax credit carry-forwards with no expiration date ;
- approximately $ 1 7. 5 million in available New Zealand loss carry-forwards with no expiration date;
- approximately $45 million in New York loss carryforwards expiring in 2034; and,
- approximately $40 million in New York city loss carryforwards expiring in 2034.

We disposed of our Puerto Rico operations during 2005 and plan no further investment in Puerto Rico for the foreseeable future. We have approximately $ 14 . 1 million in Puerto Rico loss carry-forwards expiring no later than 2018. No material future tax benefits from Puerto Rico loss carry-forwards can be recognized by the Company unless it re-enters the Puerto Rico market for which the Company has no current plans.

We expect no other substantial limitations on the future use of U.S. or foreign loss carry-forwards except as described above.

The provision for income taxes is different from amounts computed by applying U.S. statutory rates to consolidated losses before taxes. The significant reason for these differences is as follows:

(Dollars in thousands)	2015	2014	2013
Expected tax provision	$ 9,397	$ 5,571	$ 4,894
Increase (decrease) in tax expense resulting from:			
Foreign tax rate differential	(654)	1,252	3,095
Change in valuation allowance	1,531	(17,187)	(3,882)
Indefinite reinvestment assertion	(3,089)	--	--
State and local tax provision	1,113	375	296
State rate and law change	(3,635)	--	--
Prior year adjustments	(514)	--	--
Unrecognized tax benefits	946	700	1,140
Other	(152)	(496)	(601)
Actual tax provision (benefit)	$ 4,943	$ (9,785)	$ 4,942

The undistributed earnings of the Company's Australian subsidiaries are considered to be indefinitely reinvested. Accordingly, no provision for U.S. federal and state income taxes or foreign withholding taxes has been provided on such undistributed earnings. Determination of the potential amount of unrecognized deferred U.S. income tax liability and foreign withholding taxes is not practicable because of the complexities associated with a hypothetical calculation .

As part of current taxes payable, we have accrued $2.5 million in counection with federal and state liabilities arising from the " *Tax Audit/Litigation* " matter which has now been settled (see Note 12 – *Commitments and Contingencies*).

The following table is a summary of the activity related to unrecognized tax benefits, excluding interest and penalties, for the years ended December 31, 2015, 2014, and 2013:

(Dollars in thousands)	2015	2014	2013
Unrecognized tax benefits – gross beginning balance	$ 3,760	$ 2,160	$ 2,171
Gross increases – prior period tax provisions	6,679	1,600	(11)
Gross increases – current period tax positions	583	-	-
Unrecognized tax benefits – gross ending balance	$ 11,022	$ 3,760	$ 2,160

We record interest and penalties related to income tax matters as part of income tax expense.

We had approximately $10.8 million and $11.4 million of gross tax benefits as of the adoption date and December 31, 2007, respectively, plus $1.7 million and $2.3 million of tax interest unrecognized on the financial statements as of each date, respectively. The gross tax benefits mostly reflect operating loss carry-forwards and the IRS " *Tax Audit/Litigation* " case described below in Note 12 – *Commitments and Contingencies* .

During the period January 1, 2013 to December 31, 2013 we recorded a decrease to tax interest of approximately $1.4 million, resulting in a total balance of $1.8 million in interest. During the period January 1, 2014 to December 31, 2014, we recorded an increase to tax interest of $3.6 million, resulting in a total balance of $5.4 million in interest. During the period January 1, 2015 to December 31, 2015 , we recorded an increase to tax interest of $0.5 million, resulting in a total $5 . 9 million in interest.

It is difficult to predict the timing and resolution of uncertain tax positions. Based upon the Company's assessment of many factors, including past experience and judgments about future events, it is probable that within the next 12 months the reserve for uncertain tax positions will increase within a range of $500,000 to $1.5 million. The reasons for such change include but are not limited to tax positions expected to be taken during 2016, revaluation of current uncertain tax positions, and expiring statutes of limitations.

Generally, changes to our federal and most state income tax returns for the calendar year 2010 and earlier are barred by statutes of limitations. Certain U.S. subsidiaries filed federal and state tax returns for periods before these entities became consolidated with us. These subsidiaries were examined by IRS for the years 1996 to 1999 and significant tax deficiencies were assessed for those years. Those deficiencies have been settled, as discussed in " *Tax Audit/Litigation* ," Note 12 – *Commitments and Contingencies* . New Zealand tax returns for the Reading New Zealand tax consolidated group for 2009 and later are under examination as of December 31, 2015. The income tax returns filed in Australia and Puerto Rico for calendar year 2011 and afterward generally remain open for examination as of December 31, 2015.

NOTE 10 - Debt

The Company's borrowings, including the impact of interest rate swaps, are summarized below:

		December 31, 2015			
(Dollars in thousands)	Maturity Date	Contractual Facility	Balance	Stated Interest Rate	Effective Interest Rate [1]
Denominated in USD					
Trust Preferred Securities (USA)	April 30, 2027	$ 27,913	$ 27,913	4.32%	5.20%
Bank of America Credit Facility (USA)	November 28, 2019	55,000	29,750	2.92%	3.65%
Bank of America Line of Credit (USA)	October 31, 2017	5,000	2,500	3.42%	3.42%
Cinema 1, 2, 3 Term Loan (USA)	July 1, 2016	15,000	15,000	3.75%	3.75%
Cinema 1, 2, 3 Line of Credit (USA)	July 1, 2016	6,000	--	3.75%	3.75%
Mineta & Orpheum Theatres Loan (USA)	June 1, 2018	7,500	7,500	3.00%	3.00%
Union Square Line of Credit (USA)	June 2, 2017	8,000	8,000	3.65%	3.65%
Denominated in FC [2]					
NAB Corporate Term Loan (AU)	June 30, 2019	48,452	26,594	3.06%	3.06%
Westpac Corporate Credit Facility (NZ)	March 31, 2018	34,210	13,684	4.45%	4.45%
Total		$ 207,075	$ 130,941		

[1] Effective interest rate includes the impact of interest rate derivatives hedging the interest rate risk associated with Trust Preferred Securities and Bank of America Credit Facility that were outstanding as of December 31, 2015.
[2] The contractual facilities and outstanding balances of the FC-denominated borrowings were translated into U.S. dollars based on the applicable exchange rates as of December 31, 2015 .

		December 31, 2014			
(Dollars in thousands)	Maturity Date	Contractual Facility	Balance	Stated Interest Rate	Effective Interest Rate [1]
Denominated in USD					
Trust Preferred Securities (USA)	April 30, 2027	$ 27,913	$ 27,913	4.23%	5.20%
Bank of America Credit Facility (USA)	November 28, 2019	55,000	29,750	2.67%	3.65%
Bank of America Line of Credit (USA)	October 31, 2017	5,000	--	3.17%	3.17%
Cinema 1, 2, 3 Term Loan (USA)	July 1, 2016	15,000	15,000	3.69%	3.69%
Cinema 1, 2, 3 Line of Credit (USA)	July 1, 2016	6,000	--	3.69%	3.69%
Mineta & Orpheum Theatres Loan (USA)	June 1, 2018	7,500	7,500	2.94%	2.94%
Union Square Theatre Term Loan (USA)	May 1, 2015	7,500	6,468	5.92%	5.92%
Denominated in FC [2]					
NAB Corporate Term Loan (AU)	June 30, 2019	47,403	47,403	5.04%	7.85%
NAB Corporate Credit Facility (AU)	June 30, 2019	8,173	8,173	5.04%	5.04%
Westpac Corporate Credit Facility (NZ)	March 31, 2015	21,829	21,829	5.80%	5.80%
Total		$ 201,318	$ 164,036		

[1] Effective interest rate includes the impact of interest rate derivatives hedging interest rate risk associated with Trust Preferred Securities, Bank of America Credit Facility and NAB Corporate Term Loan.
[2] The contractual facilities and outstanding balances of the FC-denominated borrowings were translated into U.S. dollar based on the applicable exchange rates as of December 31, 2014.

Debt denominated in USD

Trust Preferred Securities ("TPS")
On February 5, 2007, we issued $ 51.5 million in 20 -year fully subordinated notes to a trust that we control, which in turn issued $ 51.5 million in securities. Of the $51.5 million, $ 50.0 million in TPS were issued to unrelated investors in a private placement and $ 1.5 million of common trust securities were issued by the trust to Reading called "Investment in Reading International Trust I" on our balance sheets. Effective May 1, 2012, the interest rate on our Trust Preferred Securities changed from a fixed rate of 9.22 %, which was in effect for five years, to a variable rate of three month LIBOR plus 4.00 %, which will reset each quarter through the end of the loan unless we exercise our right to re-fix the rate at the current market rate at that time. Effective October 28, 2013, we entered into a fixed interest rate swap of $27.9 million at 1.20% plus the 4.00% margin, expiring on October 31, 2017, see Note 15 – *Derivative Instruments* . There are no principal payments due until maturity in 2027 when the notes and the trust securities are scheduled to be paid in full. We may pay off the debt after the first five years at 100 % of the principal amount without any penalty. The trust is essentially a pass through, and the transaction is accounted for on our books as the issuance of fully subordinated notes. The credit facility includes a number of affirmative and negative covenants designed to monitor our ability to service the debt. The most restrictive covenant of the facility requires that we must maintain a fixed charge coverage ratio at a certain level. However, on December 31, 2008, we secured a waiver of all financial covenants with respect to our TPS for a period of nine years (through December 31, 2017), in consideration of the payment of $ 1.6 million, consisting of an initial payment of $ 1.1 million, a payment of $ 270,000 made in December 2011, and a payment of $ 270,000 in December 2014.

During the first quarter of 2009, we took advantage of the then current market illiquidity for securities such as our TPS to repurchase $22.9 million in face value of those securities through an exchange of $11.5 million worth of marketable securities purchased during the period for the express purpose of executing this exchange transaction with the third party holder of these TPS. During the twelve months ended 2009, we amortized $106,000 of discount to interest income associated with the holding of these securities prior to their extingnishment. On April 30, 2009, we extingnished $22.9 million of these TPS, which resulted in a gain on retirement of subordinated debt (TPS) of $10.7 million net of loss on the associated write-off of deferred loan costs of $749,000 and a reduction in our Investment in Reading International Trust I from $1.5 million to $838,000 .

During 2015, 2014, and 2013, we paid $1.4 million, $1.4 million, and $1. 2 million, respectively, in preferred dividends to the unrelated investors that are included in interest expense. At December 31, 2015 and 2014, we had preferred dividends payable of $198,000 and $194,000 , respectively. Interest payments for this loan are required every three months.

Bank of America Credit Facility
In November 2014, our Bank of America Credit Facility was refinanced from $35.0 million to $55.0 million, bearing an interest rate of LIBOR plus an applicable margin rate (ranging from 3.0% to 2.5%) adjusted quarterly and maturing on November 28, 2019 .

Bank of America Line of Credit
In October 2012, Bank of America renewed and increased our existing $ 3.0 million line of credit ("LOC") to $ 5.0 million. The LOC bears an interest rate of 3.0% above LIBOR plus a 0.03% unused line fee and will mature on October 31, 2017.

Cinemas 1,2,3 Term Loan and Line of Credit
In June 2014, our controlled subsidiary Sutton Hill Properties, LLC, refinanced its existing $15.0 million term loan with Sovereign Bank and obtained an additional $6.0 million LOC for the potential acquisition of air rights to add additional density to any redevelopment of the property (collectively, "New Loan"). The New Loan is collateralized by our Cinema 1,2,3 property and any air rights that we may acquire. The New Loan bears an interest rate of 3.5% above LIBOR and matures on July 1, 2016.

Minetta and Orpheum Theatres Loan
In May 2013, we refinanced our Liberty Theaters loan with a $7.5 million loan, secured by our Minetta and Orpheum theatres, thus releasing the Royal George from the security and leaving it unencumbered. This new loan has a maturity date of June 1, 2018 , and an interest rate of 2.75% above LIBOR. We have an interest rate cap in place to limit the interest rate on the debt at 6.75% . See Note 15 – *Derivative Instruments* .

Union Square Theatre Line of Credit
On June 2, 2015, we replaced our Union Square Term Loan with an $8.0 million "non-revolving" LOC with East West Bank, collateralized by our Union Square property. The LOC bears an interest rate of 2.95% above the 90-day LIBOR and matures on June 2, 2017, with an option to extend for one additional year.

Debt denominated in foreign currencies

Australian NAB Corporate Term Loan and Revolver
On December 23, 2015, we amended our Reading Entertainment Australia Term Loan and Corporate Credit Facility with NAB, from a three-tiered facility comprised of (1) the Bank Bill Discount Facility with a facility limit of AU $61.3 million, an interest rate of

2.35% above the BBSY, and amortization at AU $2.0 million per year; (2) the Bill Discount Facility – Revolving with a facility limit of AU $10.0 million and an interest rate of 1.50% above the BBSY on any undrawn portion; and (3) the Bank Guarantee Facility with a facility limit of AU $5.0 million, into a corresponding $48.5 million (AU $66.5 million) Revolving Corporate Markets Loan facility. The new facility has an interest rate of 0.95% above BBSY on any outstanding borrowings and an unchanged maturity date of June 30, 2019 . In addition, we will incur a facility fee of 0.95% per annum. We also have a $3.6 million (AU $5.0 million) Bank Guarantee facility at a rate of 1.90% per annum. The modifications of this particular term loan were not considered to be substantial in accordance with US GAAP.

On June 27, 2014, we refinanced our then existing three-tiered credit facility with NAB. It comprised of (1) the Bank Bill Discount Facility with a facility limit of AU$ 61.3 million, an interest rate of 2.35 % above the BBSY, and amortization at AU $2.0 million per year; (2) the Bill Discount Facility – Revolving with a facility limit of AU $10.0 million and an interest rate of 1.50% above the BBSY on any undrawn portion; and (3) the Bank Guarantee Facility with a facility limit of AU $5.0 million. All three ha d an expiry date of June 30, 2019 .

New Zealand Corporate Credit Facility
On May 21, 2015, we refinanced our existing New Zealand Corporate Credit Facility with a $34. 2 million (NZ$50.0 million) facility with the same bank (Westpac Bank) , bearing an interest rate of 1.75% above Bank Bill Bid Rate and maturing on March 31, 2018. The facility is broken into two tranches, one a $23.9 million (NZ$35.0 million) credit facility and the second tranche for a $10.3 million (NZ$15.0 million) facility to be used for construction funding. No amounts have been drawn under the second tranche to be used for construction funding.

As of December 31, 2015, our aggregate amount of future principal debt payments is estimated as follows:

(Dollars in thousands)	Future Principal Debt Payments
2016	$ 15,000
2017	10,500
2018	21,184
2019	56,344
2020	-
Thereafter	27,913
Total future principal loan payments	$ 130,941

The estimated amount of future principal payments in U.S. dollars is subject to change because the payments in U.S. dollars on the debt denominated in foreign currencies, which represents a significant portion of our total outstanding debt balance, will fluctuate based on the applicable foreign currency exchange rates.

NOTE 11 – Pension and Other Liabilities

Other liabilities including pension are summarized as follows:

(Dollars in thousands)	December 31, 2015	December 31, 2014
Current liabilities		
Lease liability [1]	$ 5,900	$ 5,900
Accrued pension [2]	1,539	855
Security deposit payable	180	202
Other	21	12
Other current liabilities	$ 7,640	$ 6,969
Other liabilities		
Straight-line rent liability	$ 10,823	$ 9,246
Accrued pension [2]	6,236	6,740
Lease make-good provision	5,228	4,385
Environmental reserve	1,656	1,656
Interest rate swap	156	2,177
Deferred Revenue - Real Estate	4,596	5,083
Acquired leases	866	1,265
Other	501	3,009
Other liabilities	$ 30,062	$ 33,561

[1] Represents the lease liability of the option associated with the ground lease purchase of the Village East Cinema. See below for more information.
[2] Represents the pension liability associated with the Supplemental Executive Retirement Plan explained below.

Lease Liability - Village East Purchase Option

On June 29, 2010, we agreed to extend our existing lease from SHC of the Village East Cinema in New York City by 10 years, with a new termination date of June 30, 2020 . The Village East lease includes a sub-lease of the ground underlying the cinema that is subject to a longer-term ground lease between SHC and an unrelated third party that expires June 1, 2031 (the "cinema ground lease"). The extended lease provides for a call option pursuant to which Reading may purchase the cinema ground lease for $5.9 million at the end of the lease term. Additionally, the lease has a put option pursuant to which SHC may require Reading to purchase all or a portion of SHC's interest in the existing cinema lease and the cinema ground lease at any time between July 1, 2013 and December 4, 2019. SHC's put option may be exercised on one or more occasions in increments of not less than $100,000 each. Because our late Chairman, Chief Executive Officer, and controlling shareholder, Mr. James J. Cotter, Sr. was also the managing member of SHC, RDI and SHC are considered entities under common control. As a result, we have recorded the Village East Cinema building as a property asset of $ 4.7 million on our balance sheet based on the cost carry-over basis from an entity under common control with a corresponding lease liability of $ 5.9 million presented under other liabilities which accreted up to the $5.9 million liability till July 1, 2013 (see Note 18 – *Related Parties and Transactions*). As the option is able to be exercised by SHC starting on July 1, 2013 , the lease liability ha s been classified as part of other current liabilities .

Pension Liability - Supplemental Executive Retirement Plan

On August 29, 2014, the Supplemental Executive Retirement Plan ("SERP") that was effective since March 1, 2007, was ended and replaced with a new pension annuity. As a result of the termination of the SERP program, the accrued pension liability of $7.6 million was reversed and replaced with a new pension annuity liability of $7.5 million. The valuation of the liability is based on the present value of $10.3 million discounted at 4.25% over a 15 -year term, resulting in a monthly payment of $56,944 payable to the estate of Mr. Jim Cotter Sr . The discount rate of 4.25% has been applied since 2014 to determine the net periodic benefit cost and plan benefit obligation and is expected to be used in future years. The discounted value of $2. 5 million (which is the difference between the estimated payout of $10.3 million and the present value of $7.8 million) will be amortized and expensed based on the 15-year term. In addition, the accumulated actuarial loss of $3.1 million recorded, as part of other comprehensive income, will also be amortized based on the 15 - y ear term.

As a result of the above, included in our other current and non-current liabilities are accrued pension costs of $7.8 million and $7.6 million as of December 31, 2015 and 2014, respectively. The benefits of our pension plans are fully vested and therefore no service costs were recognized 2015 and 2014. Our pension plans are unfunded.

The change in the SERP pension benefit obligation and the funded status are as follows:

(Dollars in thousands)	December 31, 2015	December 31, 2014
Benefit obligation at January 1	$ 7,595	$ 7,398
Interest cost	180	255
Actuarial gain	-	(58)
Benefit obligation at December 31	$ 7,775	$ 7,595
Funded status at December 31	$ (7,775)	$ (7,595)

Am ounts recognized in the balance sheet consists of:

(Dollars in thousands)	December 31, 2015	December 31, 2014
Current liabilities	$ 1,539	$ 855
Other liabilities - Non current	6,236	6,740
	$ 7,775	$ 7,595

The components of the net periodic benefit cost and other amounts recognized in other comprehensive income are as follows:

(Dollars in thousands)	December 31, 2015	December 31, 2014
Net periodic benefit cost		
Interest cost	$ 180	$ 209
Amortization of prior service costs	--	254
Amortization of net actuarial gain	207	426
Net periodic benefit cost	$ 387	$ 889
Items recognized in other comprehensive income		
Net loss	$ --	$ (58)
Amortization of prior service cost	--	(254)
Amortization of net loss	(207)	(426)
Total recognized in other comprehensive income	$ (207)	$ (738)
Total recognized in net periodic benefit cost and other comprehensive income	$ 180	$ 151

Items not yet recognized as a component of net periodic pension cost consist of the following:

(Dollars in thousands)	December 31, 2015	December 31, 2014
Unamortized actuarial loss	$ 2,848	$ 3,055
Accumulated other comprehensive loss	$ 2,848	$ 3,055

The estimated unamortized actuarial loss for the defined benefit pension plan that will be amortized from accumulated other comprehensive income into net periodic benefit cost ov er the next fiscal year will be $207,000 .

The following table presents estimated future benefit payments for the next five years and thereafter as of December 31, 2015:

(Dollars in thousands)	Estimated Future Pension Payments
2016	$ 1,539
2017	684
2018	684
2019	684
2020	684
Thereafter	3,500
Total pension payments	$ 7,775

Lease Make-Good Provision

The Company recogniz es obligations for future make-good costs relating to its leased premises. Each lease is unique to the negotiated conditions with the lessor, but in general most leases require for the removal of cinema-related assets and improvements. There are no assets specifically restricted to settle this obligation.

A reconciliation of the beginning and ending carrying amounts of the lease make-good provision is presented in the table:

(Dollars in thousands)	As of and for the year ended December 31, 2015	As of and for the year ended December 31, 2014
Opening balance	$ 4,385	$ -
Liabilities incurred during the year	1,314	4,385
Liabilities settled during the year	(381)	-
Accretion expense	212	-
Effect of changes in foreign currency	(302)	-
Ending balance	$ 5,228	$ 4,385

NOTE 12 - Commitments and Contingencies

LEASE COMMITMENTS

The Company has entered into various leases for our cinema exhibition segment because most of our cinemas operate in leased facilities. We also lease office space and equipment under non-cancelable operating leases. As of December 31, 2015, the remaining terms of these leases, inclusive of options, range from 1 to 3 5 years. All of our leases are accounted for as operating leases and we do not have any capital leases as of December 31, 2015.

We determine the annual base rent expense of our cinemas by amortizing total minimum lease obligations on a straight-line basis over the lease terms. Certain of our cinema leases provide for contingent rentals based upon a specified percentage of cinema revenue with a guaranteed minimum. Substantially all of our leases require the payment of property taxes, insurance, and other costs applicable to the property. The base rent and contingent rental expenses are summarized as follows:

(Dollars in thousands)	2015	2014	2013
Base rent expense	$ 30,565	$ 30,914	$ 32,054
Contingent rental expense	1,848	1,223	1,302
Total cinema rent expense	$ 32,413	$ 32,137	$ 33,356

Future minimum lease payments by year and, in the aggregate, under non-cancelable operating leases consisted of the following:

	Minimum Lease Payments at December 31, 2015			
(Dollars in thousands)	Ground Lease	Premises Lease	Equipment Lease	Total
2016	$ 3,529	$ 23,894	$ 2,694	$ 30,117
2017	3,621	23,712	2,665	29,998
2018	3,629	22,458	--	26,087
2019	3,691	19,683	--	23,374
2020	1,358	15,324	--	16,712
Thereafter	11,339	110,790	--	122,129
Total	$ 27,197	$ 215,861	$ 5,359	$ 248,417

We expect the amount of minimum lease payments will fluctuate depending on the foreigu currency exchange rates of the Australian dollar to the U . S . dollar and the New Zealand dollar to the U . S . dollar, mainly because a siguificant portion of our cinema exhibition business is conducted in Australia and New Zealand. See Note 18 – *Related Parties and Transactions* for the amount of leases associated with any related party leases.

LITIGATION

We are currently involved in certain legal proceedings and, as required, have accrued estimates of probable and estimable losses for t he resolution of these claims.

Where we are the plaintiffs, we expense all legal fees on an on-going basis and make no provision for any potential settlement amounts until received. In Australia, the prevailing party is usually entitled to recover its attorneys' fees, which recoveries typically work out to be approximately 60% of the amo unts actually spent where first- class legal counsel is engaged at customary rates. Where we are a plaintiff, we have likewise made no provision for the liability for the defendant's attorneys' fees in the event we are determined not to be the prevailing party.

Where we are the defendants, we accrue for probable damages that insurance may not cover as they become known and can be reasonably estimated. In our opinion, any claims and litigation in which we are currently involved are not reasonably likely to have a material adverse effect on our business, results of operations, financial position, or liquidity. I t is possible, however, that future results of the operations for any particular quarterly or annual period could be materially affected by the ultimate outcome of the legal proce edings.

From time-to- time, we are involved with claims and lawsuits arising in the ordinary course of our business that may include contractual obligations, insurance claims, tax claims, employment matters, and anti-trust issues, among other matters .

All of these matters require that we make judgments based on the facts known to us. These judgments are inherently uncertain and can change significantly when additional facts become known. We provide accruals for matters that are either probably or reasonably possible and can be properly estimated as to their expected negative outcome. We do not record expected gains until the proceeds are received by us

TAX AUDIT/LITIGATION

The Internal Revenue Service (the "IRS") examined the tax return of Craig Corporation ("CRG") for its tax year ended June 30, 1997. CRG was a stand-alone entity in the year of audit but is now a wholly-owned subsidiary of the Company. In Tax Court, CRG and the IRS agreed to compromise the claims made by the IRS against CRG, and the court order was entered on January 6, 2011. As of December 31, 2015, the remaining federal tax obligation was $2.5 million, reflecting additional interest accrued during the term of the four year installment plan. For additional information, see Note 9 – *Income Taxes* .

ENVIRONMENTAL AND ASBETOS CLAIMS

Certain of our subsidiaries were historically involved in railroad operations, coal mining, and manufacturing. Also, certain of these subsidiaries appear in the chain-of-title of properties that may suffer from pollution. Accordingly, certain of these subsidiaries have, from time-to-time, been named in and may in the future be named in various actions brought under applicable environmental laws. Also, we are in the real estate development business and may encounter from time-to-time unanticipated environmental conditions at properties that we have acquired for development. These environmental conditions can increase the cost of such projects and adversely affect the value and potential for profit of such projects. We do not currently believe that our exposure under applicable environmental laws is material in amount.

From time-to-time, we have claims brought against us relating to the exposure of former employees of our railroad operations to asbestos and coal dust. These are generally covered by an insurance settlement reached in September 1990 with our insurance carriers. However, this insurance setflement does not cover litigation by people who were not our employees and who may claim second-hand exposure to asbestos, coal dust and/or other chemicals or elements now recognized as potentially causing cancer in humans. Our known exposure to these types of claims, asserted or probable of being asserted, is not material.

DERIVATIVE LITIGATION AND JAMES J. COTTER, JR. ARBITRATION

On June 12, 2015, the Board of Directors terminated James J. Cotter, Jr. as the President and Chief Executive Officer of our Company. That same day, Mr. Cotter, Jr. filed a lawsuit, styled as both an individual and a derivative action, and titled "James J. Cotter, Jr., individually and derivatively on behalf of Reading International, Inc. vs. Margaret Cotter, et al." Case No,: A-15-719860-V, Dept XI (the "Cotter Jr. Derivative Action" and the "Cotter, Jr. Complaint," respectively) against the C ompany and each of our other the n sitting Directors (Ellen Cotter, Margaret Cotter, Guy Adams, William Gould, Edward Kane, Douglas McEachern, and Tim Storey, the "Defendant Directors") in the Eighth Judicial District Court of the State of Nevada for Clark County (the "Nevada District Court"). On October 22, 2015, Mr. Cotter, Jr., amended his complaint to drop his individual claims (the "Amended Cotter Jr. Derivative Complaint"). Accordingly, the Amended Cotter, Jr. Complaint presently purports to assert only purportedly derivative claims and to seek remedies only on behalf of the Company. The lawsuit currently alleges, among other things, that the Defendant Directors breached their fiduciary duties to the Company by terminating Mr. Cotter, Jr. as President and Chief Executive Officer,

continuing to make use of the Executive Committee that has been in place for more than the past ten years, making allegedly potentially misleading statements in its press releases and filings with the Securities and Exchange Commission ("SEC"), paying certain compensation to Ms. Ellen Cotter, and allowing the Cotter Estate to make use of Class A Common Stock to pay for the exercise of certain long outstanding stock options held of record by the Cotter Estate. He seeks reinstatement as President and CEO and alleges as damages fluctuations in the price for our Company's shares after the announcement of his termination as President and CEO and certain unspecified damages to our Company's reputation.

In a derivative action, the stockholder plaintiff seeks damages or other relief for the benefit of the Company, and not for the stockholder plaintiff's individual benefit. Accordingly, the Company is, at least in theory, only a nominal defendant in such a derivative action. However, as a practical matter, because Mr. Cotter, Jr. is also seeking, among other things, an order that our Board's determination to terminate Mr. Cotter Jr. was ineffective and that he be reinstated as the President and CEO of the Company and also disbanding our Board's Executive Committee (an injunctive remedy that, if granted, would be binding on the Company), and as he asserts potentially misleading statements in certain press releases and filings with the SEC, the Company is incurring significant cost and expense defending the decision to terminate Mr. Cotter, Jr. as President and Chief Executive Officer, its board committee structure, and the adequacy of those press releases and filings. Also, the Company continues to incur costs promulgating and responding to discovery demands and satisfying indemnity obligations to the Defendant Directors.

Our directors and officers liability insurer is providing insurance coverage, subject to a $500,000 deductible (which has now been exhausted) and its standard reservation of rights, with respect to the defense of the Director Defendants. Our new Directors, Dr. Judy Codding and Mr. Michael Wrotniak, are not named in the Cotter Jr. Derivative Action as they were not Directors at the time of the breaches of fiduciary duty alleged by Mr. Cotter, Jr.

Pursuant to the terms of Mr. Cotter Jr.'s employment agreement with the Company, disputes relating to his employment are to be arbitrated. Accordingly, on July 14, 2015, the Company filed an arbitration demand with the American Arbitration Association against Mr. Cotter, Jr. The demand seeks declaratory relief, among other things, that Mr. Cotter, Jr.'s employment and employment agreement with the Company have been validly terminated and that the Board of Directors validly removed him from his positions as Chief Executive Officer and President of the Company and positions with the Company's subsidiaries.

Mr. Cotter, Jr. has filed a counter-complaint in the arbitration, asserting claims for breach of his employment contract, declaratory relief, and contractual indemnification. Mr. Cotter, Jr.'s counsel has advised that Mr. Cotter is seeking a variety of damages, including consequential damages, and that such claimed damages total not less than $1,000,000 . On April 19, 2016, Mr. Cotter, Jr. filed an action in the District Court, Clark County, Nevada seeking to recover his costs of defending the Arbitration, plus compensatory damages and interest at the maximum legal rate.

On August 6, 2015, the Company received notice that a Motion to Intervene in the Cotter Jr Derivative Action and that a proposed derivative complaint had been filed in the Nevada District Court captioned T2 Partners Management, LP, a Delaware limited partnership, doing business as Kase Capital Management; T2 Accredited Fund, LP, a Delaware limited partnership, doing business as Kase Fund; T2 Qualified Fund, LP, a Delaware limited partnership, doing business as Kase Qualified Fund; Tilson Offshore Fund, Ltd, a Cayman Islands exempted company; T2 Partners Management I, LLC, a Delaware limited liability company, doing business as Kase Management: T2 Partners Management Group, LLC, a Delaware limited liability company, doing business as Kase Group; JMG Capital Management, LLC, a Delaware limited liability company, Pacific Capital Management, LLC, a Delaware limited liability company, derivatively on behalf of Reading International, Inc. vs. Margaret Cotter, Ellen Cotter, Guy Adams, Edward Kane, Douglas McEachern, Timothy Storey, William Gould and Does 1 through 100, inclusive, as defendants, and, Reading International, Inc., a Nevada corporation, as Nominal Defendant (the "T2 Derivative Action"). On Augnst 11, 2015, the Court granted the motion of T2 Partners Management, LP et. al. (the "T2 Plaintiffs"), allowing these plaintiffs to file their complaint (the "T2 Derivative Complaint").

On September 9, 2015, certain of the Defendant Directors filed a Motion to Dismiss the T2 Derivative Complaint. The Company joined this Motion to Dismiss on September 14, 2015. The hearing on this Motion to Dismiss was vacated as the T2 Plaintiffs voluntarily withdrew the T2 Derivative Complaint, with the parties agreeing that T2 Plaintiffs would have leave to amend the Complaint. On February 12, 2016, The T2 plaintiff filed an amended T2 Derivative Complaint (the "Amended T2 Derivative Complaint").

The T2 Plaintiffs allege in their Amended T2 Derivative Complaint various violations of fiduciary duty, abuse of control, gross mismanagement and corporate waste by the Defendant Directors. More specifically the T2 Derivative Complaint seeks the reinstatement of James J. Cotter, Jr. as President and Chief Executive Officer and certain monetary damages, as well as equitable injunctive relief, attorney fees and costs of suit. Once again, the Company has been named as a nominal defendant. However, because the T2 Derivative Complaint also seeks the reinstatement of Mr. Cotter, Jr., as our President and CEO, it is being defended by the Company. In addition, the Company continues to incur costs promulgating and responding to discovery demands and satisfying indemnity obligations to the Defendant Directors. The Defendant Directors are the same as named in the Cotter Jr. Derivative Action as well as our two new Directors Dr. Judy Codding and Michael Wrotniak and Company legal counsel, Craig Tompkins. The cost of the defense of Directors Codding and Wrotniak is likewise being covered by our Directors and officer's liability insurance carrier with the same reservations of right as in the Cotter Jr. Derivative Action, but without any separate deductible. The cost of the defense of Mr. Tompkins is being covered by the Company under its indemnity agreement with him.

The Amended T2 Derivative Complaint has deleted its request for an order disbanding our Executive Committee and for an order "collapsing the Class A and B stock structure into a single class of voting stock." The Amended T2 Complaint has added a request for an order setting aside the election results from the 2015 Annual Meeting of Stockholders, based on an allegation that Ellen Cotter and Margaret Cotter were not entitled to vote the shares of Class B Common Stock held by the Cotter Estate and the Cotter Trust. The Company and the other defendants contest the allegations of the T2 Plaintiffs. The Company followed applicable Nevada law in recognizing that Ellen Cotter and Margaret Cotter had the legal right and power to vote the shares of Class B Common Stock held of record by the Cotter Estate and the Cotter Trust, and the independent Inspector of Elections has certified the results of that election.. Furthermore, even if the election results were to be overturned or voided, this would have no impact on the current composition of our Board or any action taken by our Board since our 2015 Aunual Meeting of Stockholders, as all of the nominees were standing for re-election and accordingly retain their directorships until their replacements are elected. The Company will vigorously contest any assertions by the T2 Plaintiffs challenging the voting at the 2015 Aunual Meeting of Stockholders and believes that the court will rnle for the Company should this issue ever reach the court. The case is current set for trial in November, 2016. The T2 Plaintiffs have not sought any expedited ruling from the Court with respect to their assertions that Ellen Cotter and Margaret Cotter did not have the right and power to vote the shares of Class B Common Stock held of record by the Cotter Estate and the Cotter Trust.

The Company believes that the claims set forth in the Amended Cotter Jr. Derivative Complaint and the Amended T2 Derivative Complaint are entirely without merit and seek equitable remedies for which no relief can be given. The Company intends to defend vigorously against any claims against our officers and directors and against any attempt to reinstate Mr. Cotter, Jr. as President and Chief Executive Officer or to effect any changes in the rights of our Company's stockholders.

THE STOMP ARBITRATION

In April 2015, Liberty Theatres, LLC ("Liberty"), a wholly owned subsidiary of the Company, commenced an American Arbitration Association arbitration proceeding (Case No.:01-15-0003-3728) against The Stomp Company Limited Partnership (the "Producer") in response to the Producer's purported termination of their license agreemen t with Liberty relating to the long playing show STOMP. Liberty sought specific performance, injunctive and declaratory relief and damages. The Producer counterclaimed for unspecified damages, alleging that Liberty has interfered with the Producer's endeavors to move the show to another Off-Broadway theater. The Producer based its purported termination of the license agreement upon the alleged deficient condition of the Orpheum Theater, in which STOMP has been playing for more than the past 20 years.

On December 18, 2015, the Arbitrator issued his Partial Final Award of Arbitration, providing for, among other things (i) the issuance of a permanent injunction prohibiting the Producer from "transferring or taking actions to market, promote, or otherwise facilitate any transfer of, STOMP to another theatre in New York City having fewer than 500 seats without Liberty's prior written consent", (ii) the Producer's Notice of Termination purportedly terminating the parties' license agreement was invalid, null and void and the License Agreement remains in full force and effect, and (iii) the award to Liberty of its reasonable attorneys' fees in an amount to be determined by the Arbitrator. The Company expects the final award of attorneys' fees to be decided during the second quarter of 2016.

In explaining his decision to award Liberty its reasonable attorneys' fees, the Arbitrator stated as follows: "Liberty is entitled to such an award [of attorneys' fees] not only because it is the prevailing party in this proceeding, but because [the Producer] unfairly disparaged the Orpheum and caused Liberty to incur attorneys' fees in order to address and resolve [the Producer's] groundless and frivolous allegations with respect to the Orpheum's condition, Liberty's performance under the License Agreement, and Stomp's reasons for seeking to transfer STOMP to a larger theatre."

NOTE 13 – Noncontrolling interests

As of December 31, 2015, the noncontrolling interests in our consolidated subsidiaries are comprised of the following:

- Australia Country Cinemas Pty Ltd. -- 25% noncontrolling interest owned by Panorama Cinemas for the 21st Century Pty Ltd.;
- Shadow View Land and Farming, LLC -- 50% noncontrolling membership interest owned by the estate of Mr. James J. Cotter, Sr.; and
- Sutton Hill Properties, LLC -- 25% noncontrolling interest owned by Sutton Hill Capital, LLC.

The components of noncontrolling interest are as follows:

(Dollars in thousands)	December 31, 2015	December 31, 2014
AFC LLC	$ --	$ --
Australian Country Cinemas, Pty Ltd	318	410
Shadow View Land and Farming, LLC	1,940	2,000
Sutton Hill Properties, LLC	2,073	2,202
Noncontrolling interests in consolidated subsidiaries	$ 4,331	$ 4,612

The components of income /(loss) attributable to noncontrolling interests are as follows:

(Dollars in thousands)	2015	2014	2013
AFC LLC	$ --	$ --	$ 173
Australian Country Cinemas, Pty Ltd	126	143	129
Shadow View Land and Farming, LLC	(77)	(64)	(50)
Sutton Hill Properties, LLC	(128)	(136)	(148)
Noncontrolling interests in consolidated subsidiaries	$ (79)	$ (57)	$ 104

AFC LLC Acquisition of Noncontrolling Interest

On June 28, 2013 , we acquired the interest in AFC LLC that we did not already own in consideration of the release of certain claims we held against the owner of that interest under a guaranty agreement. The removal of the AFC LLC noncontrolling interest balance at December 31, 2013 was reflected as a change in our additional paid in capital.

Shadow View Land and Farming, LLC

This land is held in Shadow View Land and Farming, LLC, in which the Cotter Estate or the Cotter Trust now owns a 50% interest. We are the managing member of Shadow View Land and Farming, LLC. W e consolidate the Cotter Estate's and/or the Cotter Trust's interest in the property and its expenses wit h that of our interest and show their interest as a noncontrolling interest. Note 4 – *Acquisitions, Disposals, and Assets Held for Sale* .

Sutton Hill Properties

On June 18, 2013, our co-investor, having a 25% interest in our Sutton Hill Properties subsidiary, contributed $2.25 million toward the payoff of our SHC Note 2 for $9.0 million, resulting in a $2.25 million contribution of capital to Sutton Hill Properties (See Note 10 – *Debt*).

N OTE 1 4 – Equity and Stock-Based Compensation

Former Executive Stock Based Compensation

As part of his compensation package, Mr. James J. Cotter, Sr. , our now deceased former Chairman of the Board and Chief Executive Officer, was granted restricted Class A Non-voting Common Stock ("Class A Stock") for 2014 and 2013 . Mr. Cotter, Sr.'s stock compensation was granted fully vested with a five -year restriction on sale and the applicable compensation expense was recorded in the year of grant . The 2014 stock grants were issued in the first quarter of 2015. The table below summarizes the fair value on grant date recognized as compensation , the number of shares granted, and the fair value of stock per share for the years ended December 31, 201 4 and 201 3 :

	Fair Value	Number of Shares	Fair Value Per Share
2014	$ 1,200,000	160,643	$ 7.47
2013	750,000	125,209	5.99

Employee and Director Stock Option Plan

The Company may grant stock options and other share-based payment awards of our Class A Stock to eligible employees, D irectors, and consultants under the 2010 Stock Incentive Plan. The aggregate total number of shares of the Class A Nonvoting Common Stock authorized for issuance under our 2010 Stock Incentive Plan is 1,250,000 . As of December 31, 2015, we had 551,800 shares remaining for future issuances.

Stock options are generally granted at exercise prices equal to the grant-date market prices and expire no later than ten years from the grant date. In recent periods, we have typically limited the exercise period of granted options to five years. At the discretion of our Compensation and Stock Options Committee, the vesting period of stock options ranges from zero to four years. At the time that options are exercised, at the discretion of management, we will either issue treasury shares or make a new issuance of shares to the option holder.

We estimate the grant-date fair value of our options using the Black-Scholes option-valuation model, which takes into account assumptions such as the dividend yield, the risk-free interest rate, the expected stock price volatility, and the expected life of the options. We expense the estimated grant-date fair values of options over the vesting period on a straight-line basis. Based on our historical experience and the relative market price to strike price of the options, we have not hereto estimated any forfeitures of vested or unvested options.

T he weighted average assumptions used in the option-valuation model were as follows:

	2015	2014	2013
Stock option exercise price	$ 13.30	$ 8.56	$ 6.19
Risk-free interest rate	2.23%	2.51%	2.25%
Expected dividend yield	–	–	–
Expected option life in years	4	5	5
Expected volatility	31.86%	31.33%	31.80%
Weighted average fair value	$ 3.82	$ 2.76	$ 1.98

We recorded compensation expense of $282,308 , $146,000 , and $199,000 for 2015, 2014, and 2013, respectively. At December 31, 2015 , the total unrecognized estimated compensation cost related to non-vested stock options was $576,248 which is expected to be recognized over a weighted average vesting period of 1.83 years. Cash and other consideration received from option exercises during 2015, 2014, and 2013 totaled $3.0 million, $ 978,000 , and $ 248,000 , respectively.

The following is a summary of the status of RDI's outstanding stock options :

	Outstanding Stock Options					
	Number of Options		Weighted Average Exercise Price		Weighted Average Remaining Years of Contractual Life	Aggregate Intrinsic Value
	Class A	Class B	Class A	Class B	Class A&B	Class A&B
Outstanding - January 1, 2013	672,350	185,100	$ 6.24	$ 9.90		
Granted	175,000	--	6.19	--		
Exercised	(137,500)	--	4.00	--		$ 133,000
Outstanding - December 31, 2013	709,850	185,100	$ 6.66	$ 9.90	4.70	$ 938,503
Granted	80,000	--	8.56	--		
Exercised	(157,600)	--	6.21	--		$ 374,022
Expired	(64,000)	--	6.83	--		
Outstanding - December 31, 2014	568,250	185,100	$ 6.88	$ 9.90	2.40	$ 4,197,000
Granted	112,000	--	13.30	--		
Exercised	(185,685)	(185,100)	6.09	9.90		$ 327,170
Expired	(8,000)	--	6.23	--		
Outstanding - December 31, 2015	486,565	--	$ 8.68	$ --	2.89	$ 2,188,011

The following is a summary of the status of RDI's vested stock options :

	Vested Stock Options					
	Number of Options		Weighted Average Exercise Price		Weighted Average Remaining Years of Contractual Life	Aggregate Intrinsic Value
	Class A	Class B	Class A	Class B	Class A&B	Class A&B
December 31, 2015	256,065	--	$ 7.64	$ --	2.14	$ 1,401,321
December 31, 2014	348,000	185,100	6.82	9.90	3.63	2,476,230
December 31, 2013	490,350	185,100	6.85	9.90	3.11	646,032

Common Stock Repurchase

On May 16, 2014, the Company's Board of D irectors authorized management, at its discretion, to spend up to an aggregate of $10.0 million to acquire shares of the Company's c ommon s tock. This approved stock repurchase plan supersedes and effectively cancels the pr ogram that was approved by the B oard of Directors on May 14, 2004, which allowed management to purchase up to 350,000 shares of Reading's c ommon s tock.

The repurchase program allows Reading to repurchase its shares in accordance with the requirements of the SEC on the open market, in block trades and in privately negotiated transactions, depending on market conditions and other factors. All purchases are subject to the availability of shares at prices that are acceptable to Reading, and accordingly, no assurances can be given as to the timing or number of shares that may ultimately be acquired pursuant to this authorization.

The Company repurchased its common stock as follows :

	Shares Acquired	Share Price	Total Paid (in thousands)
2015	240,102	$ 12.95	$ 3,109
2014	432,252	9.42	4,070
Total	672,354	$ 10.68	$ 7,178

Accumulated Other Comprehensive Income

The following table summarizes the changes in each component of accumulated other comprehensive income attributable to RDI:

(Dollars in thousands)	Foreign Currency Items	Unrealized Gain (Losses) on Available-for-Sale Investments	Accrued Pension Service Costs	Total
Balance at January 1, 2015	$ 31,084	$ 10	$ (3,055)	$ 28,039
Net current-period other comprehensive income	(16,442)	2	207	(16,233)
Balance at December 31, 2015	$ 14,642	$ 12	$ (2,848)	$ 11,806

NOTE 15 – Derivative Instruments

We enter into interest rate derivative instruments to hedge the interest rate risk that results from the characteristics of our floating-rate borrowings. Our use of derivative transactions is intended to reduce long-term fluctuations in cash flows caused by market movements. All derivative instruments are recorded on the balance sheets at fair value with changes in fair value recorded to interest expense in the consolidated statements of operations. As of December 31, 2015, we have not designated any of our derivatives as accounting hedges.

The Company's derivative positions measured at fair value are summarized in the following tables:

	December 31, 2015				
(Dollars in thousands)	Notional	Current Assets	Other Assets	Other Current Liabilities	Other Long-Term Liabilities
Interest rate swap	$ 52,413	$ --	$ --	$ 156	$ --
Interest rate cap	7,500	--	1	--	--

	December 31, 2014				
(Dollars in thousands)	Notional	Current Assets	Other Assets	Other Current Liabilities	Other Long-Term Liabilities
Interest rate swap	$ 105,360	$ --	$ --	$ 2,153	$ --
Interest rate cap	7,500	--	--	24	--

The following table summarizes the unrealized gains or losses due to changes in fair values of the derivatives that are recorded in interest expense in the consolidated statements of operations, for 2015, 2014, and 2013 :

(Dollars in thousands)	2015	2014	2013
Net unrealized gains on interest rate derivatives	$ 2,021	$ 1,036	$ 2,642

N OTE 16 – Fair Value Measuremen t

R ecurring Fair Value Measurement

The following tables summarize our financial assets and financial liabilities measured at fair value on a recurring basis by level within the fair value hierarchy. Financial assets and financial liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement .

	Recurring Fair Value Measurement at December 31, 2015			
(Dollars in thousands)	Level 1	Level 2	Level 3	Total
Assets				
Investments	$ 51	$ --	$ --	$ 51
Derivatives	--	1	--	1
Liabilities				
Derivatives	--	(156)	--	(156)
Total recorded at fair value	$ 51	$ (155)	$ --	$ (104)

	Recurring Fair Value Measurement at December 31, 2014			
(Dollars in thousands)	Level 1	Level 2	Level 3	Total
Assets				
Investments	$ 54	$ --	$ --	$ 54
Derivatives	--	--	--	--
Liabilities				
Derivatives	--	(2,177)	--	(2,177)
Total recorded at fair value	$ 54	$ (2,177)	$ --	$ (2,123)

Nonr ecurring Fair Value Measurement

The following tables provide information about financial assets and liabilities not carried at fair value on a non recurring basis in our c onsolidated b alance s heets :

		Fair Value Measurement at December 31, 2015			
(Dollars in thousands)	Carrying Value	Level 1	Level 2	Level 3	Total
Financial assets					
Cash and Cash equivalents	$ 19,702	$ 19,702	$ --	$ --	$ 19,702
Accounts receivables	10,036	10,036	--	--	10,036
Restricted Cash	160	160	--	--	160
Financial liabilities					
Accounts and film rent payable	$ 32,929	$ 32,929	$ --	$ --	$ 32,929
Notes payable	103,028	--	--	99,554	99,554
Subordinated debt	27,913	--	--	13,338	13,338

(Dollars in thousands)	Carrying Value	Fair Value Measurement at December 31, 2014 Level 1	Level 2	Level 3	Total
Financial assets					
Cash and Cash equivalents	$ 50,248	$ 50,248	$ --	$ --	$ 50,248
Accounts receivables	11,348	11,348	--	--	11,348
Restricted Cash	1,433	1,433	--	--	1,433
Financial liabilities					
Accounts and film rent payable	$ 28,845	$ 28,845	$ --	$ --	$ 28,845
Notes payable	136,123	--	--	116,115	116,115
Subordinated debt	27,913	--	--	10,096	10,096

N OTE 17 - Future Minimum Rental Income

Real estate revenue amounted to $15.0 million, $16.9 million, and $18.8 million, for the years ended December 31, 2015 , 2014 , and 2013 , respectively. As of December 31, 2015, f uture minimum rental income under all contractual operating leases is summarized as follows :

(Dollars in thousands)	Future Minimum Rental Income
2016	$ 7,919
2017	6,781
2018	5,889
2019	4,938
2020	3,913
Thereafter	16,380
Total	$ 45,820

NOTE 18 – Related Parties and Transactions

Sutton Hill Capital

In 2001, we entered into a transaction with Sutton Hill Capital, LLC ("SHC") regarding the master leasing , with an option to purchase , of certain cinemas located in Manhattan including our Village East and Cinemas 1,2,3 theaters. In counection with that transaction, we also agreed (i) to lend certain amounts to SHC, to provide liquidity in its investment, pending our determination whether or not to exercise our option to purchase and (ii) to manage the 86th Street Cinema on a fee basis. SHC is a limited liability company owned in equal shares by the Cotter Estate or the Cotter Trust and a third party.

As previously reported, over the years, two of the cinemas subject to the master leasing agreement have been redeveloped and one (the Cinemas 1, 2 & 3 discussed below) has been acquired. The Village East is the only cinema that remains subject to this master lease. We paid an annual rent of $590,000 for this cinema to SHC in each of 2015 , 2014 , and 2013 . During this same period, we received management fees from the 86 th Street Cinema of $151,000 , $123,000 and $183,000 .

In 2005, we acquired (i) from a third party the fee interest underlying the Cinemas 1,2,3 and (ii) from SHC its interest in the ground lease estate underlying and the improvements constituting the Cinemas 1,2,3. The ground lease estate and the improvements acquired from SHC were originally a part of the master lease transaction, discussed above. In counection with that transaction, we granted to SHC an option to acquire at cost a 25% interest in the special purpose entity (Sutton Hill Properties, LLC) formed to acquire these fee, leasehold and improvements interests . On June 28, 2007, SHC exercised this option, paying $3.0 million and assuming a proportionate share of SHP's liabilities. At the time of the option exercise and the closing of the acquisition of the 25% interest, SHP had debt of $26.9 million, including a $2.9 million, non-interest bearing intercompany loan from the Company. As of December 31, 2015, SHP had debt of $19.4 million (again, including the intercompany loan). Since the acquisition by SHC of its 25% interest, SHP has covered its operating costs and debt service through cash flow from the Cinema 1,2,3, (ii) borrowings from third parties, and (iii) pro-

rata contributions from the members. We receive a n annual management fee equal to 5% of SHP's gross income for managing the cinema and the property, amounting to $153,000 , $123,000 and $183,000 in 2015, 2014 and 2013 respectively. This management fee was modified in 2015, as discussed below, retroactive to December 1, 2014.

On June 29, 2010, we agreed to extend our existing lease from SHC of the Village East Cinema by 10 years, with a new termination date of June 30, 2020 . This amendment was reviewed and approved by our Audit and Conflicts Committee. The Village East lease includes a sub-lease of the ground underlying the cinema that is subject to a longer-term ground lease between SHC and an unrelated third party that expires in June 2031 (the "cinema ground lease"). The extended lease provides for a call option pursuant to which Reading may purchase the cinema ground lease for $5.9 million at the end of the lease term. Additionally, the lease has a put option pursuant to which SHC may require Reading to purchase all or a portion of SHC's interest in the existing cinema lease and the cinema ground lease at any time between July 1, 2013 and December 4, 2019. SHC's put option may be exercised on one or more occasions in increments of not less than $100,000 each. W e recorded the Village East Cinema building as a property asset of $4.7 million on our balance sheet based on the cost carry-over basis from an entity under common control with a corresponding capital lease liability of $5.9 million presented under other liabilities (see Note 11 – *Pension and Other Liabilities*).

In February 2015, we and SHP entered into an amendment to the management agreement dated as of June 27, 2007 between us and SHP. The amendment, which was retroactive to December 1, 2014, memorialized our undertaking to SHP with respect to $750,000 (the "Renovation Funding Amount") of renovations to Cinemas 1, 2 & 3 funded or to be funded by us. In consideration of our funding of the renovations, our annual management fee under the management agreement was increased commencing January 1, 2015 by an amount equivalent to 100% of any incremental positive cash flow of Cinemas 1, 2, 3 over the average annual positive cash flow of the Cinemas 1,2,3 over the three -year period ended December 31, 2014 (not to exceed a cumulative aggregate amount equal to the Renovation Funding Amount), plus a 15% annual cash-on-cash return on the balance outstanding from time to time of the Renovation Funding Amount, payable at the time of the payment of the annual management fee. Under the amended management agreement, we are entitled to retain ownership of (and any right to depreciate) any furniture, fixtures and equipment purchased by us in connection with such renovation and have the right (but not the obligation) to remove all such furniture, fixtures and equipment (at our own cost and expense) from the Cinemas upon the termination of the management agreement. The amendment also provides that, during the term of the management agreement, SHP will be responsible for the cost of repair and maintenance of the renovations. In 2015, we received a management fee of $153,000. This amendment was approved by SHC and by the Audit and Conflicts Committee of our Board of Directors.

OBI Management Agreement

Pursuant to a Theater Management Agreement (the "Management Agreement"), our live theater operations were, until recenfly, managed by Off-Broadway Investments, LLC ("OBI Management"), which is wholly owned by Ms. Margaret Cotter who is the daughter of the late Mr. James J. Cotter, Sr., the sister of Ellen Cotter and James Cotter, Jr., and a member of our Board of Directors. That Management Agreement was terminated effective March 10, 2016 in connection with the retention by our Company of Margaret Cotter as a full time employee.

The Theater Management Agreement generally provided for the payment of a combination of fixed and incentive fees for the management of our four live theaters. Historically, these fees have equated to approximately 21% of the net cash flow generated by these properties. We currenfly estimate that fees to be paid to OBI for 2015 will be approximately $ 5 89,000 . We paid $397,000 and $401,000 in fees with respect to 2014, and 2013, respectively. We also reimbursed OBI for certain travel expenses, shared the cost of an administrative assistant and provided office space at our New York offices. The increase in the payment to OBI for 2015 was attributable to work done by Margaret Cotter, working through OBI with respect to the development of our Union Square and Cinemas 1,2&3 properties.

OBI Management historically conducted its operations from our office facilities on a rent-free basis, and we share d the cost of one administrative employee of OBI Management. We reimbursed travel related expenses for OBI Management personnel with respect to travel between New York City and Chicago in connection with the management of the Royal George complex. Other than these expenses, OBI Management wa s responsible for all of its costs and expenses related to the performance of its management functions. The Management Agree ment renewed automatically each year unless either party gives at least six months' prior notice of its determination to allow the Management Agreement to expire. In addition, we could terminate the Management Agreement at any time for cause.

Effective March 10 , 2016, Margaret Cotter became a full time employee of the Company and the Management Agreement was terminated. As Executive Vice-President Real Estate Management and Development - NYC, Ms. Cotter will continue to be responsible for the management of our live theater assets, will continue her role heading up the pre-redevelopment of our New York Properties and will become our senior executive responsible for the actual redevelopment of our New York properties. Pursuant to the termination agreement (which is currenfly being finalized as of the date of the audit report) , Ms. Cotter will be giving up any right she might otherwise have, through OBI, to income from STOMP.

Ms. Cotter's compensation as Executive Vice-President was set as part of an extensive executive compensation process. For 2016, Ms. Cotter's base salary will be $350,000 , she will have a short term incentive target bonus opportunity of $105,000 (30% of her base salary), and she was granted a long term incentive of a stock option for 19,921 shares of Class A common stock and 4,184 restricted stock units under the Company's 2010 Stock Incentive Plan, as amended, which long term incentives vest over a four year period.

Live Theater Play Investment

From time to time, our officers and Directors may invest in plays that lease our live theaters. The play STOMP has been playing in our Orpheum Theatre since prior to the time we acquired the theater in 2001. The Cotter Estate or the Cotter Trust and Mr. Michael Forman own an approximately 5% interest in that play, an interest that they have held since prior to our acquisition of the theater. Refer to Item 3 – *Legal Proceedings* for more information about the show STOMP.

Shadow View Land and Farming LLC

During 2012, Mr. James J. Cotter, Sr., our then Chairman, Chief Executive Officer and controlling shareholder, contributed $2.5 million cash and $255,000 of his 2011 bonus as his 50% share of the purchase price of a land parcel in Coachella, California and to cover his 50% share of certain costs associated with that acquisition. This land is held in Shadow View Land and Farming, LLC, in which the Cotter Estate or the Cotter Trust owns a 50% interest. We are the managing member of Shadow View Land and Farming, LLC (see Note 13 – *Noncontrolling Interests*). The property is held debt free, and operating and holding costs are covered by member contributions. The Audit and Conflicts Committee of the Board of Directors is charged with responsibility for oversight of our management of the management of Shadow View.

Document Storage Agreement

In consideration of the payment of $100 per month, our Company has agreed to allow Ellen Cotter and Margaret Cotter to keep certain files related to the Cotter Estate and/or the Cotter Trust at our Los Angeles Corporate Headquarters.

NOTE 19 – Casualty Loss

On July 21, 2013, Wellington, New Zealand experienced a strong earthquake that damaged our parking structure adjac ent to our Courtenay Central ET C. The parking structure reopened in November 2014. As of December 31, 2015, the car park has been repaired and strengthened to its pre-earth quake strength of 35% of code and work continues to bring this up to 70% of code .

N OTE 2 0 – Unaudited Quarterly Financial Information

(Dollars in thousands, except per share data)	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
2015				
Revenue	$ 60,584	$ 72,802	$ 57,788	$ 66,149
Net income	3,102	16,006	328	3,258
Net income attributable to RDI shareholders	3,118	15,997	381	3,277
Basic earnings per share	0.13	0.69	0.02	0.14
Diluted earnings per share	0.13	0.68	0.02	0.14
2014				
Revenue	$ 58,053	$ 69,922	$ 65,031	$ 61,742
Net income (loss)	(254)	4,773	3,939	17,186
Net income (loss) attributable to RDI shareholders	(215)	4,757	3,939	17,220
Basic earnings (loss) per share	(0.01)	0.20	0.17	0.74
Diluted earnings (loss) per share	(0.01)	0.20	0.17	0.72

N OTE 2 1 – Subsequent Events

Bank of America Credit Facility

On March 3, 2016, we amended our $55,000,000 Bank of America credit facility to permit real property acquisition loans subject to the proviso that the consolidated leverage ratio would be reduced by 0.25 from the established levels in the credit facility during the period of such borrowing subject further to a repayment of such borrowings on the earlier of the eighteen months from the date of such borrowing or the maturity date of the credit agreement. Such modification is not considered to be substantial in accordance with US GAAP.

Acquisition of New Corporate Headquarters in Los Angeles

On April 11 , 2016, we purchase d for $ 11.2 million a 24,000 square foot Class B office building with 72 parking spaces located at 5995 Sepulveda Boulevard in Culver City, California. We intend to use approximately 50% of the leasable area for our headquarters offices and to lease the remainder to unaffiliated third parties. We anticipate, when the move is complete and the excess space is leased, we will be able to reduce our headquarters occupancy cost by approximately $350,000 per annum. The Company is in the process of obtaining a mortgage on this office building.

Updates to the Redevelopment Project of Union Square New York

On March 22, 2016, we received the unanimous approval of the Board of Standards and Appeals of our application for the variances needed to redevelop our Union Square propert y for retail and office uses. This is the last major regulatory hurdle to commencement of construction. While our plans still m ust be approved by the New York City Department of Buildings, we do not currently anticipate encountering any material issues. On March 28, 2016, we entered into a construction management agreement for preconstruction serv ices with an affiliate of CNY.

Schedule II – Valuation and Qualifying Accounts

	Balance at January 1	Additions	Deductions	Balance at December 31
Allowance for doubtful accounts				
2015	$ 586	$ 786	$ 946	$ 426
2014	$ 375	$ 297	$ 86	$ 586
2013	$ 209	$ 505	$ 339	$ 375
Tax valuation allowance				
2015	$ 15,936	$ --	$ 4,406	$ 11,530
2014	$ 34,022	$ --	$ 18,086	$ 15,936
2013	$ 37,903	$ --	$ 3,881	$ 34,022

RDI-A03915

Item 9 – Change in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

Item 9A — Controls and Procedures

Management's Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Securities Exchange Act Rules 13a-15(f) and 15d-15(f), including maintenance of (i) records that in reasonable detail accurately and fairly reflect the transactions and dispositions of our assets, and (ii) policies and procedures that provide reasonable assurance that (a) transactions are recorded as necessary to permit preparation of financial statements in accordance with accounting principles generally accepted in the United States of America, (b) our receipts and expenditures are being made only in accordance with authorizations of management and our Board of Directors and (c) we will prevent or timely detect unauthorized acquisition, use, or disposition of our assets that could have a material effect on the financial statements.

Internal control over financial reporting cannot provide absolute assurance of achieving financial reporting objectives because of the inherent limitations of any system of internal control. Internal control over financial reporting is a process that involves human diligence and compliance and is subject to lapses of judgment and breakdowns resulting from human failures. Internal control over financial reporting also can be circumvented by collusion or improper overriding of controls. As a result of such limitations, there is risk that material misstatements may not be prevented or detected on a timely basis by internal control over financial reporting. However, these inherent limitations are known features of the financial reporting process. Therefore, it is possible to design into the process safeguards to reduce, though not eliminate, this risk.

Under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, we conducted an evaluation of the effectiveness of our internal control over financial reporting based on the criteria established in 2013 Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations (COSO) of the Treadway Commission. As reported in our September 30, 2014 10-Q filing and further noted in our December 31, 2014 10-K filing, our management identified a material weakness in our internal control over financial reporting in the area of income taxes based on our discovery that our audited consolidated financial statements for the fiscal year ended December 31, 2013 erroneously omitted a $1.4 million tax effect of a 2013 year-end transaction by one of our Reading Australia subsidiaries. As a means of remediating the material weakness in 2014 and improving our controls and procedures, we engaged tax advisors from a Big 4 international public accounting firm in 2015 to provide technical guidance and to provide tax accounting advisory services as of December 31, 2015, which we considered as part of our an annual control s related to income taxes . We, together with our tax advisors, have an extens ive background in tax accounting & international tax and are assisted by senior team members in the U.S., Australia & New Zealand. O ur management believes that we have not yet fully remediated the material weakness in our internal control over financial reporting for income taxes (relating to certain book-tax basis differences mostly originating in prior years). As a result of our review, we noted adjustments to our 2014 results as follows: Decrease in Tax Expenses of $514,000, Increase in Deferred Tax Assets of $ 2, 116 ,000, Increase in Adjus ted Paid-in Capital of $ 793 ,000 , In crease in Other Comprehen sive Income of $1,859,000 and a De crease in Other Non-Current Liabilities of $1,050,000. Of the $514,000 adjustment to decrease the income tax expense in 2015, $1,286,000 relates to the adjustment that should have been recorded in 2014, thus reducing our income tax benefit by this amount. The remaining $1,800,000 relates to income taxes pertaining to years prior to 2014 cumulatively, that would have increased our deferred tax asset s by such amount. These adjustments have been incorporated into our 2015 financial statements as they did not have a material effect on our financial position or results of operations as reflected in our 2014 financial statements.

In light of the foregoing, our management concluded that our internal controls over f inancial reporting were not effective as of December 31, 2015 . As a means of fully remediating the material weaknesses identified in 2014 and 2015 and improve our controls and procedures around the income taxes area, we will add personnel , technology, and technical resources to our tax department specifically in the tax provisioning process and we will continue to engage qualified tax advisors to provide timely technical guidance and oversight in the income tax area. As the remediation efforts are ongoing, the material weakness disclosure remains in place until we have sufficient efficacy of such remediation.

The effectiveness of our internal control over financial reporting as of December 31, 2015 has been audited by Grant Thornton LLP, an independent registered public accounting firm, as stated in their report, which is included herein.

Disclosure Controls and Procedures

We have formally adopted a policy for disclosure controls and procedures that provides guidance on the evaluation of disclosure controls and procedures and is designed to ensure that all corporate disclosure is complete and accurate in all material respects and that all information required to be disclosed in the periodic reports submitted by us under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods and in the manner specified in the Securities and Exchange Commission's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures desigued to

ensure that information required to be disclosed by an issuer in the reports that it files or submits under the Act is accumulated and communicated to the issuer's management, including its principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure. As of the end of the period covered by this report, we carried out an evaluation, under the supervision and with the participation of our Chief Executive Officer and Chief Financial Officer, of the effectiveness of our disclosure controls and procedures. A disclosure committee consisting of the principal accounting officer, and senior officers of each significant business line and other select employees assisted the Chief Executive Officer and the Chief Financial Officer in this evaluation. Based upon our evaluation that the controls over income taxes need to be further enhanced during 2016, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were not effective as required by the Securities Exchange Act Rule 13a-15(e) and 15d – 15(e) as of the end of the period covered by this report.

Changes in Internal Controls Over Financial Reporting

The continuing enhancements, described above, to controls relating to tax provisioning as part of the remediation of the material weakness existing at December 31, 2015, are the only changes in internal control over financial reporting that have occurred during the quarter ended December 31, 2015 that have materially affected, or are likely to materially affect, our internal control over financial reporting.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Board of Directors and Stockholders
Reading International, Inc.

We have audited the internal control over financial reporting of Reading International, Inc. and subsidiaries (the "Company") as of December 31, 2015, based on criteria established in the 2013 *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit .

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements .

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate .

A material weakness is a deficiency, or combination of control deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis. The following material weakness has been identified and included in management's assessment.

The Company identified a material weakness related to the internal controls over the accounting and reporting for income taxes. In our opinion, because of the effect of the material weakness described on the achievement of the objectives of the control criteria, the Company has not maintained effective internal control over financial reporting as of December 31, 2015, based on criteria established in the 2013 Internal Control—Integrated Framework issued by COSO.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated financial statements of the Company as of and for the year ended December 31, 2015. The material weakness identified above was considered in determining the nature, timing, and extent of audit tests applied in our audit of the 2015 consolidated financial statements, and this report does not affect our report dated April 29, 2016 which expressed an unqualified opinion on those financial statements. We do not express an opinion or any other form of assurance on management's plan for remediation of the above mentioned material weakness.

/s/ GRANT THORNTON LLP
Los Angeles, California
April 29, 2016

PART III

Item 10 – Directors, Executive Officers and Corporate Governance

Directors

We have nine Directors. The names of our Directors, together with certain information regarding them, are as follows:

Name	Age	Position
Ellen M. Cotter	50	Chairperson of the Board and Chief Executive Officer and President (1)
Guy W. Adams	65	Director (1) (2)
Judy Codding	71	Director (2)
James J. Cotter, Jr.	46	Director (3)
Margaret Cotter	48	Vice Chairperson of the Board and Executive Vice President-Real Estate Management and Development-NYC (1)
William D. Gould	77	Director (4)
Edward L. Kane	78	Director (1) (2) (3) (5)
Douglas J. McEachern	64	Director (5)
Michael Wrotniak	49	Director (5)

(1) Member of the Executive Committee.
(2) Member of the Compensation and Stock Options Committee.
(3) Member of the Tax Oversight Committee.
(4) Lead independent Director.
(5) Member of the Audit and Conflicts Committee.

Ellen M. Cotter. Ellen M. Cotter has been a member of our Board of Directors since March 13, 2013, and currently serves as a member of our Executive Committee. Ms. Cotter was appointed Chairperson of our Board on August 7, 2014 and served as our interim President and Chief Executive Officer from June 12, 2015 until January 8, 2016, when she was appointed our permanent President and Chief Executive Officer and President. She joined the Company in March 1998. Ms. Cotter is a graduate of Smith College and holds a Juris Doctor from Georgetown Law School. Prior to joining the Company, Ms. Cotter spent four years in private practice as a corporate attorney with the law firm of White & Case in New York City. Ms. Cotter is the sister of Margaret Cotter and James J. Cotter, Jr. For more than the past ten years, Ms. Cotter served as the Chief Operating Officer ("COO") of our domestic cinema operations, in which capacity she had, among other things, responsibility for the acquisition and development, marketing and operation of our cinemas in the United States. Prior to her appointment as COO of Domestic Cinemas, she spent a year in Australia and New Zealand, working to develop our cinema and real estate assets in those countries. Ms. Cotter is the Co-Executor of her father's estate, which is the record owner of 427,808 shares of our Class B Stock (representing 25.5% of such Class B Stock). Ms. Cotter is also a Co-Trustee of the James J. Cotter, Sr. Trust, which is the record owner of 696,080 shares of Class B Stock (representing an additional 44.0% of such Class B Stock).

Ms. Cotter brings to our Board her 18 years of experience working in our Company's cinema operations, both in the United States and Australia. She has also served as the Chief Executive Officer of Reading's subsidiary, Consolidated Entertainment, LLC, which operates substantially all of our cinemas in Hawaii and California. In addition, with her direct ownership of 799,765 shares of Class A Stock and 50,000 shares of Class B Stock and her positions as Co-Executor of her father's (James J. Cotter, Sr.) estate and Co-Trustee of the James J. Cotter, Sr. Trust, Ms. Cotter is a significant stakeholder in our Company. Ms. Cotter is well recognized in and a valuable liaison to the film industry. In recognition of her contributions to the independent film industry, Ms. Cotter was awarded the first Gotham Appreciation Award at the 2015 Gotham Independent Film Awards. She was also inducted that same year into the ShowEast Hall of Fame.

Guy W. Adams. Guy W. Adams has been a Director of the Company since January 14, 2014, and currently serves as the chair of our Executive Committee and is a member of our Compensation and Stock Options Committee (the "Compensation Committee"). For more than the past ten years, he has been a Managing Member of GWA Capital Partners, LLC, a registered investment adviser managing GWA Investments, LLC, a fund investing in various publicly traded securities. Over the past fifteen years, Mr. Adams has served as an independent director on the boards of directors of Lone Star Steakhouse & Saloon, Mercer International, Exar Corporation and Vitesse Semiconductor. At these companies, he has held a variety of board positions, including lead director, audit committee chair and compensation committee chair. . He has spoken on corporate governance topics before such groups as the Council of Institutional Investors, the USC Corporate Governance Summit and the University of Delaware Distingnished Speakers Program. Mr. Adams provides investment advice to private clients and currently invests his own capital in

public and private equity transactions . He has served as an advisor to James J. Cotter, Sr. and continues to provide professional advisory services to various enterprises now owned by either the James J. Cotter, Sr. Estate or the James J. Cotter, Sr. Trust. Mr. Adams received his Bachelor of Science degree in Petroleum Engineering from Louisiana State University and his Masters of Business Administration from Harvard Graduate School of Business Administration.

Mr. Adams brings many years of experience serving as an independent director on public company boards, and in investing and providing financial advice with respect to investments in public companies.

Dr. Judy Codding . Dr. Judy Codding has been a Director of our Company since October 5, 2015, and currently serves as a member of our Compensation Committee. Dr. Codding has been a Director of our Company since October 5, 2015. Dr. Codding is a globally respected education leader. From October 2010 until October 2015 she served as the Managing Director of "The System of Courses," a division of Pearson, PLC (NYSE: PSO), the largest education company in the world that provides education products and services to institutions, governments and direct to individual learners. Prior to that time, Dr. Codding served as the Chief Executive Officer and President of America's Choice, Inc., which she founded in 1998, and which was acquired by Pearson in 2010. America's Choice, Inc. was a leading education company offering comprehensive, proven solutions to the complex problems educators face in the era of accountability. Dr. Codding has a Doctorate in Education from University of Massachusetts at Amherst, and completed postdoctoral work and served as a teaching associate in Education at Harvard University where she taught graduate level courses focused on moral leadership. Dr. Codding has served on various boards, including the Board of Trustees of Curtis School, Los Angeles, CA (2011 to present) and the Board of Trustees of Educational Development Center, Inc. (EDC) since 2012. Through family entities, Dr. Codding has been and continues to be involved in the real estate business, through the ownership of hotels, shopping centers and buildings in Florida and the exploration of mineral, oil and gas rights in Maryland and Kentucky.

Dr. Codding brings to our Board her experience as an entrepreneur, as an author, advisor and researcher in the areas of leadership training and decision-making as well as her experience in the real estate business.

James J. Cotter, Jr. James J. Cotter, Jr. has been a Director of our Company since March 21, 2002, and currently serves as a member of our Tax Oversight Committee. The Tax Oversight Committee has been inactive since November 2, 2015, in anticipation that its functions will move to the Audit and Conflicts Committee (the "Audit Committee") under its new charter. Mr. Cotter, Jr. served as our Vice Chairperson from June 2007 until August 7, 2014. Mr. Cotter, Jr. served as our President from June 1, 2013 through June 12, 2015 and as our Chief Executive Officer from August 7, 2014 through June 12, 2015. He is currently the lead director of Cecelia Packing Corporation (a Cotter family -owned citrus grower, packer and marketer) and served as the Chief Executive Officer of that company from July 2004 until 2013. Mr. Cotter, Jr. served as a Director of Cecelia Packing Corporation from February 1996 to September 1997 and as a Director of Gish Biomedical from September 1999 to March 2002. He was an attorney in the law firm of Winston & Strawn (and its predecessor), specializing in corporate law, from September 1997 to May 2004. Mr. Cotter, Jr. is the brother of Margaret Cotter and Ellen M. Cotter. Mr. Cotter, Jr. has advised the Company that he is a Co-Trustee of the James J. Cotter, Sr. Trust, which is the record owner of 696,080 shares of Class B Stock (representing 44.0% of such Class B Stock). The Company understands that Mr. Cotter's status as a trustee of the James J. Cotter, Sr. Trust is disputed by his sisters, Ellen M. Cotter and Margaret Cotter. See Item3 – Legal Proceedings for additional information.

James J. Cotter, Jr. brings to our Board his experience as a business professional and corporate attorney, as well as his many years of experience in, and knowledge of, the Company's business and affairs. In addition, with his direct ownership of 859,286 shares of our Company's Class A Common Stock and his position as Co-Trustee of the James J. Cotter, Sr. Trust, Mr. Cotter, Jr. is a siguificant stakeholder in our Company. Further, depending on the outcome of ongoing Trust Litigation, in the future Mr. Cotter, Jr. may be a controlling stockholder in the Company.

Margaret Cotter . Margaret Cotter has been a Director of our Company since September 27, 2002, and on August 7, 2014 was appointed Vice Chairperson of our Board and currently serves as a member of our Executive Committee. On March 10, 2016, our Board appointed Ms. Cotter as Executive Vice President-Real Estate Management and Development-NYC. In this position, Ms. Cotter is responsible for the management of our live theater properties and operations, including oversight of the development of our Union Square and Cinemas 1, 2, 3 properties. Ms. Cotter is the owner and President of OBI, LLC ("OBI"), which, from 2002 until her appointment as Executive Vice President – Real Estate Management and Development, NYC, managed our live-theater operations under a management agreement. Pursuant to the OBI management agreement, Ms. Cotter also served as the President of Liberty Theaters, LLC, the subsidiary through which we own our live theaters. The OBI management agreement was terminated with Ms. Cotter's appointment as Executive Vice President-Real Estate Management and Development-NYC. Ms. Cotter is also a theatrical producer who has produced shows in Chicago and New York and is a board member of the League of Off-Broadway Theaters and Producers. Ms. Cotter, a former Assistant District Attorney for King's County in Brooklyn, New York, graduated from Georgetown University and Georgetown University Law Center. She is the sister of Ellen M. Cotter and James J. Cotter, Jr. Ms. Margaret Cotter is a Co-Executor of her father's estate, which is the record owner of 427,808 shares of our Class B Stock (representing 25.5% of such Class B Stock). Ms. Margaret Cotter is also a Co-Trustee of the James J. Cotter, Sr. Trust, which is the record owner of 696,080 shares of Class B Voting Common Stock (representing an additional 41.4% of such Class B Stock).

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Ms. Cotter brings to the Board her experience as a live theater producer, theater operator and an active member of the New York theatre community, which gives her insight into live theater business trends that affect our business in this sector. Operating and overseeing these properties for over 17 years, Ms. Cotter contributes to the strategic direction for our developments. In addition, with her direct ownership of 804,173 shares of Class A Stock and 35,100 shares of Class B Stock and her positions as Co-Executor of her father's estate and Co-Trustee of the James J. Cotter, Sr. Trust, Ms. Cotter is a significant stakeholder in our Company.

William D. Gould . William D. Gould has been a Director of our Company since October 15, 2004, and currently serves as our Lead Independent Director. Mr. Gould has been a member of the law firm of TroyGould PC since 1986. Previously, he was a partner of the law firm of O'Melveny & Myers. We have from time to time retained TroyGould PC for legal advice. Total fees payable to Mr. Gould's law firm for [calendar year] 2015 were $61,000.84. Mr. Gould is an author and lecturer on the subjects of corporate governance and mergers and acquisitions. Mr. Gould brings to our Board more than fifty years of experience as a corporate lawyer and advisor focusing on corporate governance, mergers and acquisitions.

Edward L. Kane . Edward L. Kane has been a Director of our Company since October 15, 2004. Mr. Kane was also a Director of our Company from 1985 to 1998, and served as President from 1987 to 1988. Mr. Kane currently serves as the chair of our Compensation Committee , and until its disbandment in January 2016, as chair of our Tax Oversight Committee. He also serves as a member of our Executive Committee and our Audit Committee. The Tax Oversight Committee has been inactive since November 2, 2015, in anticipation that its functions will move to the Audit Committee under its new charter. Mr. Kane practiced as a tax attorney for many years in San Diego, California. Since 1996, Mr. Kane has acted as a consultant and advisor to the health care industry, serving as the President and sole shareholder of High Avenue Consulting, a healthcare consulting firm, and as the head of its successor proprietorship. During the 1990s, Mr. Kane also served as the Chairman and CEO of ASMG Outpatient Surgical Centers in southern California, and he served as a director of BDI Investment Corp., which was a regnlated investment company, based in San Diego. For over a decade, he was the Chairman of Kane Miller Books, an award-wiuning publisher of children's books. At various times during the past three decades, Mr. Kane has been Adjunct Professor of Law at two of San Diego's law schools, most recently in 2008 and 2009 at Thomas Jefferson School of Law, and prior thereto at Califoruia Western School of Law.

In addition to his varied business experience, Mr. Kane brings to our Board his many years as a tax attorney and law professor. Mr. Kane also brings his experience as a past President of Craig Corporation and of Reading Company, two of our corporate predecessors, as well as his experience as a former member of the boards of directors of several publicly held corporations.

Douglas J. McEachern . Douglas J. McEachern has been a Director of our Company since May 17, 2012 and Chair of our Audit Committee since Augnst 1, 2012 . He has served as a member of the board and of the audit and compensation committee for Willdan Group, a NASDAQ listed engineering company, since 2009. From June 2011 until October 2015, Mr. McEachern was a director of Community Bank in Pasadena, California and a member of its audit committee. Mr. McEachern served as the chair of the board of Community Bank from October 2013 until October 2015 . He also is a member of the finance committee of the Methodist Hospital of Arcadia . From September 2009 to December 2015, Mr. McEachern served as an instructor of auditing and accountancy at Claremont McKenna College . Mr. McEachern was an audit partner from July 1985 to May 2009 with the audit firm of Deloitte and Touche, LLP, with client concentrations in financial institutions and real estate . Mr. McEachern was also a Professional Accounting Fellow with the Federal Home Loan Bank board in Washington DC, from June 1983 to July 1985 . From June 1976 to June 1983, Mr. McEachern was a staff member and subsequently a manager with the audit firm of Touche Ross & Co. (predecessor to Deloitte & Touche, LLP) . Mr. McEachern received a B.S. in Business Administration in 1974 from the University of California, Berkeley, and an M.B.A. in 1976 from the University of Southern California.

Mr. McEachern brings to our Board his more than 38 years' experience meeting the accounting and auditing needs of financial institutions and real estate clients, including our Company . Mr. McEacheru also brings his experience reporting as an independent auditor to the boards of directors of a variety of public reporting companies and as a board member himself for various companies and not-for-profit organizations.

Michael Wrotniak . Michael Wrotniak has been a Director of our Company since October 12, 2015, and has served as a member of our Audit Committee since October 25, 2015. Since 2009, Mr. Wrotniak has been the Chief Executive Officer of Aminco Resources, LLC ("Aminco"), a privately held interuational commodities trading firm. Mr. Wrotniak joined Aminco in 1991 and is credited with expanding Aminco's activities in Europe and Asia. By establishing a joint venture with a Swiss engineering company, as well as creating partnerships with Asia-based businesses, Mr. Wrotniak successfully diversified Aminco's product portfolio. Mr. Wrotniak became a partner of Aminco in 2002. Mr. Wrotniak has been for more than the past six years, a trustee of St. Joseph's Church in Bronxville, New York, and is a member of the Board of Advisors of the Little Sisters of the Poor at their nursing home in the Bronx, New York since approximately 2004. Mr. Wrotniak graduated from Georgetown University in 1989 with a B.S. in Business Administration (cum laude).

Mr. Wrotniak is a specialist in foreign trade, and brings to our Board his considerable experience in international business, including foreign exchange risk mitigation.

James J. Cotter, Sr. Trust. Please see footnote 12 of the Beneficial Ownership of Securities table for information regarding the election of Ellen M. Cotter, Margaret Cotter and James J. Cotter, Jr. to the Board.

Executive Officers

The following table sets forth information regarding our executive officers, other than Ellen M. Cotter and Margaret Cotter, whose information is set forth above under "Directors."

Name	Age	Title
Dev Ghose	62	Executive Vice President, Chief Financial Officer, Treasurer and Corporate Secretary
Robert F. Smerling	81	President - Domestic Cinemas
Wayne D. Smith	58	Managing Director – Australia and New Zealand
Andrzej J. Matyczynski	63	Executive Vice President – Global Operations

Devasis ("Dev") Ghose. Dev Ghose was appointed Chief Financial Officer and Treasurer on May 11, 2015, Executive Vice President on March 10, 2016 and Corporate Secretary on April 28, 2016. Over the past 25 years, Mr. Ghose served as Executive Vice President and Chief Financial Officer in a number of senior finance roles with three NYSE-listed companies: Skilled Healthcare Group (a health services company, now part of Genesis HealthCare) from 2008 to 2013, Shurgard Storage Centers, Inc. (an international company focused on the acquisition, development and operation of self-storage centers in the US and Europe; now part of Public Storage) from 2004 to 2006, and HCP, Inc., (which invests primarily in real estate serving the healthcare industry) from 1986 to 2003, and as Managing Director-International for Green Street Advisors (an independent research and trading firm concentrating on publicly traded real estate corporate securities in the US & Europe) from 2006 to 2007. Prior thereto, Mr. Ghose worked for 10 years for PricewaterhouseCoopers in the U.S. from 1975 to 1985, and KPMG in the UK. He qualified as a Certified Public Accountant in the U.S. and a Chartered Accountant in the U.K., and holds an Honors Degree in Physics from the University of Delhi, India and an Executive M.B.A. from the University of California, Los Angeles.

Robert F. Smerling. Robert F. Smerling has served as President of our domestic cinema operations since 1994. Mr. Smerling has been in the cinema industry for 58 years and, immediately before joining our Company, served as the President of Loews Theatres Management Corporation.

Wayne D. Smith. Wayne D. Smith joined our Company in April 2004 as our Managing Director - Australia and New Zealand, after 23 years with Hoyts Cinemas. During his time with Hoyts, he was a key driver, as Head of Property, in growing that company's Australian and New Zealand operations via an AUD$250 million expansion to more than 50 sites and 400 screens. While at Hoyts, his career included heading up the group's car parking company, cinema operations, representing Hoyts as a director on various joint venture interests, and coordinating many asset acquisitions and disposals the company made.

Andrzej J. Matyczynski. On March 10, 2016, Mr. Matyczynski was appointed as our Executive Vice President—Global Operations. From May 11, 2015 until March 10, 2016, Andrzej J. Matyczynski acted as the Strategic Corporate Advisor to the Company. Mr. Matyczynski served as our Chief Financial Officer and Treasurer from November 1999 until May 11, 2015 and as Corporate Secretary from May 10, 2011 to October 20, 2014. Prior to joining our Company, he spent 20 years in various senior roles throughout the world at Beckman Coulter Inc., a U.S. based multi-national. Mr. Matyczynski earned a Master's Degree in Business Administration from the University of Southern California.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Exchange Act requires our executive officers and Directors, and persons who own more than 10% of our common stock, to file reports regarding ownership of, and transactions in, our securities with the Securities and Exchange Commission (the "SEC") and to provide us with copies of those filings. Based solely on our review of the copies received by us and on the written representations of certain reporting persons, we believe that the following Forms 3 and 4 for transactions that occurred in 2015 were not filed or filed later than is required under Section 16(a) of the Securities Exchange Act of 1934:

Filer	Form	Transaction Date	Date of Filing
Andrzej J. Matyczynski	4	December 31, 2015	Not filed [1]
Andrzej J. Matyczynski	4	December 31, 2014	Not filed [2]
Andrzej J. Matyczynski	4	December 31, 2013	Not filed [2]
Mark Cuban	4	November 11, 2015	Not filed [4]
Estate of James J. Cotter	4	December 31, 2014	October 9, 2015
James J. Cotter Living Trust	3	September 13, 2014	October 9, 2015

Ellen M. Cotter	4	April 16, 2015	October 9, 2015
Margaret Cotter	4	April 8, 2015	October 9, 2015
William Gould	4	April 6, 2015	October 8, 2015
James J. Cotter Jr. [5]	4	March 10, 2016	March 15, 2016
James J. Cotter Jr.	4	November 25, 2015	December 1, 2015
James J. Cotter Jr.	4	August 17, 2015	August 24, 2015
James J. Cotter Jr.	4	July 16, 2015	July 31, 2015
James J. Cotter Jr.	4	June 30, 2015 [6]	July 16, 2015
James J. Cotter, Jr.	4	June 4, 2015 [7]	July 16, 2015
Wayne Smith	4	July 16, 2015	July 31, 2015

(1) This transaction was reported on Form 5 on April 22, 2016, which is later than required under Section 16(a) of the Securities Exchange Act of 1934.
(2) This transaction was reported on Form 5 on March 17, 2015, which is later than required under Section 16(a) of the Securities Exchange Act of 1934.
(3) This transaction was reported on Form 5 on March 12, 2014, which is later than required under Section 16(a) of the Securities Exchange Act of 1934.
(4) This transaction was reported on Form 5 on February 19, 2016, which is later than required under Section 16(a) of the Securities Exchange Act of 1934.
(5) An additional Form 4 for Mr. Cotter Jr. was reported with a typographical error in the transaction date. The transaction date was reported as December 1, 2012, but should have been reported as December 1, 2015. This Form 4 was timely filed on December 3, 2015.
(6) Pursuant to Form 4/A filed August 24, 2015, the earliest transaction date was changed from July 1, 2015 to June 30, 2015.
(7) Pursuant to Form 4/A filed November 17, 2015, the earliest transaction date was changed from July 1, 2015 to June 4, 2015.

In addition to the above, the following Forms 5 for transactions that occurred in 2013, 2014 and 2015 were filed later than is required under Section 16(a) of the Securities Exchange Act of 1934.

Filer	Form	Transaction Date	Date of Filing
Andrzej J. Matyczynski	5	December 31, 2015	April 22, 2016
Andrzej J. Matyczynski	5	December 31, 2014	March 17, 2015
Andrzej J. Matyczynski	5	December 31, 2013	March 12, 2014
Mark Cuban	5	November 11, 2015	February 19, 2016

Insofar as we are aware, all required filings have now been made.

Code of Ethics

We have adopted a Code of Ethics designed to help our Directors and employees resolve ethical issues. Our Code of Ethics applies to all Directors and employees, including the Chief Executive Officer, the Chief Financial Officer, principal accounting officer, controller and persons performing similar functions. Our Code of Ethics is posted on our website at http://www.readingrdi.com/Governance-Documents .

The Board has established a means for employees to report a violation or suspected violation of the Code of Ethics anonymously. In addition, we have adopted a "Whistleblower Policy," which is posted on our website, at http://www.readingrdi.com/Governance-Documents , that establishes a process by which employees may anonymously disclose to the Audit Committee alleged fraud or violations of accounting, internal accounting controls or auditing matters.

Audit Committee

The Audit Committee operates pursuant to Charter adopted by our Board that is available on our website at http://www.readingrdi.com/Committee-Charters. . The Audit Committee reviews, considers, negotiates and approves or disapproves related party transactions (see the discussion in the section entitled "Certain Relationships and Related Party Transactions" below). In addition, the Audit Committee is responsible for, among other things, (i) reviewing and discussing with management the Company's financial statements, earnings press releases and all internal controls reports, (ii) appointing, compensating and overseeing the work performed by the Company's independent auditors, and (iii) reviewing with the independent auditors the findings of their audits.

Item 11 – Executive Compensation

Compensation Discussion and Analysis

Role and Authority of the Compensation Committee

Our Board has established a standing Compensation Committee consisting of three of our non-employee Directors. As a Controlled Company, we are exempt from the NASDAQ Listing Rules regarding the determination of executive compensation solely by independent directors. Notwithstanding such exemption, we adopted a Compensation Committee charter on March 10, 2016

requiring our Compensation Committee members to meet the independence rules and regulations of the Securities Exchange Commission and the Nasdaq Stock Market.

Prior to the adoption of our Compensation Committee Charter on March 10, 2016, it was our practice that the Compensation Committee would recommend to the full Board the compensation of our Chief Executive Officer and of the other Cotter family members who serve as officers of our Company. Our Board, with the Cotter family Directors abstaining, typically accepted without modification the compensation recommendations of the Compensation Committee, but reserved the right to modify the recommendations or take other compensation actions of its own. Prior to his resignation as our Chief Executive Officer, Mr. James J. Cotter, Sr. was delegated responsibility by our Board for determining the compensation of our executive officers other than himself and his family members. The Board exercised oversight of Mr. Cotter, Sr.'s executive compensation decisions as a part of his performance as our former Chief Executive Officer.

Earlier this year, our Board adopted a number of actions intended to bring certain of our governance practices into line with best practices, including substantial steps in the area of Executive Compensation, which are discussed below under "2016 and Future Compensation Structure." First, this discussion will address our executive compensation for 2015.

2015 EXECUTIVE COMPENSATION

The individuals named in the Summary Compensation Table, below, are referred to as the "named executive officers."

CEO Compensation

As a matter of general practice prior to 2016, the Compensation Committee recommended to our Board the annual compensation of our Chief Executive Officer, based primarily upon the Compensation Committee's annual review of peer group practices and the advice of an independent third-party compensation consultant engaged annually to assist the Compensation Committee. The Compensation Committee had established three components of our Chief Executive Officer's compensation—a base cash salary, a discretionary annual cash bonus, and a fixed stock grant. The objective of each element was to reasonably reward our Chief Executive Officer for his or her performance and leadership.

The Compensation Committee engaged executive compensation consultants Willis Towers Watson (now known as Willis Towers Watson) in 2012 to analyze our Chief Executive Officer's total direct compensation compared to a peer group of companies. In preparing that analysis, Willis Towers Watson, in consultation with our management, including James J. Cotter, Sr., identified a peer group of companies in the real estate and cinema exhibition industries, our two business segments, based on market value, industry, and business description.

Prior to the work commenced in early 2016, Willis Towers Watson had most recently updated its analysis of our Chief Executive Officer's compensation in 2014, when Mr. Cotter, Sr. held that position. The Willis Towers Watson analysis focused on the competitiveness of Mr. Cotter, Sr.'s annual base salary, total cash compensation and total direct compensation (*i.e* ., total cash compensation plus expected value of long-term compensation) relative to a peer group of 17 United States and Australian companies and published compensation survey data, and to our Company's compensation philosophy, which was to target Mr. Cotter, Sr.'s total direct compensation to the 66th percentile of the peer group. The peer group consisted of the following 17 companies:

Acadia Realty Trust	Inland Real Estate Corp.
Amalgamated Holdings Ltd.	Kite Realty Group Trust
Associated Estates Realty Corp.	LTC Properties Inc.
Carmike Cinemas Inc.	Ramco-Gershenson Properties Trust
Cedar Shopping Centers Inc.	Regal Entertainment Group
Cinemark Holdings Inc.	The Marcus Corporation
Entertainment Properties Trust	Urstadt Biddle Properties Inc.
Glimcher Realty Trust	Village Roadshow Ltd.
IMAX Corporation	

Following his appointment on August 7, 2014 as our Chief Executive Officer and until his termination from that position on June 12, 2015, James J. Cotter, Jr. continued to receive the same base salary of $335,000 that he had previously been receiving in his capacity as our President. Mr. Cotter, Jr. was not awarded a discretionary cash bonus for 2014 or 2015.

On June 12, 2015, our Board appointed Ellen M. Cotter as our interim President and Chief Executive Officer. No new compensatory arrangements were entered into with Ms. Cotter in counection with her appointment as interim President and Chief Executive Officer, and she continued to receive the same base salary of $402,000 that she received at the time of her appointment.

In early 2016, the Compensation Committee, with the assistance of Willis Towers Watson and Ms. Cotter, adopted new procedures regarding officer compensation. As a part thereof, unlike prior years, the Compensation Committee evaluated the performance of our Chief Executive Officer and our named executive officers and determined their 2015 cash bonus awards. Having had the benefit of further analysis of the Company's executive compensation and revisions of the Company's compensation philosophy, the Compensation Committee approved a $250,000 bonus for Ellen M. Cotter for her 2015 performance as interim President and Chief Executive Officer.

Total Direct Compensation

In 2015, we and our Compensation Committee had no policy regarding the amount of salary and cash bonus paid to our Chief Executive Officer or other named executive officers in proportion to their total direct compensation.

Compensation of Other Named Executive Officers

Until the reassessment of compensation practices in early 2016, the compensation of the Cotter family members as executive officers of our Company was determined by the Compensation Committee based on the same compensation philosophy used to determined Mr. Cotter, Sr.'s compensation prior to his retirement. The Cotter family members' respective compensation packages each consisted of a base cash salary, discretionary cash bonus and, on occasion, discretionary grants of stock options.

Historically, our Chief Executive Officer determined the base salaries of our executive officers other than himself and members of his family. Our Chief Executive Officer considered the following guidelines in setting the type and amount of executive compensation:

1. Executive compensation should primarily be used to:

- attract and retain talented executives;
- reward executives appropriately for their individual efforts and job performance; and
- afford executives appropriate incentives to achieve the short-term and long-term business objectives established by management and our Board.

2. In support of the foregoing, the total compensation paid to our named executive officers should be:

- fair, both to our Company and to the named executive officers;
- reasonable in nature and amount; and
- competitive with market compensation rates.

Personal and Company performances were just two factors historically considered in establishing base salaries. We had no pre-established policy or target for allocating total executive compensation between base and discretionary or incentive compensation, or between cash and stock-based incentive compensation. Historically, including in 2015, a majority of total compensation to our named executive officers has been in the form of annual base salaries and discretionary cash bonuses, although stock bonuses have been granted from time to time under special circumstances.

These elements of our executive compensation are discussed further below.

Salary : Annual base salary was intended to compensate named executive officers for services rendered during the fiscal year in the ordinary course of performing their job responsibilities. Factors considered in setting the base salaries prior to 2015 included (i) the negotiated terms of each executive's employment agreement or the original terms of employment, (ii) the individual's position and level of responsibility with our Company, (iii) periodic review of the executive's compensation, both individually and relative to our other named executive officers, and (iv) a subjective evaluation of individual job performance of the executive.

Cash Bonus : Historically, we had awarded annual cash bonuses to supplement the base salaries of our named executive officers, and our Board delegated to our former Chief Executive Officer, Mr. Cotter, Sr., the authority to determine in his discretion the annual cash bonuses, if any, to be paid to our executive officers other than the Cotter family executives.

In early 2016, following the reassessment of the Company's compensation structure discussed below, the Compensation Committee, meeting in executive session, approved a 2015 performance bonus for the Chief Executive Officer as well as our other named executive officers.

Stock Bonus : Equity incentive bonuses were available for award to aligu our executives' long-term compensation to appreciation in stockholder value over time. Historically awards have not been granted on any fixed schedule, but instead were granted from time to time to new hires and for the recoguition and retention of executives.

If awarded, it has generally been our policy to value stock options and restricted stock at the closing price of our common stock as reported on the NASDAQ Stock Market on the date the award was approved or on the date of hire, if the stock is granted as a recruitment incentive. When stock was granted as bonus compensation for a particular transaction, the award may have been based on the market price on a date calculated from the closing date of the relevant transaction. Stock options granted to our employees generally have a five year term and vest over four years in equal installments upon the annual anniversaries of the date of the grant, subject to continued employment upon each vesting date. Awards may also have been subject to vesting and limitations on voting or other rights.

As discussed below, our Board substantially changed these practices for 2016 and future years.

Other than James Cotter, Jr.'s role as Chief Executive Officer and thereafter, Ms. Ellen M. Cotter's role as Chief Executive Officer, none of our executive officers played a role in determining the compensation of our named executive officers during 2015.

2015 Base Salaries and Bonuses

We have historically established base salaries and target discretionary cash bonuses for our named executive officers through negotiations with the individual named executive officer, generally at the time the named executive officer commenced employment with us, subject to additional increases from time to time based on performance and tenure, with the intent of providing annual cash compensation at a level sufficient to attract and retain talented and experienced individuals.

Our Compensation Committee recommended and our Board approved the following base salaries for Mr. Cotter, Jr. and Ellen M. Cotter for 2015:

Name	2014 Base Salary ($)	2015 Base Salary ($)
Ellen M. Cotter [1]	335,000	402,000
James J. Cotter, Jr [2]	335,000	335,000 [2]

(1) Ellen M. Cotter was appointed Interim President and Chief Executive Officer on June 12, 2015 and President and Chief Executive Officer on January 8, 2016.

(2) James J. Cotter, Jr. served as President from June 1, 2013 through June 12, 2015, and Chief Executive Officer from August 7, 2014 through June 12, 2015. Mr. Cotter, Jr. had an annual base salary of $335,000 for 2015. When his employment ended, Mr. Cotter, Jr. earned a prorated base salary of $195,417 for 2015, which includes his severance payment paid through the end of July 2015.

With the exception of Mr. Ghose, who was appointed Chief Financial Officer on May 11, 2015, Mr. Matyczynski, whose base salary was $324,000 in 2015, and Mr. Smith, whose base salary was $274,897, the base salaries of our other named executive officers generally remained at the levels established for 2014, as shown in the following table:

Name	2014 Base Salary ($)	2015 Base Salary ($)
Dev Ghose [1]	--	400,000 [1]
Andrzej J. Matyczynski [2]	309,000	324,000
William Ellis [3]	350,000 [3]	350,000
Robert F. Smerling	350,000	350,000
Wayne Smith	324,295 [4]	274,897 [4]

(1) Devasis Ghose was appointed Chief Financial Officer and Treasurer on May 11, 2015. For 2015, Mr. Ghose earned a prorated base salary of $257,692.

(2) Andrzej J. Matyczynski, our former Chief Financial Officer, Treasurer and Corporate Secretary, has a written agreement with our Company that provides certain severance and deferred compensation benefits. Mr. Matyczynski resigned as Corporate Secretary on October 20, 2014 and as our Chief Financial Officer and Treasurer effective May 11, 2015, however he continued as an employee to assist in the transition of our new Chief Financial Officer, and was appointed Executive Vice President-- Global Operations on March 10, 2016. Under Mr. Matyczynski's employment contract, upon his retirement and provided there has been no termination for cause, he will become entitled under his agreement to a lump-sum severance payment of $50,000, subject to certain offsets, and to the payment of his vested benefit under his deferred compensation plan discussed below in this section.

(3) William Ellis submitted his resignation on February 18, 2016, effective March 11, 2016. For 2014, Mr. Ellis earned a prorated base salary of $71,795.

(4) Mr. Smith's salary was paid in Australian Dollars in the amounts of AUD$359,250 in 2014 (shown in the table in U.S. Dollars using exchange rate 0.9027), and AUD$365,360 in 2015 (shown in the table in U.S. Dollars using exchange rate 0.7524).

Prior to 2016, all named executive officers were eligible to receive a discretionary annual cash bonus. Cash bonuses are typically prorated to reflect a partial year of service.

In connection with consideration of 2015 performance bonuses for members of management, the Chief Executive Officer prepared and submitted recommendations for each of the executive and management team members, other than herself. In considering these recommendations, the Compensation Committee had the benefit of its extensive deliberations as well as the data provided by Willis Towers Watson. In executive session, the Compensation Committee considered and approved a 2015 performance bonus for the Chief Executive Officer. The proposed bonus amounts were reviewed and approved by the Board in February 2016. The Board approval covered the named executive officers set forth below, as well as select other officers and executives.

The following are the 2015 Performance Bonuses approved pursuant to the above process:

Name	2015 Performance Bonus ($)
Ellen M. Cotter	250,000
Dev Ghose	75,000
Andrzej J. Matyczynski	0
William Ellis	0 [1]
James J. Cotter, Jr.	0
Robert F. Smerling	75,000
Wayne Smith	71,478 [2]

(1) Pursuant to his employment agreement, in 2015 Mr. Ellis received a guaranteed bonus of $60,000, and as such, it was not subject to the process above. Mr. Ellis submitted his resignation on February 18, 2016.

(2) Mr. Smith's bonus was paid in Australian Dollars in the amount of AUD$95,000 (shown in the table in U.S. Dollars using exchange rate 0.7524).

In the past, we have offered stock options and stock awards to our employees, including named executive officers, as the long-term incentive component of our compensation program. We sometimes granted equity awards to new hires upon their commencing employment with us and from time to time thereafter. Our stock options allow employees to purchase shares of our common stock at a price per share equal to the fair market value of our common stock on the date of grant and may or may not be intended to qualify as "incentive stock options" for U.S. federal income tax purposes. Generally, the stock options we granted to our employees vest over four years in equal installments upon the annual anniversaries of the date of grant, subject to their continued employment with us on each vesting date.

Employment Agreements

James J. Cotter, Jr. On June 12, 2015, the Board terminated the employment of James J. Cotter, Jr. as our President and Chief Executive Officer. Under Mr. Cotter, Jr.'s employment agreement with the Company, he is entitled to the compensation and benefits he was receiving at the time of a termination without cause for a period of twelve months from notice of termination. At the time of termination, Mr. Cotter Jr.'s annual salary was $335,000, and the Company paid Mr. Cotter Jr. severance payments in the amount of $43,750. A dispute has arisen between the Company and Mr. Cotter as to whether the Company is required to continue to make these payments, which dispute is currently subject to arbitration.

Dev Ghose. On April 20, 2015, we entered into an employment agreement with Mr. Dev Ghose, pursuant to which he agreed to serve as our Chief Financial Officer for a one-year term commencing on May 11, 2015. The employment agreement provides that Mr. Ghose is to receive an annual base salary of $400,000, with an annual target bonus of $200,000, and employee benefits in line with those received by our other senior executives. Mr. Ghose was also granted stock options to purchase 100,000 shares of Class A Stock at an exercise price equal to the closing price of our Class A Stock on the date of grant and which will vest in equal annual increments over a four-year period, subject to his remaining in our continuous employ through each annual vesting date.

Under his employment agreement, we may terminate Mr. Ghose's employment with or without cause (as defined) at any time. If we terminate his employment without cause or fail to renew his employment agreement upon expiration without cause, Mr. Ghose will be entitled to receive severance in an amount equal to the salary and benefits he was receiving for a period of 12 months following such termination or non-renewal. If the termination is in connection with a "change of control" (as defined), Mr. Ghose would be entitled to severance in an amount equal to the compensation he would have received for a period two years from such termination.

William D. Ellis. On October 20, 2014, we entered into an employment agreement with Mr. William D. Ellis, which was amended in September 2015, pursuant to which he agreed to serve as our General Counsel for a term of three years. The employment agreement provided that Mr. Ellis was to receive an annual base salary of $350,000, with an annual guaranteed bonus of at least $60,000. In addition, Mr. Ellis was granted stock options to purchase 60,000 shares of Class A Stock at an exercise price equal to the closing price of our Class A Stock on the date of grant and which will vest in equal annual increments over a three-year period, subject to his remaining in our continuous employ through each annual vesting date.

On February 18, 2016, William D. Ellis submitted his resignation as our General Counsel and Corporate Secretary. On March 11, 2016, we entered into an agreement with Mr. William D. Ellis, pursuant to which, in consideration of the payment to Mr. Ellis of $205,010 (to be paid in 19 equal semi-monthly installments of $10,790) and the vesting of options to acquire 20,000 shares of our Class A Common Stock on October 15, 2016, Mr. Ellis has agreed to be available to advise us on matters on which he previously worked until December 31, 2016. Mr. Ellis' last day of employment was March 11, 2016.

Andrzei J. Matyczynski . Mr. Matyczynski, our former Chief Financial Officer, Treasurer and Corporate Secretary, has a written agreement with our Company that provides for a lump-sum severance payment of $50,000, provided there has been no termination for cause and subject to certain offsets, and to the payment of his vested benefit under his deferred compensation plan discussed below in the section entitled "Other Elements of Compensation." Mr. Matyczynski resigned as our Corporate Secretary on October 20, 2014 and as our Chief Financial Officer and Treasurer effective May 11, 2015, but continued as an employee in order to assist in the transition of our new Chief Financial Officer. He was appointed EVP-Global Operations in March 2016.

2016 AND FUTURE COMPENSATION STRUCTURE

Background

In early 2016, our Compensation Committee conducted a thorough evaluation of our compensation policy for executive officers and outside directors to establish a plan that encompasses best corporate practices consistent with our best interests. Our Compensation Committee undertook to review, evaluate, revise and recommend the adoption of new compensation arrangements for our executive and management officers and outside directors. In January 2016, our Compensation Committee retained the international compensation consulting firm of Willis Towers Watson as its advisor in this process and also relied on the advice of our legal counsel, Greenberg Traurig, LLP.

Compensation Committee Charter

On February 29, 2016, our Board adopted the Charter of the Compensation Committee, or the Compensation Committee Charter. In keeping with our intent to implement best practices, the Compensation Committee Charter delegated the following responsibilities to our Compensation Committee:

- in consultation with our senior management, to establish our compensation philosophy and objectives;
- to review and approve all compensation, including salary, bonus, incentive and equity compensation, for our CEO and our executive officers, provided that our CEO may not be present during voting or deliberations on his or her compensation;
- to approve all employment agreements, severance arrangements, change in control provisions and agreements and any special or supplemental benefits applicable to our CEO and other executive officers;
- to approve and adopt, on behalf of our Board, incentive compensation and equity-based compensation plans, or, in the case of plans requiring stockholder approval, to review and recommend such plan to the stockholders;
- to review and discuss with our management and our counsel and auditors, the disclosures made in Compensation Discussion and Analysis and advise our Board whether, in the view of the Committee, the Compensation Discussion and Analysis is, in form and substance, satisfactory for inclusion in our annual report on Form 10-K and proxy statement for the annual meeting of stockholders;
- to prepare an annual compensation committee report for inclusion in our proxy statement for the annual meeting of stockholders in accordance with the applicable rules of the Securities and Exchange Commission (" ***SEC*** ");
- to periodically review and reassess the adequacy of this charter and recommend any proposed changes to the Board for approval;
- to administer our equity-based compensation plans, including the grant of stock options and other equity awards under such plans, the exercise of any discretion accorded to the administrator of all such plans and the interpretation of the provisions of such plans and the terms of any awards made under the plans; and
- to consider the results of the most recent stockholder advisory vote on executive compensation required by Section 14A of the Securities Exchange Act of 1934 when determining compensation policies and making decisions on executive compensation.

Under the Compensation Committee Charter, "executive officer" is defined to mean the chief executive officer, president, chief financial officer, chief operating officer, general counsel, principal accounting officer, any executive vice president of the Company and any Managing Director of Reading Entertainment Australia Pty Ltd and/or Reading New Zealand, Ltd.; provided that any compensation determinations pertaining to Ellen M. Cotter and Margaret Cotter will be subject to review and approval by our Board.

As noted above, the Compensation Committee Charter was adopted as part of our Board's implementation of additional corporate best practices measures. The Compensation Committee Charter will apply for the remainder of 2016 and the future, subject

to further amendments and modifications by our Board. The Compensation Committee charter is available on our website at http://www.readingrdi.com/Committee-Charters .

The Compensation Committee reviews compensation policies and practices effecting employees in addition to those applicable to executive officers. The Compensation Committee has determined that it is not reasonably likely that our compensation policies and practices for its employees would have a material adverse effect on our Company.

Executive Compensation

In early 2016, our Compensation Committee met with Willis Towers Watson, our Chief Executive Officer, and our legal counsel, to review the Company's compensation levels, programs and practices. As part of its engagement, Willis Towers Watson reviewed our compensation paid to executive and management officers by position, in light of each person's duties and responsibilities. Willis Towers Watson then compared our top executive and management positions to (i) executive compensation paid by a peer group and (ii) two surveys, the 2015 Willis Towers Watson Data Services Top Management Survey Report and the 2015 Mercer MBD Executive Compensation Survey, in each case, identified by office position and duties performed by the officer. The peer group utilized by Willis Towers Watson included the following 15 companies:

Arcadia Realty Trust
Associated Estates Realty Corp.
Carmike Cinemas Inc.
Cedar Realty Trust Inc.
Charter Hall Group
EPR Properties
Vicinity Centres
IMAX Corporation
Inland Real Estate Corp.
Kite Realty Group Trust
Marcus Corporation
Peunsylvania Real Estate Investment Trust
Ramco-Gershenson Properties Trust
Urstadt Biddle Properties Inc.
Village Roadshow Ltd.

Willis Towers Watson selected the above peer group because (i) the companies included were based in the U.S. and Australia, reflecting our geographic operations and (ii) the companies were comparable to us based on revenue.

The executive pay assessment prepared by Willis Towers Watson measured our executive and management compensation against compensation paid by peer group companies and the companies listed in the two surveys based on the 25th, 50th and 75th percentile of such peer group and surveyed companies. The 50th percentile was the median compensation paid by such peer group and surveyed companies to executives performing similar responsibilities and duties.

The Willis Towers Watson assessment compared the base salary, the short term incentive (cash bonus) and long term incentive (equity awards) of the peer and surveyed companies to the base salary, short term incentive and long term incentive provided to our executives. The assessment concluded that, except in a few positions, we were generally competitive in base salary, however, we were not competitive when short-term incentives and long term incentives were included in the total compensation paid to our executives and management.

As a result of the foregoing factors, Willis Towers Watson recommended that we:

- Implement a formal annual incentive opportunity for all executives; and
- Implement a regular annual grant program for long-term incentives.

Our Compensation Committee recommended, and our Board subsequently adopted, a compensation philosophy for our management team members to:

- Attract and retain talented and dedicated management team members;
- Provide overall compensation that is competitive in its industry;
- Correlate annual cash incentives to the achievement of its business and financial objectives; and
- Provide management team members with appropriate long-term incentives aligned with stockholder value.

As part of the compensation philosophy, our compensation focus will be to (1) drive our strategic plan on growth, (2) align officer and management performance with the interests of our stockholders, and (3) encourage retention of our officers and management team members.

In furtherance of the compensation policy and as a result of the extensive deliberations, including consideration of the Willis Towers Watson recommendations, our Compensation Committee adopted an executive and management officer compensation structure for 2016 consisting of:

- A base salary comparable with job description and industry standard.

- A short-term incentive plan based on a combination of factors including overall corporate and division performance as well as individual performance with a target bonus opportunity to be denominated as a percent of base salary with specific goals weightings and pay-out ranges; and
- A long-term incentive or equity awards in line with job description, performance, and industry standards.

Our Compensation Committee's intention is that the compensation structure approved for 2016 will remain in place indefinitely. However, it will review performance and results after the first year and thereafter and evaluate from time to time whether enhancements, changes or other compensation structures are in our and our stockholders best interests.

Reflecting the new approach, our Compensation Committee established (i) 2016 annual base salaries at levels that it believed (based heavily on the data provided by Willis Towers Watson) are generally competitive with executives in our peer group and in other comparable publicly-held companies as described in the executive pay assessment prepared by Willis Towers Watson, (ii) short term incentives in the form of discretionary annual cash bonuses based on the achievement of identified goals and benchmarks, and (iii) long-term incentives in the form of employee stock options and restricted stock units will be used as a retention tool and as a means to further align an executive's long-term interests with those of our stockholders, with the ultimate objective of affording our executives an appropriate incentive to help drive increases in stockholder value.

Our Compensation Committee will evaluate both executive performance and compensation to maintain our ability to attract and retain highly-qualified executives in key positions and to assure that compensation provided to executives remains competitive when compared to the compensation paid to similarly situated executives of companies with whom we compete for executive talent or that we consider comparable to our company.

Role of Chief Executive Officer in Compensation Decisions

In counection with the implementation of the new compensation structure, our Compensation Committee conducted the thorough review of executive compensation discussed above. Our Compensation Committee engaged in extensive discussions with and considered with great weight the recommendations of the Chief Executive Officer as to compensation for executive and management team members other than for the Chief Executive Officer.

Our Compensation Committee expects to perform an annual review of executive compensation, generally in the first quarter of the year following the year in review, with a presentation by the Chief Executive Officer regarding each element of the executive compensation arrangements. At our Compensation Committee's direction, our Chief Executive Officer prepared an executive compensation review for each executive officer (other than the Chief Executive Officer), as well as the full executive team, which included recommendations for:

- 2016 Base Salary
- A proposed year-end short -term incentive in the form of a target cash bonus based on the achievement of certain objectives; and
- A long-term incentive in the form of stock options and restricted stock units for the year under review.

As part of the compensation review, our Chief Executive Officer may also recommend other changes to an executive's compensation arrangements such as a change in the executive's responsibilities. Our Compensation Committee will evaluate the Chief Executive Officer's recommendations and, in its discretion, may accept or reject the recommendations, subject to the terms of any written employment agreements.

Our Compensation Committee met in executive session without our Chief Executive Officer to consider the Chief Executive Officer's compensation, including base salary, cash bonus and equity award, if any. Prior to such executive sessions, our Compensation Committee interviewed our Chief Executive Officer to obtain a better understanding of factors contributing to the Chief Executive Officer's compensation. With the exception of these executive sessions of our Compensation Committee, as a rule, our Chief Executive Officer participated in all deliberations of the Compensation Committee relating to executive compensation. However, our Compensation Committee also asked our Chief Executive Officer to be excused for certain deliberations with respect to the compensation recommended for Margaret Cotter, the sister of our Chief Executive Officer.

In conjunction with the year-end annual compensation review, or as soon as practicable after the year-end, our Chief Executive Officer will recommend to our Compensation Committee our objectives and other criteria to be utilized for purposes of determining cash bonuses for certain senior executive officers. Our Compensation Committee, in its discretion, may revise the Chief Executive Officer's recommendations. At the end of the year, our Compensation Committee, in consultation with our Chief Executive Officer, will review each performance goal and determine the extent to which the officer achieved such goals. In establishing performance goals, our Compensation Committee expects to consider whether the goals could possibly result in an incentive for any executives to take unwarranted risks in our Company's business and intend to seek to avoid creating any such incentives.

Base Salaries

Our Compensation Committee reviewed the executive pay assessment prepared by Willis Towers Watson and other factors and engaged in extensive deliberation and then recommended the following 2016 base salaries (the 2015 base salaries are shown for comparison purposes) for the following officers. Our Board approved the recommendations of our Compensation Committee on March 10, 2016 for the President and Chief Executive Officer, Chief Financial Officer and our named executive officers other than William D. Ellis and our prior Chief Executive Officers James J. Cotter, Sr. and James J. Cotter, Jr.

Name	Title	2015 Base Salary [4]	2016 Base Salary [4]
Ellen Cotter [1]	President and Chief Executive Officer	$402,000	$450,000
Dev Ghose [2]	EVP, Chief Financial Officer, Treasurer and Corporate Secretary	400,000	400,000
Andrzej J. Matyczynski [3]	EVP-Global Operations	324,000	336,000
Robert F. Smerling	President, US Cinemas	350,000	375,000
Wayne Smith	Managing Director, Australia and New Zealand	274,897 [4]	282,491 [4]

(1) Ellen M. Cotter was appointed Interim President and Chief Executive Officer on June 12, 2015 and President and Chief Executive Officer on January 8, 2016.

(2) Devasis Ghose was appointed Chief Financial Officer and Treasurer on May 11, 2015. For 2015, Mr. Ghose earned a prorated base salary of $257,692.

Andrzej J. Matyczynski was the Company's Chief Financial Officer and Treasurer until May 11, 2015 and thereafter he acted as Strategic Corporate Advisor to the Company. He was appointed EVP-Global Operations on March 10, 2016. In 2015, Mr. Smith was paid in Australian dollars in the amount of AUD$365,360 (shown in U.S. Dollars in the table above, using the conversion rate of 0.7524). In 2016, Mr. Smith will be paid in Australian dollars in the amount of AUD$370,000 (shown above in U.S. Dollars using the exchange rate of 0.76349).

Short Term Incentives

The Short Term Incentives authorized by our Compensation Committee and our Board provides our executive officers and other management team members, who are selected to participate, with an opportunity to earn an annual cash bonus based upon the achievement of certain company financial goals, division goals and individual goals, established by our Chief Executive Officer and approved by our Compensation Committee and our Board (in future years, under the Compensation Committee Charter approved by our Board on March 10, 2016, our Compensation Committee will have full authority to approve these matters). Specifically, a participant in the short-term incentive plan will be advised of his or her annual potential target bonus expressed as a percentage of the participant's base salary and by dollar amount. The participant will be eligible for a short-term incentive bonus once the participant achieves goals identified at the beginning of the year for a threshold target, the potential target or potential maximum target bonus opportunity. The bonus will vary depending upon the achievements made by the individual participants, the division and the corporation. Corporate goals for 2016 will include levels of earnings before interest, depreciation, taxes and amortization ("non-GAAP Operating Income") and property development milestones. Division goals for 2016 will include levels of division cash flow and division milestones and individual goals will include specific unique performance goals specific to the individual's position with us. Each of the corporate, division and individual goals carries a different percentage weight in determining the officer's or other team member's bonus for the year.

Ms. Ellen M. Cotter, our President and Chief Executive Officer, has a potential target bonus opportunity of 95% of Base Salary, or $427,500 at target based on Ms. Cotter's achievement of her performance goals and over achievement of corporate goals discussed above. Of that potential target bonus opportunity, a threshold bonus of $213,750 may be achieved based upon Ms. Cotter's achievement of certain performance goals and our achievement of certain corporate goals, and a potential maximum target of $641,250 is based on achieving additional performance goals. Ms. Cotter's aggregate annual bonus opportunity can range from $0 to $641,250. Mr. Dev Ghose, our EVP, Chief Financial Officer, Treasurer and Corporate Secretary, has a potential target bonus opportunity of 50% of Base Salary, or $200,000 at target, which is based on achievement of his performance goals and our achievement of corporate goals, as discussed above. Mr. Ghose's aggregate annual bonus opportunity can range from $0 to $300,000 (the maximum potential target if additional performance goals are met by Mr. Ghose). Mr. Andrzej J. Matyczynski, our EVP - Global Operations, has a target bonus opportunity of 50% of Base Salary, or $168,000 at target, which is based on achievement of his performance goals, our achievement of corporate goals and certain divisional goals. Mr. Matyczynski's aggregate annual bonus opportunity can range from $0 to $252,000 (the maximum potential target if additional performance goals are met by Mr. Matyczynski). Mr. Robert Smerling, President, US Cinemas, has a target bonus opportunity of 30% of base pay, or $112,500 at target,

which is based on achievement of his performance goals, our achievement of corporate goals and certain divisional goals. Mr. Smerling's aggregate annual bonus opportunity can range from $0 to $168,750 (the maximum potential target if additional performance goals are met by Mr. Smerling). Mr. Wayne Smith, Managing Director, Australia New Zealand, has a target bonus opportunity of 40% of Base Salary, or A$148,000 at target, which is based on achievement of his performance goals, our achievement of corporate goals and certain divisional goals. Mr. Smith's aggregate annual bonus opportunity can range from A$0 to A$222,000 (the maximum potential target if additional performance goals are met by Mr. Smith). The positions of other management team members have target bonus opportunities ranging from 20% to 30% of Base Salary based on achievement certain goals. The highest level of achievement, participants may be eligible to receive up to a maximum of 150% of his or her target bonus amount.

Long-Term Incentives

Long-Term incentives will utilize the equity-based plan under our 2010 Incentive Stock Plan, as amended (the "2010 Plan"). For 2016, executive and management team participants will receive awards in the following forms: 50% time-based restricted stock units and 50% non-statutory stock options. The grants of restricted stock units and options will vest ratably over a four (4) year period with 1/4th vesting on each anniversary date of the grant date.

On March 10, 2016, the following grants were made:

Name	Title	Dollar Amount of Restricted Stock Units	Dollar Amount of Non-Statutory Stock Options (1)
Ellen M. Cotter	President and Chief Executive Officer	$150,000	$150,000
Devasis Ghose (2)	EVP, Chief Financial Officer, Treasurer and Corporate Secretary	0	0
Andrzej J. Matyczynski	EVP-Global Operations	37,500	37,500
Robert F. Smerling	President, US Cinemas	50,000	50,000
Wayne Smith	Managing Director, Australia and New Zealand	27,000 (3)	27,000 (3)

(1) The number of shares of stock to be issued will be calculated using the Black Scholes pricing model as of the date of grant of the award.
(2) Mr. Devasis Ghose was awarded 100,000 non-statutory stock options vesting over a 4-year period on commencing on Mr. Ghose's first day of employment on May 11, 2015.
(3) Although Mr. Smith was paid 50% of $ 75,000 in Australian Dollars, the amount shown above is quoted in U.S. Dollars.

All long-term incentive awards will be subject to other terms and conditions set forth in the 2010 Plan and award grant.

Other Elements of Compensation

Retirement Plans

We maintain a 401(k) retirement savings plan that allows eligible employees to defer a portion of their compensation, within limits prescribed by the Internal Revenue Code, on a pre-tax basis through contributions to the plan. Our named executive officers other than Mr. Smith, who is a non-resident of the U.S., are eligible to participate in the 401(k) plan on the same terms as other full-time employees generally. Currently, we match contributions made by participants in the 401(k) plan up to a specified percentage, and these matching contributions are fully vested as of the date on which the contribution is made. We believe that providing a vehicle for tax-deferred retirement savings though our 401(k) plan, and making fully vested matching contributions, adds to the overall desirability of our executive compensation package and further incentivizes our employees, including our named executive officers, in accordance with our compensation policies.

Other Retirement Plans

During 2012, Mr. Matyczynski was granted an unfunded, nonqualified deferred compensation plan ("DCP") that was partially vested and was to vest further so long as he remained in our continuous employ. The DCP allowed Mr. Matyczynski to defer part of the cash portion of his compensation, subject to annual limits set forth in the DCP. The funds held pursuant to the DCP are not segregated and do not accrue interest or other earnings. If Mr. Matyczynski were to be terminated for cause, then the total vested amount would be reduced to zero. The incremental amount vested each year was made subject to review and approval by our Board. Please see the " *Nonqualified Deferred Compensation* " table for additional information. In addition, Mr. Matyczynski is entitled to a

lump-sum severance payment of $50,000, provided there has been no termination for cause and subject to certain offsets, upon his retirement.

Upon the termination of Mr. Matyczynski's employment, he will also be entitled under the DCP agreement to payment of the vested benefits under his DCP in annual installments following the later of (a) 30 days following Mr. Matyczynski's 65th birthday or (b) six months after his separation from service for reasons other than his death or termination for cause. The DCP was to vest over 7 years and with full vesting to occur in 2019 at $1,000,000 in deferred compensation. However, in connection with his changed employment to EVP - Global Operations, the Company and Mr. Matyczynski agreed that the Company would cease making contributions to the DCP on April 15, 2016 and that the final contributions by the Company to the DCP would be $150,000 for 2015, and $21,875 for 2016, satisfying the Company's total contribution obligations under the DCP at an amount of $621,875.

The DCP is an unfunded contractual obligation of the Company. DCP benefits are paid from the general assets of the Company. However, the Company reserves the right to establish a grantor trust from which DCP benefits may be paid.

In March 2016, the Compensation Committee approved a one-time retirement benefit for Robert Smerling, President, Cinema Operations, due to his significant long term service to the Company. The retirement benefit an amount equal to the average of the two highest total cash compensation (base salary plus cash bonus) years paid to Mr. Smerling in the then most recently completed five year period.

We currently maintain no other retirement plan for our named executive officers.

Key Person Insurance

We maintain life insurance on certain individuals who we believe to be key to our management. In 2015, these individuals included James J. Cotter, Jr. (through September 13, 2015), Ellen M. Cotter, Margaret Cotter, William Ellis, Dev Ghose, Andrzej Matyczynski, Robert Smerling, Craig Tompkins and Wayne Smith. If such individual ceases to be our employee, Director or independent contractor, as the case may be, she or he is permitted, by assuming responsibility for all future premium payments, to replace our Company as the beneficiary under such policy. These policies allow each such individual to purchase up to an equal amount of insurance for such individual's own benefit. In the case of our employees, the premium for both the insurance as to which we are the beneficiary and the insurance as to which our employee is the beneficiary, is paid by us. In the case of named executive officers, the premium paid by us for the benefit of such individual is reflected in the Compensation Table in the column captioned "All Other Compensation."

Employee Benefits and Perquisites

Our named executive officers are eligible to participate in our health and welfare plans to the same extent as all full-time employees generally. We do not generally provide our named executive officers with perquisites or other personal benefits. Historically, many of our other named executive officers also received an automobile allowance. The table below shows car allowances granted to certain officers under their employment agreements or arrangements. From time to time, we may provide other perquisites to one or more of our other named executive officers.

Officer	Annual Allowance ($)
Dev Ghose	12,000
William Ellis [1]	15,000
Andrzej J. Matyczynski	12,000
Ellen M. Cotter	13,800
James J. Cotter, Jr. [1]	15,000
Robert F. Smerling	18,000

(1) Mr. Ellis and Mr. Cotter, Jr. are no longer employees of the Company.

Tax and Accounting Considerations

Deductibility of Executive Compensation

Subject to an exception for "performance-based compensation," Section 162(m) of the Internal Revenue Code generally prohibits publicly held corporations from deducting for federal income tax purposes annual compensation paid to any senior executive officer to the extent that such annual compensation exceeds $1.0 million. Our Compensation Committee and our Board consider the

limits on deductibility under Section 162(m) in establishing executive compensation, but retain the discretion to authorize the payment of compensation that exceeds the limit on deductibility under this Section.

Nonqualified Deferred Compensation

We believe we are operating, where applicable, in compliance with the tax rules applicable to nonqualified deferred compensation arrangements.

Say on Pay

At our Annual Meeting of Stockholders held on May 15, 2014, we held an advisory vote on executive compensation. Our stockholders voted in favor of our Company's executive compensation. The Compensation Committee reviewed the results of the advisory vote on executive compensation in 2014 and did not make any changes to our compensation based on the results of the vote. We expect that our next advisory vote of our stockholders on executive compensation will be at our 2017 Annual Meeting of Stockholders.

Executive Compensation

This section discusses the material components of the compensation program for our executive officers named in the 2015 Summary Compensation Table below. In 2015, our named executive officers and their positions were as follows:

- Ellen M. Cotter, Chairperson of the Board, President and Chief Executive Officer, interim President and Chief Executive Officer, Chief Operating Officer – Domestic Cinemas and Chief Executive Officer of Consolidated Entertainment, LLC.
- Dev Ghose, EVP, Chief Financial Officer and Treasurer.
- William Ellis, General Counsel and Corporate Secretary
- Robert F. Smerling, President – Domestic Cinema Operations.
- Wayne Smith, Managing Director – Australia and New Zealand.
- James J. Cotter, Jr., former Vice Chairman, President and Chief Executive Officer.
- Andrzej J. Matyczynski, former Chief Financial Officer, Treasurer and Corporate Secretary.

Summary Compensation Table

The following table shows the compensation paid or accrued during the last three fiscal years ended December 31, 2015 to (i) Mr. James J. Cotter, Jr., who served as our principal executive officer until June 12, 2015, (ii) Ellen M. Cotter, who served as our interim principal executive officer from June 12, 2015 through December 31, 2015, (iii) Mr. Andrzej J. Matyczynski, who served as our Chief Financial Officer and Treasurer until May 11, 2015, (iv) Mr. Dev Ghose, who served as our Chief Financial Officer starting May 11, 2015, and (v) the other three most highly compensated persons who served as executive officers in 2015. The following executives are herein referred to as our "named executive officers."

	Year	Salary ($)	Bonus ($)	Stock Awards ($) (1)	Option Awards ($) (1)	Change in Pension Value and Nonqualified Deferred Compensation Earning ($)		All Other Compensation ($)		Total ($)
Ellen M. Cotter [3]	2015	402,000	250,000	--	--	--		25,465	[3]	677,465
Interim President and Chief Executive Officer, Chief Operating Officer - Domestic Cinemas	2014	335,000	--	--	--	--		75,190	[3][6]	410,190
	2013	335,000	--	--	--	--		24,915	[3]	359,915
James J. Cotter, Jr. [2][9]	2015	195,417	--	--	50,027--	--		16,161	[3]	261,605
Former President and Chief Executive Officer	2014	335,000	--	--	50,027--	--		26,051	[3]	411,078
	2013	195,417	--	--	29,182--	--		9,346	[3]	233,945
Devasis Ghose [9]	2015	257,692	75,000		382,334	--		15,730	[3]	407,005
Chief Financial Officer and Treasurer	2014	--	--	--	--	--	--	--		--
	2013	--	--	--	--	--	--	--		--
Andrzej J. Matyczynski [9]	2015	324,000			33,010	150,000	(8)	27,140	[3]	534,150
Former Chief Financial Officer and Treasurer	2014	308,640			33,010	150,000	(8)	26,380	[3]	518,030
	2013	308,640	35,000	--	33,010	50,000	(8)	25,755	[3]	452,405

William Ellis General Counsel [10]	2015	350,000	60,000		57,194		28,330 [3]	495,524
	2014	71,795	10,000		9,532		2,500 [3]	93,827
	2013	--	--	--	--	--	--	--
Robert F. Smerling President – Domestic Cinema Operations	2015	350,000	75,000	--	--	--	22,899 [3]	447,899
	2014	350,000	65,000	--	--	--	22,421 [3]	437,421
	2013	350,000	25,000	--	--	--	21,981 [3]	396,981
Wayne Smith [11] Managing Director - Australia and New Zealand	2015	274,897	71,478	--	--	--	2,600 [3]	348,975
	2014	324,295	72,216	--	--	--	2,340 [3]	398,851
	2013	340,393	48,420	--	--	--	2,075 [3]	390,888

(1) Amounts represent the aggregate grant date fair value of awards computed in accordance with ASC Topic 718, excluding the effects of any estimated forfeitures. The assumptions used in the valuation of these awards are discussed in[Note 3] to our consolidated financial statements. Amounts do not include the value of restricted stock units that will not vest within 60 days following the date of which this information is provided.

(2) Ms. Ellen M. Cotter was appointed our interim President and Chief Executive Officer on June 12, 2015.

(3) Includes our matching employer contributions under our 401(k) plan, the imputed tax of key person insurance, and any automobile allowances. Aside from the car allowances only the employer contributions for the 401(k) plan exceeded $10,000, see table below. See the table in the section entitled Employee Benefits and Perquisites for the amount of each individual's car allowance.

Employer Contribution for 401(k) Plan			
Name	2015	2014	2013
Ellen M. Cotter	$10,600	$10,400	$10,200
James J. Cotter, Jr.	6,700	10,400	0
Dev Ghose	4,000	0	0
Andrzej J. Matyczynski	10,600	10,400	10,200
William Ellis	10,500	0	0
Robert F. Smerling	0	0	0
Wayne Smith	0	0	0

(4) Includes a $50,000 tax gross-up for taxes incurred as a result of the exercise of nonqualified stock options that were intended to be issued as incentive stock options.

(5) Mr. Cotter, Jr., served as our Chief Executive Officer until June 12, 2015. In the case of Mr. Cotter Jr., the "All Other Compensation" column includes $43,750 in severance payments paid pursuant to Mr. Cotter Jr.'s employment agreement. Of this amount, the Company has a claim against Mr. Cotter Jr. for approximately $ 18,000 , which, if the Company is successful in this claim, may be recovered from Mr. Cotter Jr. For additional information, see the information set forth in *Item 3, Legal Proceedings* .

(6) Mr. Ghose became Chief Financial Officer and Treasurer on May 11, 2015, as such, he was paid a prorated amount of his $400,000 salary for 2015.

(7) Mr. Matyczynski resigned as our Chief Financial Officer and Treasurer on May 11, 2015, and acted as our Strategic Corporate Advisor until March 10, 2016.

(8) Represents the increase in the vested benefit of the DCP for Mr. Matyczynski. Payment of the vested benefit under his DCP will be made in accordance with the terms of the DCP.

(9) Mr. Cotter, Jr. had an annual base salary of $335,000 for 2015. As his employment ended in June 2015, Mr. Cotter, Jr. earned a prorated base salary of $195,417 for 2015, which includes his severance payment paid through the end of July 2015.

(10) Mr. Ellis became General Counsel and Corporate Secretary on October 20, 2014 as such he was paid a prorated amount of his $350,000 salary in 2014. Mr. Ellis submitted his resignation on February 18, 206.

(11) Mr. Smith is paid in Australian Dollars. Amounts in the table above are shown in U.S. Dollars, using the conversion rates of 0.9684 for 2013, 0.9027 for 2014and 0.7524 for 2015.

Grants of Plan-Based Awards

The following table contains information concerning the stock grants made to our named executive officers for the year ended December 31, 2015:

Name	Grant Date	Estimated Future Payouts Under Non-Equity Incentive Plan Awards			Estimated Futures Payouts Under Equity Incentive Plan Awards			All Other Stock Awards: Number of Shares of Stock or Units (#)(1)	All Other Option Awards: Number of Securities Underlying Options (#)(2)	Exercise or Base Price of Option Award ($/share) (3)	Grant Date Fair Value of Stock and Option Awards ($)(4)
		Threshold ($)	Target ($)	Maximum ($)	Threshold (#)	Target (#)	Maximum (#)				
Ellen M. Cotter											
James J. Cotter, Jr.											
Devasis Ghose	5-11-2015								100,000	13.42	$382,334
Andrzej J. Matyczynski											
William Ellis											
Robert F. Smerling											
Wayne Smith (1)	7-16-2015							6,000			$84,000

(1) Mr. Wayne Smith was issued an award of restricted Class A Common Stock, which vests in equal installments on May 13, 2015 and May 13, 2016. The closing price per share for the Class A Common Stock on the date of grant was $14.00. The awards issued to Mr. Wayne Smith are related to his prior-year performance.

(2) Mr. Dev Ghose was issued an option to purchase 100,000 shares of Class A Common Stock at the commencement of his employment, which award vests in four equal installments.

(3) Options are granted with an exercise price equal to the closing price per share on the date of grant.

(4) Represents the total option value estimated as per ASC 718.

Nonqualified Deferred Compensation

Name	Executive contributions in 2015 ($)	Registrant contributions in 2015 ($)	Aggregate earnings in 2015 ($)	Aggregate withdrawals/distributions ($)	Aggregate balance at December 31, 2015 ($)
Andrzej J. Matyczynski	0	150,000	0	0	600,000

See Item 11 - Other Retirement Plans for a description of the DCP.

2010 Equity Incentive Plan

On May 13, 2010, our stockholders approved the Plan at the annual meeting of stockholders in accordance with the recommendation of the Board of Directors of the Company. The Plan provides for awards of stock options, restricted stock, bonus stock, and stock appreciation rights to eligible employees, Directors, and consultants. The Board of Directors approved an amendment to the Plan to permit the award of restricted stock units on March 10, 2016. The Plan permits issuance of a maximum of 1,250,000 shares of Class A Stock. The Plan expires automatically on March 11, 2020.

Equity incentive bonuses may be awarded to align our executives' long-term compensation to appreciation in stockholder value over time and, so long as such grants are within the parameters of the Plan, historically were entirely discretionary on the part of Mr. Cotter, Sr. Other stock grants are subject to Board approval. Equity awards may include stock options, restricted stock, bonus stock, or stock appreciation rights.

If awarded, it is generally our policy to value stock options and restricted stock at the closing price of our common stock as reported on the NASDAQ Stock Market on the date the award is approved or on the date of hire, if the stock is granted as a recruitment incentive. When stock is granted as bonus compensation for a particular transaction, the award may be based on the market price on a date calculated from the closing date of the relevant transaction. Awards may also be subject to vesting and limitations on voting or other rights.

Outstanding Equity Awards

The following table sets forth outstanding equity awards held by our named executive officers as of December 31, 2015 under the Plan:

Outstanding Equity Awards at Year Ended December 31, 2015

		Option Awards				Stock Awards	
	Class	Number of Shares Underlying Unexercised Options Exercisable	Number of Shares Underlying Unexercised Options Unexercisable	Option Exercise Price ($)	Option Expiration Date	Number of Shares or Units of Stock that Have Not Vested	Market Value of Shares or Units that Have Not Vested ($)
James J. Cotter, Jr. [1]	A	25,000	20,000	6.31	06/02/2018	0	0
Ellen M. Cotter	A	20,000	--	5.55	03/06/2018	0	0
William Ellis [2]	A	8,815	40,000	8.94	12/31/2016	0	0
Devasis Ghose	A	25,000 [3]	75,000	13.42	05/10/2020		
Andrzej J. Matyczynski	A	25,000	--	6.02	08/22/2022	0	0
Robert F. Smerling	A	43,750	--	10.24	05/08/2017	0	0
Wayne Smith	A	--	--	--	--	3,000 [4]	42,000

(1) Mr. Cotter, Jr. has stated that he has unvested options to acquire 50,000 shares of Class A Stock at an exercise price of $6.31 per share, expiring February 6, 2018, of an original stock option grant of 100,000 Class A Stock. Mr. Cotter, Jr. exercised 50,000 stock options in June 2015. The Company's position is that all unvested options expired upon the termination of Mr. Cotter, Jr.'s employment. The matter is under review by the Company.
(2) Mr. Ellis resigned effective March 11, 2106. As part of his separation agreement, 20,000 of the 40,000 remaining unvested shares will vest on October 20, 2016. Thereafter, no additional options will vest.
(3) 25,000 of Mr. Ghose's options will vest on May 11, 2016.
(4) Mr. Smith was granted 6,000 restricted shares of Class A stock on July 16, 2015, which vest over two years in annual installments.

Option Exercises and Stock Vested

The following table contains information for our named executive officers concerning the option awards that were exercised and stock awards that vested during the year ended December 31, 2015:

		Option Awards		Stock Awards	
Name	Class	Number of Shares Acquired on Exercise	Value Realized on Exercise ($)	Number of Shares Acquired on Vesting	Value Realized on Vesting ($)
James J. Cotter, Sr.	B	100,000	1,024,000	--	--
James J. Cotter, Jr. [1]	A	50,000	315,500		
James J. Cotter, Jr.	A	12,500	48,375	--	--
James J. Cotter, Jr.	A	10,000	83,500	--	--
Ellen M. Cotter	B	50,000	512,000	--	--
Andrzej J. Matyczynski	A	35,100	180,063	--	--

(1) Mr. Cotter, Jr. has stated that he has unvested options to acquire 50,000 shares of Class A Stock at an exercise price of $6.31 per share, expiring February 6, 2018, of an original stock option grant of 100,000 Class A Stock. Mr. Cotter, Jr. exercised 50,000 stock options in June 2015. The Company's position is that all unvested options expired upon the termination of Mr. Cotter, Jr.'s employment. The matter is under review by the Company.

Pension Benefits

The following table contains information concerning pension plans for each of the named executive officers for the year ended December 31, 2015:

Name	Plan Name	Number of Years of Credited Service	Present Value of Accumulated Benefit as of 12/31/2015 ($)	Payments During Last Fiscal Year ($)
Andrzej J. Matyczynski	DCP	6	600,000	$ --

Potential Payments upon Termination of Employment or Change in Control

The following paragraphs provide information regarding potential payments to each of our named executive officers in connection with certain termination events, including a termination related to a change of control of the Company, as of December 31, 2015:

Mr. Dev Ghose – Termination without Cause . Under his employment agreement, we may terminate Mr. Ghose's employment with or without cause (as defined) at any time . If we terminate his employment without cause or fail to renew his employment agreement upon expiration without cause, Mr. Ghose will be entitled to receive severance in an amount equal to the salary and benefits he was receiving for a period of 12 months following such termination or non-renewal . If the termination is in connection with a "change of control" (as defined), Mr. Ghose would be entitled to severance in an amount equal to the compensation he would have received for a period two years from such termination .

Mr. William Ellis – Termination without Cause . . Mr. Ellis resigned his employment effective March 11, 2016. We have entered into a separation agreement with Mr. Ellis which provides, among other things, that, in consideration of the payment to Mr. Ellis of $205,010 (to be paid in 19 equal semi-monthly installments of $10,790) and the vesting of options to acquire 20,000 shares of our Class A Common Stock on October 15, 2016, Mr. Ellis has agreed to be available to advise us on matters on which he previously worked until December 31, 2016. Mr. Ellis' employment agreement contained a noncompetition clause that did not extend beyond his termination.

Mr. Wayne Smith — Termination of Employment for Failing to Meet Performance Standards . If Mr. Smith's employment is terminated by the Board for failing to meet the standards of his anticipated performance, Mr. Smith will be entitled to a severance payment of six months' base salary.

Mr. Andrzej J. Matyczynski – Deferred Compensation Benefits . During 2012, Mr. Matyczynski was granted an unfunded, nonqualified deferred compensation plan ("DCP") that was partially vested and was to vest further so long as he remained in our continuous employ. If Mr. Matyczynski were to be terminated for cause, then the total vested amount would be reduced to zero. The incremental amount vested each year was made subject to review and approval by our Board. Please see the " *Nonqualified Deferred Compensation* " table for additional information.

Upon the termination of Mr. Matyczynski's employment, he will be entitled under the DCP agreement to payment of the vested benefits under his DCP in annual installments following the later of (a) 30 days following Mr. Matyczynski's 65th birthday or (b) six months after his separation from service for reasons other than his death or termination for cause. The DCP was to vest over 7 years and with full vesting to occur in 2019 at $1,000,000 in deferred compensation. However, in connection with his employment as EVP Global Operations, the Company and Mr. Matyczynski agreed that the Company would cease making contributions to the DCP on April 15, 2016 and that the final contributions by the Company to the DCP would be $150,000 for 2015 and $21,875 for 2016, satisfying the Company's obligations under the DCP. Mr. Matyczynski's agreement contains nonsolicitation provisions that extend for one year after his retirement.

Under Mr. Matyczynski's agreement, on his retirement date and provided there has not been a termination for cause, Mr. Matyczynski will be entitled to a lump sum severance payment in an amount equal to $50,000, less certain offsets.

Robert F. Smerling – Retirement Benefit . In March 2016, the Compensation Committee approved a one-time retirement benefit for Robert Smerling, President, Cinema Operations, due to his significant long-term service to the Company. The retirement benefit is the average of the two highest total cash compensation (base salary plus cash bonus) years paid to Mr. Smerling in the then most recently completed five year period.

No other named executive officers currently have employment agreements or other arrangements providing benefits upon termination or a change of control. The table below shows the maximum benefits that would be payable to each person listed above in the event of such person's termination without cause or termination in connection with a change in control, if such events occurred on December 31, 2015, assuming the transaction took place on December 31, 2015 at price equal to the closing price of the Class A stock, which was of $13.11.

Mr. Ellis' agreement terminated when his employment ended as of March 11, 2016. As such, his information is excluded from the table below.

	Payable on upon Termination without Cause ($)				Payable upon Termination in Connection with a Change in Control ($)				Payable upon Retirement ($)
	Severance Payments	*Value of Vested Stock Options*	*Value of Health Benefits*		*Severance Payments*	*Value of Vested Stock Options*	*Value of Unvested Stock Options Accelerated*		*Benefits Payable under Retirement Plans or the DCP*
Ellen Cotter	0	151,200	0		0	151,200	0		0
Dev Ghose	400,000	0	23,040		800,000	0			0
Wayne Smith	175,000 (1)	39,330	--		0	39,330	39,330		0
Andrzej J. Matyczynski	50,000 (1)	177,250	0		0	177,250	0		600,000
Robert F. Smerling	0	125,562	0		0	125,562	0		415,000 (2)

(1) Mr. Matyczynski's severance payment is payable upon his retirement, and is subject to certain offsets as set forth in his agreement, and is subject to certain offsets.

(2) Mr. Smerling's one-time retirement benefit is based on the average of the two highest total cash compensation years paid to Mr. Smerling in the most recently completed five-year period. The figure quoted in the table represents the average of total compensation paid for years 2015 and 2014.

(3) Represents value of stock grants.

Director Compensation Table

The following table sets forth information concerning the compensation to persons who served as our non -employee Directors during 2015 for their services as Directors.

Name	Fees Earned or Paid in Cash ($)	Option Awards ($)(1)	All Other Compensation ($)	Total ($)
Judy Codding	11,957	0	0	11,957
Margaret Cotter (2)	35,000	7,656	0	42,656
Guy W. Adams (3)	75,000	7,656	0	82,656
William D. Gould	80,000	7,656	0	87,656
Edward L. Kane	98,000	7,656	0	105,656
Douglas J. McEachern	82,000	7,656	0	89,656
Tim Storey (3)	112,500	7,656	21,136 (4)	140,292
Michael Wrotniak	11,005	0	0	11,005
Total				

(1) Fair value of the award computed in accordance with FASB ASC Topic 718.

(2) Until March 10, 2016, in addition to her Director's fees, Ms. Margaret Cotter received a combination of fixed and incentive management fees under the OBI management agreement described under the caption "Certain Transactions and Related Party Transactions - OBI Management Agreement," below.

(3) Mr. Storey served on our Board and Compensation Committee through October 11, 2015.

(4) Represents fees paid to Mr. Storey as the sole independent Director of our Company's wholly owned New Zealand subsidiary.

Compensation Committee Interlocks and Insider Participation

Our Compensation Committee is currently composed of Mr. Kane, who serves as Chair, Mr. Adams and Dr. Codding. Mr. Storey, who served on our Board until October 11, 2015, served on our Compensation Committee until that date. None of the members of the Compensation Committee was an officer or employee of the Company at any time during 2015. None of our executive officers serves as a member of the board of directors or compensation committee of any entity that has or had one or more executive officers serving as a member of our Board of Directors or Compensation Committee.

REPORT OF THE COMPENSATION COMMITTEE

The Compensation Committee has reviewed and discussed with management the "Compensation Discussion and Analysis" required by Item 401(b) of Regulation S-K and, based on such review and discussions, has recommended to our Board that the foregoing "Compensation Discussion and Analysis" be included in this Form 10-K.

Respectfully submitted,
Edward L. Kane, Chair
Guy W. Adams
Judy Codding

Item 12 – Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

Equity Compensation Plan Information

The following table sets forth, as of December 31, 2015, a summary of certain information related to our equity incentive plans under which our equity securities are authorized for issuance:

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)		Weighted average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders (1)	486,565	(2)	$ 8.68	551,800
Equity compensation plans not approved by security holders				
Total	486,565			

(1) These plans are the Company's 1999 Stock Option Plan and 2010 Stock Incentive Plan.
(2) Represents outstanding options only.

BENEFICIAL OWNERSHIP OF SECURITIES

Except as described below, the following table sets forth the shares of Class A Stock and Class B Stock beneficially owned on April 22, 2016 by:

- each of our incumbent Directors and Director nominees;
- each of our incumbent executive officers and named executive officers set forth in the Summary Compensation Table of this Form 10-K;
- each person known to us to be the beneficial owner of more than 5% of our Class B Stock; and
- all of our incumbent Directors and incumbent executive officers as a group.

Except as noted, and except pursuant to applicable community property laws, we believe that each beneficial owner has sole voting power and sole investment power with respect to the shares shown. An asterisk (*) denotes beneficial ownership of less than 1%.

	Amount and Nature of Beneficial Ownership (1)			
	Class A Stock		Class B Stock	
Name and Address of Beneficial Owner	Number of Shares	Percentage of Stock	Number of Shares	Percentage of Stock
Directors and Named Executive Officers				
Ellen M. Cotter (2)(12)	3,146,965	14.5	1,173,888	69.8
James J. Cotter, Jr. (12)(13)	3,084,976	14.2	696,080	41.4
Margaret Cotter (3)(12)	3,335,012	15.4	1,158,988	66.9

Guy W. Adams (8)	2,000	*	--	--
Judy Codding (9)	2,000	*	--	--
William D. Gould (4)	56,340	*	--	--
Edward L. Kane (5)	21,500	*	100	*
Andrzej J. Maryczynski (16)	50,880	*	--	--
Douglas J. McEachern (6)	39,300	*	--	--
Michael Wrotniak (10)	2,000	--	--	--
Robert F. Smerling (7)	43,750	*	--	--
Wayne Smith (11)	3,000	*	--	--
William Ellis (17)	20,000	*	--	--
Dev Ghose (18)	25,000	--	--	--
5% or Greater Stockholders				
James J. Cotter Living Trust (12)	1,897,649	8.8	696,080	41.4
Estate of James J. Cotter, Sr. (Deceased) (12)	326,800	1.5	427,808	25.5
Mark Cuban (14) 5424 Deloache Avenue Dallas, Texas 75220	72,164	*	207,913	12.4
PICO Holdings, Inc. and PICO Deferred Holdings, LLC (15) 875 Prospect Street, Suite 301 La Jolla, California 92037	--	--	117,500	7.0
James J. Cotter Foundation	102,751	*		
Cotter 2005 Grandchildren's Trust	289,390	1.3		
All Directors and executive officers as a group (14 persons) (18)	5,007,094	22.9	1,209,088	71.9

(1) Percentage ownership is determined based on 21,654,302 shares of Class A Stock and 1,680,590 shares of Class B Stock outstanding on March 31, 2016. Beneficial ownership has been determined in accordance with SEC rules. Shares subject to options that are currently exercisable, or exercisable within 60 days following the date as of which this information is provided, and not subject to repurchase as of that date, which are indicated by footnote, are deemed to be beneficially owned by the person holding the options and are deemed to be outstanding in computing the percentage ownership of that person, but not in computing the percentage ownership of any other person.

(2) The Class A Stock shown includes 20,000 shares subject to stock options as well as 799,765 shares held directly. The Class A Stock shown also includes 102,751 shares held by the James J. Cotter Foundation (the "Cotter Foundation"). Ellen M. Cotter is Co-Trustee of the Cotter Foundation and, as such, is deemed to beneficially own such shares. Ms. Cotter disclaims beneficial ownership of such shares except to the extent of her pecuniary interest, if any, in such shares. The Class A Stock shown also includes 297,070 shares that are part of the Estate of James J. Cotter, Deceased (the "Cotter Estate") that is being administered in the State of Nevada and 29,730 shares from the Cotter Profit Sharing Plan. On December 22, 2014, the District Court of Clark County, Nevada, appointed Ellen M. Cotter and Margaret Cotter as co-executors of the Cotter Estate. As such, Ellen M. Cotter would be deemed to beneficially own such shares. The shares of Class A Stock shown also include 1,897,649 shares held by the James J. Cotter Living Trust (the "Living Trust"). See footnotes (12) to this table for information regarding beneficial ownership of the shares held by the Living Trust. As Co-Trustees of the Living Trust, the three Cotter family members would be deemed to beneficially own such shares depending upon the outcome of the matters described in footnote (12). Together Margaret Cotter and Ellen M. Cotter beneficially own 1,208,988 shares of Class B Stock.

(3) The Class A Stock shown includes 17,000 shares subject to stock options as well as 804,173 shares held directly. The Class A Stock shown also includes 289,390 shares held by the Cotter 2005 Grandchildren's Trust and 29,730 shares from the Cotter Profit Sharing Plan. Margaret Cotter is Co-Trustee of the Cotter 2005 Grandchildren's Trust and, as such, is deemed to beneficially own such shares. Ms. Cotter disclaims beneficial ownership of such shares except to the extent of her pecuniary interest, if any, in such shares. The Class A Stock shown includes 297,070 shares of Class A Stock that are part of the Cotter Estate. As Co-Executor of the Cotter Estate, Ms. Cotter would be deemed to beneficially own such shares. The shares of Class A Stock shown also include 1,897,649 shares held by the Living Trust. See footnotes (12) for information regarding beneficial ownership of the shares held by the Living Trust. As Co-Trustees of the Living Trust, the three Cotter family members would be deemed to beneficially own such shares depending upon the outcome of the matters described in footnote (12). Together Margaret Cotter and Ellen M. Cotter beneficially own 1,208,988 shares of Class B Stock.

(4) The Class A Stock shown includes 19,000 shares subject to stock options.

(5) The Class A Stock shown includes 4,000 shares subject to stock options.

(6) The Class A Stock shown includes 29,000 shares subject to stock options.

(7) The Class A Stock shown consists 43,750 shares subject to stock options.

(8) The Class A Stock shown consists of 2,000 shares subject to stock options.

(9) The Class A Stock shown consists of 2,000 shares subject to stock options.

(10) The Class A Stock shown consists of 2,000 shares subject to stock options.

(11) The Class A Stock shown consists of 3,000 restricted stock grants.

(12) On June 5, 2013, the Declaration of Trust establishing the Living Trust was amended and restated (the "2013 Restatement") to provide that, upon the death of James J. Cotter, Sr., the Trust's shares of Class B Stock were to be held in a separate trust, to be known as the "Reading Voting Trust," for the benefit of the

grandchildren of Mr. Cotter, Sr. Mr. Cotter, Sr. passed away on September 13, 2014. The 2013 Restatement also names Margaret Cotter the sole trustee of the Reading Voting Trust and names James J. Cotter, Jr. as the first alternate trustee in the event that Ms. Cotter is unable or unwilling to act as trustee. The trustees of the Living Trust, as of the 2013 Restatement, were Ellen M. Cotter and Margaret Cotter. On June 19, 2014, Mr. Cotter, Sr. signed a 2014 Partial Amendment to Declaration of Trust (the "2014 Amendment") that names Margaret Cotter and James J. Cotter, Jr. as the co-trustees of the Reading Voting Trust and provides that, in the event they are unable to agree upon an important trust decision, they shall rotate the trusteeship between them annually on each January 1st. It further directs the trustees of the Reading Voting Trust to, among other things, vote the Class B Stock held by the Reading Voting Trust in favor of the appointment of Ellen M. Cotter, Margaret Cotter and James J. Cotter, Jr. to our Board and to take all actions to rotate the chairmanship of our Board among the three of them. The 2014 Amendment states that James J. Cotter, Jr., Ellen M. Cotter and Margaret Cotter are Co-Trustees of the Living Trust. On February 6, 2015, Ellen M. Cotter and Margaret Cotter filed a Petition in the Superior Court of the State of California, County of Los Angeles, captioned In re James J. Cotter Living Trust dated August 1, 2000 (Case No. BP159755). The Petition, among other things, seeks relief that could determine the validity of the 2014 Amendment and who between Margaret Cotter and James J. Cotter Jr. will have authority as trustee or co-trustees of the Reading Voting Trust to vote the shares of Class B Stock shown (in whole or in part) and the scope and extent of such authority. Mr. Cotter, Jr. has filed an opposition to the Petition. The [696,080] shares of Class B Stock shown in the table as being beneficially owned by the Living Trust are reflected on the Company's stock register as being held by the Living Trust and not by the Reading Voting Trust. The information in the table reflects direct ownership of the [696,080] shares of Class B Stock by the Living Trust in accordance with the Company's stock register and beneficial ownership of such shares as being held by each of the three potential Co-Trustees, Mr. Cotter, Jr., Ellen M. Cotter and Margaret Cotter, who, unless a court determines otherwise, are deemed to share voting and investment power of the shares held by the Living Trust.

(13) The Class A Stock shown includes 25,000 shares subject to stock options as well as 770,186 shares held directly The Class A Stock shown also includes 289,390 shares held by the Cotter 2005 Grandchildren's Trust and 102,751 held by the Cotter Foundation. Mr. Cotter, Jr. is Co-Trustee of the Cotter 2005 Grandchildren's Trust and of the Cotter Foundation and, as such, is deemed to beneficially own such shares. Mr. Cotter, Jr. disclaims beneficial ownership of such shares except to the extent of his pecuniary interest, if any, in such shares. The Class A Stock shown also includes 1,897,649 shares held by the Living Trust, which became irrevocable upon Mr. Cotter, Sr.'s death on September 13, 2014. See footnote (12) above for information regarding beneficial ownership of the shares held by the Living Trust. As Co-Trustees of the Living Trust, the three Cotter family members would be deemed to beneficially own such shares depending upon the outcome of the matters described in footnote (12). The Class A Stock shown includes 770,186 shares pledged as security for a margin loan.

(14) Based on Mr. Cuban's Form 5 filed with the SEC on February 19, 2016 and Schedule 13D/A filed on February 22, 2016.

(15) Based on the PICO Holdings, Inc. and PICO Deferred Holdings, LLC Schedule 13G filed with the SEC on January 14, 2009.

(16) The Class A Stock shown includes 25,000 shares subject to stock options.

(17) The Class A Stock shown includes 8,815 shares subject to stock options.

(18) The Class A Stock shown includes 222 ,565 shares subject to options not exerciseable.

Item 13 – Certain Relationships and Related Transactions, and Director Independence

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

The members of our Audit Committee are Douglas McEachern, who serves as Chair, Edward Kane and Michael Wrotniak. Management presents all potential related party transactions to the Audit Committee for review. Our Audit Committee reviews whether a given related party transaction is beneficial to our Company, and approves or bars the transaction after a thorough analysis. Only Committee members disinterested in the transaction in question participate in the determination of whether the transaction may proceed. See the discussion entitled " *Review, Approval or Ratification of Transactions with Related Persons* " on page [11] for additional information regarding the review process.

Sutton Hill Capital

In 2001, we entered into a transaction with Sutton Hill Capital, LLC ("SHC") regarding the master leasing, with an option to purchase, of certain cinemas located in Manhattan including our Village East and Cinemas 1, 2, 3 theaters. In counection with that transaction, we also agreed (i) to lend certain amounts to SHC, to provide liquidity in its investment, pending our determination whether or not to exercise our option to purchase and (ii) to manage the 86th Street Cinema on a fee basis. SHC is a limited liability company owned in equal shares by the Cotter Estate and a third party.

As previously reported, over the years, two of the cinemas subject to the master leasing agreement have been redeveloped and one (the Cinemas 1, 2, 3 discussed below) has been acquired. The Village East is the only cinema that remains subject to this master lease. We paid an annual rent of $590,000 for this cinema to SHC in each of 2015, 2014, and 2013. During this same period, we received management fees from the 86 th Street Cinema of $151,000, $123,000 and $183,000.

In 2005, we acquired (i) from a third party the fee interest underlying the Cinemas 1, 2, 3 and (ii) from SHC its interest in the ground lease estate underlying and the improvements constituting the Cinemas 1, 2, 3 . The ground lease estate and the improvements acquired from SHC were originally a part of the master lease transaction, discussed above. In connection with that transaction, we granted to SHC an option to acquire at cost a 25% interest in the special purpose entity (Sutton Hill Properties, LLC ("SHP") formed to acquire these fee, leasehold and improvements interests. On June 28, 2007, SHC exercised this option, paying $3.0 million and assuming a proportionate share of SHP's liabilities. At the time of the option exercise and the closing of the acquisition of the 25% interest, SHP had debt of $26.9 million, including a $2.9 million, non-interest bearing intercompany loan from the Company. As of December 31, 2015, SHP had debt of $19.4 million (again, including the intercompany loan). Since the acquisition by SHC of its 25% interest, SHP has covered its operating costs and debt service through cash flow from the Cinemas 1, 2, 3 , (ii) borrowings from third parties, and (iii) pro-rata contributions from the members. We receive an annual management fee equal to 5% of SHP's gross

income for managing the cinema and the property, amounting to $153,000, $123,000 and $183,000 in 2015, 2014 and 2013 respectively. This management fee was modified in 2015, as discussed below, retroactive to December 1, 2014.

On June 29, 2010, we agreed to extend our existing lease from SHC of the Village East Cinema by 10 years, with a new termination date of June 30, 2020. This amendment was reviewed and approved by our Audit Committee. The Village East lease includes a sub-lease of the ground underlying the cinema that is subject to a longer-term ground lease between SHC and an unrelated third party that expires in June 2031 (the "cinema ground lease"). The extended lease provides for a call option pursuant to which Reading may purchase the cinema ground lease for $5.9 million at the end of the lease term. Additionally, the lease has a put option pursuant to which SHC may require Reading to purchase all or a portion of SHC's interest in the existing cinema lease and the cinema ground lease at any time between July 1, 2013 and December 4, 2019. SHC's put option may be exercised on one or more occasions in increments of not less than $100,000 each. We recorded the Village East Cinema building as a property asset of $4.7 million on our balance sheet based on the cost carry-over basis from an entity under common control with a corresponding capital lease liability of $5.9 million presented under other liabilities (see Note 11 – *Pension and Other Liabilities*).

In February 2015, SHP and we entered into an amendment to the management agreement dated as of June 27, 2007 between SHP and us. The amendment, which was retroactive to December 1, 2014, memorialized our undertaking to SHP with respect to $750,000 (the "Renovation Funding Amount") of renovations to Cinemas 1, 2, 3 funded or to be funded by us. In consideration of our funding of the renovations, our annual management fee under the management agreement was increased commencing January 1, 2015 by an amount equivalent to 100% of any incremental positive cash flow of Cinemas 1, 2, 3 over the average annual positive cash flow of the Cinemas 1, 2, 3 over the three-year period ended December 31, 2014 (not to exceed a cumulative aggregate amount equal to the Renovation Funding Amount), plus a 15% annual cash-on-cash return on the balance outstanding from time to time of the Renovation Funding Amount, payable at the time of the payment of the annual management fee. Under the amended management agreement, we are entitled to retain ownership of (and any right to depreciate) any furniture, fixtures and equipment purchased by us in connection with such renovation and have the right (but not the obligation) to remove all such furniture, fixtures and equipment (at our own cost and expense) from the Cinemas upon the termination of the management agreement. The amendment also provides that, during the term of the management agreement, SHP will be responsible for the cost of repair and maintenance of the renovations. In 2015, we received a management fee of $153,000. This amendment was approved by SHC and by the Audit Committee of our Board of Directors.

OBI Management Agreement

Pursuant to a Theater Management Agreement (the "Management Agreement"), our live theater operations were, until recently, managed by Off-Broadway Investments, LLC ("OBI Management"), which is wholly owned by Ms. Margaret Cotter who is the daughter of the late Mr. James J. Cotter, Sr., the sister of Ellen M. Cotter and James Cotter, Jr., and a member of our Board of Directors. The Management Agreement was terminated effective March 10, 2016 in connection with the retention by our Company of Margaret Cotter as a full time employee.

The Theater Management Agreement generally provided for the payment of a combination of fixed and incentive fees for the management of our four live theaters. Historically, these fees have equated to approximately 21% of the net cash flow generated by these properties. We currently estimate that fees to be paid to OBI for 2015 will be approximately $389,000. We paid $397,000 and $401,000 in fees with respect to 2014, and 2013, respectively. We also reimbursed OBI for certain travel expenses, shared the cost of an administrative assistant and provided office space at our New York offices. The fees payable to OBI for the period January 1, 2016 through and including March 9, 2016, will be prorated.

OBI Management historically conducted its operations from our office facilities on a rent-free basis, and we shared the cost of one administrative employee of OBI Management. We reimbursed travel related expenses for OBI Management persounel with respect to travel between New York City and Chicago in connection with the management of the Royal George complex. Other than these expenses, OBI Management was responsible for all of its costs and expenses related to the performance of its management functions. The Management Agreement renewed automatically each year unless either party gives at least six months' prior notice of its determination to allow the Management Agreement to expire. In addition, we could terminate the Management Agreement at any time for cause.

Effective March 10, 2016, Margaret Cotter became a full time employee of the Company and the Management Agreement was terminated. As Executive Vice-President Real Estate Management and Development - NYC, Ms. Cotter will continue to be responsible for the management of our live theater assets, will continue her role heading up the pre-redevelopment of our New York Properties and will be our senior executive responsible for the actual redevelopment of our New York properties. Pursuant to the termination agreement, Ms. Cotter has given up any right she might otherwise have, through OBI, to income from STOMP.

Ms. Cotter's compensation as Executive Vice-President was set as part of an extensive executive compensation process. For 2016, Ms. Cotter's base salary will be $350,000, she will have a short term incentive target bonus opportunity of $105,000 (30% of her base salary), and she was granted a long term incentive of a stock option for 19,921 shares of Class A common stock and 4,184

restricted stock units under the Company's 2010 Stock Incentive Plan, as amended, which long term incentives vest over a four year period.

Live Theater Play Investment

From time to time, our officers and Directors may invest in plays that lease our live theaters. The play STOMP has been playing in our Orpheum Theatre since prior to the time we acquired the theater in 2001. The Cotter Estate or the Cotter Trust and Mr. Michael Forman own an approximately 5% interest in that play, an interest that they have held since prior to our acquisition of the theater. Refer to Item 3 – *Legal Proceedings* for more information about the show STOMP.

Shadow View Land and Farming, LLC

Director Guy Adams has performed consulting services for James J. Cotter, Sr., with respect to certain holdings that are now controlled by the Cotter Estate and/or the Cotter Trust (collectively the "Cotter Interests"). These holdings include a 50% non-controlling membership interest in Shadow View Land and Farming, LLC (the "Shadow View Investment" and "Shadow View" respectively), certain agricultural interests in Northern California (the "Cotter Farms") and certain land interests in Texas (the "Texas Properties"). In addition, Mr. Adams is the CFO of certain captive insurance entities, owned by a certain trust for the benefit of Ellen M. Cotter, James J. Cotter, Jr. and Margaret Cotter (the "captive insurance entities").

Shadow View is a consolidated subsidiary of the Company. The Company has from time to time made capital contributions to Shadow View. The Company has also, from time to time, as the managing member, funded on an interim basis certain costs incurred by Shadow View, ultimately billing such costs through to the two members. The Company has never paid any remuneration to Shadow View. Mr. Adams' consulting fees with respect to the Shadow View Interest were to have been measured by the profit, if any, derived by the Cotter Interests from the Shadow View Investment. He has no beneficial interest in Shadow View or the Shadow View Investment. His consulting fees with respect to Shadow View were equal to 5% of the profit, if any, derived by the Cotter Interests from the Shadow View Investment after recoupment of its investment plus a return of 100%. To date, no profits have been generated by Shadow View and Mr. Adams has never received any compensation with respect to these consulting services. His consulting fee would have been calculated only after the Cotter Interests had received back their costs and expenses and two times their investment in Shadow View. Mr. Adams' consulting fees would have been 2.5% of the then-profit, if any, recognized by Shadow View, considered as a whole.

The Company and its subsidiaries (i) do not have any interest in, (ii) have never conducted any business with, and (iii) have not made any payments to, the Cotter Family Farms, the Texas Properties and/or the captive insurance entities.

Document Storage Agreement

In consideration of the payment of $100 per month, our Company has agreed to allow Ellen Cotter and Margaret Cotter to keep certain files related to the Cotter Estate and/or the Cotter Trust at our Los Angeles Corporate Headquarters.

Review, Approval or Ratification of Transactions with Related Persons

The Audit Committee has adopted a written charter, which includes responsibility for approval of "Related Party Transactions." Under its charter, the Audit Committee performs the functions of the "Conflicts Committee" of the Board and is delegated responsibility and authority by the Board to review, consider and negotiate, and to approve or disapprove on behalf of the Company the terms and conditions of any and all Related Party Transactions (defined below) with the same effect as though such actions had been taken by the full Board. Any such matter requires no further action by the Board in order to be binding upon the Company, except in the case of matters that, under applicable Nevada Law, cannot be delegated to a committee of the Board and must be determined by the full Board. In those cases where the authority of the Board cannot be delegated, the Audit Committee nevertheless provides its recommendation to the full Board.

As used in the Audit Committee's Charter, the term "Related Party Transaction" means any transaction or arrangement between the Company on one hand, and on the other hand (i) any one or more directors, executive officers or stockholders holding more than 10% of the voting power of the Company (or any spouse, parent, sibling or heir of any such individual), or (ii) any one or more entities under common control with any one of such persons, or (iii) any entity in which one or more such persons holds more than a 10% interest. Related Party Transactions do not include matters related to employment or employee compensation related issues.

The charter provides that the Audit Committee reviews transactions subject to the policy and determines whether or not to approve or ratify those transactions. In doing so, the Audit Committee takes into account, among other factors it deems appropriate:

- the approximate dollar value of the amount involved in the transaction and whether the transaction is material to us;

- whether the terms are fair to us, have resulted from arm's length negotiations and are on terms at least as favorable as would apply if the transaction did not involve a Related Person;
- the purpose of, and the potential benefits to us of, the transaction;
- whether the transaction was undertaken in our ordinary course of business;
- the Related Person's interest in the transaction, including the approximate dollar value of the amount of the Related Person's interest in the transaction without regard to the amount of any profit or loss;
- required public disclosure, if any; and

any other information regarding the transaction or the Related Person in the context of the proposed transaction that would be material to investors in light of the circumstances of the particular transaction .

Director Independence

The Company has elected to take the "controlled company" exception under applicable listing rules of The NASDAQ Stock Market (the "NASDAQ Listing Rules"). Accordingly, the Company is exempted from the requirement to have an independent nominating committee and to have a board composed of at least a majority of independent directors. We are nevertheless nominating six independent directors for election to our Board. We have an Audit and Conflicts Committee (the "Audit Committee") and a Compensation Committee composed entirely of independent directors. We have a four member Executive Committee composed of our Chairperson and Vice-Chairperson and two independent directors (Messrs. Guy W. Adams and Edward L. Kane). Due to this structure, the concurrence of at least one independent member of the Executive Committee is required in order for the Executive Committee to take action.

We believe that our Directors bring a broad range of leadership experience to our Company and regularly contribute to the thoughtful discussion involved in effectively overseeing the business and affairs of the Company. We believe that all Board members are well engaged in their responsibilities and that all Board members express their views and consider the opinions expressed by other Directors. Six Directors on our Board are independent under the NASDAQ Listing Rules and SEC rules, and William D. Gould serves as the lead director among our Independent Directors. In that capacity, Mr. Gould chairs meetings of the Independent Directors and acts as liaison between our Chairperson of the Board and interim Chief Executive Officer and our Independent Directors. Our Independent Directors are involved in the leadership structure of our Board by serving on our Audit Committee, the Compensation Committee and the Tax Oversight Committee, each of which has a separate independent chairperson. Nominations to our Board for the Aunual Meeting were made by our entire Board, consisting of a majority of Independent Directors.

Audit Committee . Our Board has determined that the Audit Committee is composed entirely of independent Directors (as defined in section 5605(a)(2) of the NASDAQ Listing Rules), and that Mr. McEachern, the Chair of our Audit Committee, is qualified as an Audit Committee Financial Expert. Our Audit Committee is currently composed of Mr. McEachern, who serves as Chairperson, Mr. Kane and Mr. Wrotniak. Mr. Storey, who served on our board through October 11, 2015, served on our Audit Committee through the same date. The Audit Committee held four meetings during 2015. For additional information, see the Audit Committee section of Item 10 – Directors, Executive Officers and Corporate Governance, above.

Compensation Committee . The Compensation Committee is currently composed of Mr. Kane, who serves as Chairperson, Mr. Adams and Dr. Codding. Mr. Storey served on our Compensation Committee through October 11, 2015. The Compensation Committee's charter is available on our website at http://www.readingrdi.com/compensation-stock-options-committee/. The Compensation Committee evaluates and makes recommendations to the full Board regarding the compensation of our Chief Executive Officer and other executive officers (including the Cotter family members). In addition, the Compensation Committee establishes the Company's general compensation philosophy and objectives (in consultation with management), approves and adopts on behalf of the Board incentive compensation and equity-based compensation plans, subject to stockholder approval as required, and performs other compensation related functions as delegated by our Board. The Compensation Committee held three meetings during 2015.

Item 14 – Principal Accounting Fees and Services

Summary of Principal Accounting Fees for Professional Services Rendered

Our independent public accountants, Grant Thornton LLP, have audited our financial statements for the fiscal year ended December 31, 2015, and are expected to have a representative present at the Aunual Meeting, who will have the opportunity to make a statement if he or she desires to do so and is expected to be available to respond to appropriate questions.

Audit Fees

The aggregate fees for professional services for the audit of our financial statements, audit of internal controls related to the Sarbanes-Oxley Act, and the reviews of the financial statements included in our Forms 10-K and 10-Q provided by Grant Thornton LLP for 2015 and 2014 were approximately $931,500 and $661,700, respectively.

Audit-Related Fees

Grant Thornton LLP did not provide us any audit related services for 2015 or 2014.

Tax Fees

Grant Thornton LLP did not provide us any products or any services for tax compliance, tax advice, or tax planning for 2015 or 2014.

All Other Fees

Grant Thornton LLP did not provide us any services for 2015 or 2014, other than as set forth above.

Pre-Approval Policies and Procedures

Our Audit Committee must pre-approve, to the extent required by applicable law, all audit services and permissible non-audit services provided by our independent registered public accounting firm, except for any *de minimis* non-audit services. Non-audit services are considered *de minimis* if (i) the aggregate amount of all such non-audit services constitutes less than 5% of the total amount of revenues we paid to our independent registered public accounting firm during the fiscal year in which they are provided; (ii) we did not recognize such services at the time of the engagement to be non-audit services; and (iii) such services are promptly submitted to our Audit Committee for approval prior to the completion of the audit by our Audit Committee or any of its members who has authority to give such approval. Our Audit Committee pre-approved all services provided to us by Grant Thornton LLP for 2015 and 2014.

RDI-A03947

PART IV

Item 15 – Exhibits, Financial Statement Schedules

(a) The following documents are filed as a part of this report:

1. *Financial Statements*

The following financial statements are filed as part of this report under Item 8 – *Financial Statements and Supplementary Data* .

Description

Report of Independent Registered Public Accounting Firm

Consolidated Balance Sheets as of December 31, 2015 , and 2014

Consolidated Statements of Operations for the Three Years Ended December 31, 2015

Consolidated Statements of Comprehensive Income (Loss) for the Three Years Ended December 31, 201 5

Consolidated Statements of Stockholders' Equity for the Three Years Ended December 31, 2015

Consolidated Statements of Cash Flows for the Three Years Ended December 31, 2015

Notes to Consolidated Financial Statements

2. *Financial Statements and Schedules for the years ended December 31, 2015 , 2014 , and 2013*

Schedule II – Valuation and Qualifying Accounts

3. *Exhibits*

(b) Exhibits

See Item (a) 3. above.

(c) Financial Statement Schedule

See Item (a) 2. above.

Exhibits

3.1 +	Amended and Restated Articles of Incorporation of Reading International, Inc., a Nevada corporation, effective as of August 6, 2014 .
3.2.1 +	Amended and Restated Bylaws of Reading Interuational, Inc., a Nevada corporation, effective as of October 5, 2015.
4.1*	1999 Stock Option Plan of Reading Interuational, Inc., as amended on December 31, 2001 (filed as Exhibit 4.1 to the Company's Registration Statement on Form S-8 filed on January 21, 2004, and incorporated herein by reference).
4.2*	2010 Stock Incentive Plan and related forms of (i) Stock Option Agreement, (ii) Stock Bonus Agreement, (iii) Restricted Stock Agreement, and (iv) Stock Appreciation Right Agreement (filed as Exhibits 4.1, 4.2, 4.3, 4.4 and 4.5, respectively, to the Company's report on Form S-8 on May 26, 2010, and incorporated herein by reference).
4.3*	Amendment to the 2010 Stock Incentive Plan effective May 19, 2011 (filed as Appendix A of the Company's proxy statement on April 29, 2011, and incorporated here by reference).
4.4*	First Amendment to the 2010 Stock Incentive Plan dated as of March 10, 2016 (filed as Exhibit 10 the Company's report on Form 8-K filed on March 15, 2016, and incorporated herein by reference) .
4.5	Form of Preferred Securities Certificate evidencing the preferred securities of Reading International Trust I (filed as Exhibit 4.1 to the Company's report on Form 8-K filed on February 9, 2007, and incorporated herein by reference).
4.6	Form of Common Securities Certificate evidencing common securities of Reading International Trust I (filed as Exhibit 4.2 to the Company's report on Form 8-K filed on February 9, 2007, and incorporated herein by reference).
4.7	Form of Reading International, Inc. and Reading New Zealand, Limited, Junior Subordinated Note due 2027 (filed as Exhibit 4.3 to the Company's report on Form 8-K filed on February 9, 2007, and incorporated herein by reference).
4.8	Form of Indenture (filed as Exhibit 4.4 to the Company's report on Form S-3 on October 20, 2009, and incorporated herein by reference).
10.1	Amended and Restated Lease Agreement, dated as of July 28, 2000, as amended and restated as of January 29, 2002, between Sutton Hill Capital, L.L.C. and Citadel Cinemas, Inc. (filed as Exhibit 10.40 to the Company's Aunual Report on Form 10-K for the year ended December 31, 2002 and incorporated herein by reference).
10.2	Second Amendment to Amended and Restated Master Operating Lease dated as of September 1, 2005 (filed as exhibit 10.58 to the Company's report on Form 8-K filed on September 21, 2005, and incorporated herein by reference).
10.3	Assignment and Assnmption of Lease between Sutton Hill Capital L.L.C. and Sutton Hill Properties, LLC dated as of September 19, 2005 (filed as exhibit 10.56 to the Company's report on Form 8-K filed on September 21, 2005, and incorporated herein by reference).
10.4	Third Amendment to Amended and Restated Master Operating Lease Agreement, dated June 29, 2010, between Sutton Hill Capital, L.L.C. and Citadel Cinemas, Inc. (filed as Exhibit 10.21 to the Company's report on Form 10-K for the year ended December 31, 2010, and incorporated herein by reference).
10.5	Omnibus Amendment Agreement, dated as of October 22, 2003, between Citadel Cinemas, Inc., Sutton Hill Capital, L.L.C., Nationwide Theatres Corp., Sutton Hill Associates, and Reading International, Inc. (filed as Exhibit 10.49 to the Company's report on Form 10-Q for the period ended September 30, 2003, and incorporated herein by reference).
10.6	Theater Management Agreement, effective as January 1, 2002, between Liberty Theaters, Inc. and OBI LLC (filed as Exhibit 10.47 to the Company's Aunual Report on Form 10-K for the year ended December 31, 2002 and incorporated herein by reference).
10.7	Amended and Restated Declaration of Trust, dated February 5, 2007, among Reading International Inc., as sponsor, the Administrators named therein, and Wells Fargo Bank, N.A., as property trustee, and Wells Fargo Delaware Trust Company as Delaware trustee (filed as Exhibit 10.2 to the Company's report on Form 8-K dated February 5, 2007, and incorporated herein by reference).
	Indenture among Reading International, Inc., Reading New Zealand Limited, and Wells Fargo Bank, N.A., as indenture trustee (filed as Exhibit 10.4 to the Company's report on Form 8-K dated February 5, 2007, and incorporated herein by reference) .
10.9+	Amended and Restated Corporate Markets Loan & Bank Guarantee Facility Agreement dated December 23, 2015, among Reading Entertainment Australia Pty Ltd and National Australia Bank Limited.
10. 10+	Wholesale Term Loan Facility dated May 21, 2015, among Reading Courtenay Central Limited and Westpac New Zealand Limited.

10.11+	Loan agreement dated June 26, 2014, between Santander Bank , N.A. and Sutton Hill Properties, LLC .
10.13	Master Lease Agreement dated October 26, 2012, between Consolidated Cinema Services LLC and Banc of America Leasing & Capital, LLC (filed as Exhibit 10.31 to the Company's report on Form 10-K for the year ended December 31, 2013, and incorporated herein by reference).
10.14	Amendment dated October 31, 2012 to the Master Lease Agreement dated October 26, 2012, between Consolidated Cinema Services LLC and Banc of America Leasing & Capital, LLC (filed as Exhibit 10.32 to the Company's report on Form 10-K for the year ended December 31, 2013, and incorporated herein by reference).
10.15*	Form of Indemnification Agreement, as routinely granted to the Company's Officers and Directors (filed as Exhibit 10.77 to the Company's report on Form 10-Q for the period ended September 30, 2008, and incorporated herein by reference).
10.16*	Employment Agreement between Reading International, Inc. and Devasis Ghose, Chief Financial Officer (filed as Exhibit 10.1 to the Company's report on Form 10-Q for the period ended March 31, 2015, and incorporated herein by reference) .
10.17*	Employment Agreement between Reading International, Inc. and William D. Ellis, General Counsel (filed as Exhibit 10.1 to the Company's report on Form 10-Q for the period ended September 30, 2015, and incorporated herein by reference) .
10.18*	Separation and Release Agreement dated March 11, 2016 between Reading International, Inc. and William D. Ellis (filed as Exhibit 12.1 to the Company's report on Form 8-K filed on March 15, 2016, and incorporated herein by reference).
10.19*+	Separation and Release Agreement dated May 30, 2014 between Reading International, Inc. and Andrzej Matyczynski.
10.20*+	First Amendment to the Separation and Release Agreement between Reading International, Inc. and Andrzej Matyczynski, effective as of August 6, 2014.
10.21*+	Second Amendment to the Separation and Release Agreement between Reading International, Inc. and Andrzej Matyczynski, effective as of November 26, 2014.
10.22*+	Third Amendment to the Separation and Release Agreement between Reading International, Inc. and Andrzej Matyczynski, effective as of May 1, 2015.
10.23*+	Amended and Restated Compensatory Arrangements for Executive and Management Employees dated as of March 28, 2016.
10.24+	OBI Termination Agreement and Release
21 +	List of Subsidiaries.
23.1 +	Consent of Independent Registered Public Accounting Firm, Grant Thornton LLP.
31.1 +	Certification of Principal Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2 +	Certification of Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1 +	Certification of Principal Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2 +	Certification of Principal Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema
101.CAL	XBRL Taxonomy Extension Calculation
101.DEF	XBRL Taxonomy Extension Definition
101.LAB	XBRL Taxonomy Extension Labels
101.PRE	XBRL Taxonomy Extension Presentation

*These exhibits constitute the executive compensation plans and arrangements of the Company.
+These exhibits are filed herewith.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

READING INTERNATIONAL, INC.

(Registrant)

Date: April 29, 2016

By: /s/ Devasis Ghose

Devasis Ghose

Chief Financial Officer and Treasurer

(Principal Financial Officer)

Pursuant to the requirements of the Securities and Exchange Act of 1934, this report has been signed below by the following persons on behalf of Registrant and in the capacities and on the dates indicated.

Signature	**Title(s)**	**Date**
/s/ Ellen M. Cotter Ellen M. Cotter	President, Chief Executive Officer and Chairman of the Board and Director *(Principal Executive Officer)*	April 29, 2016
/s/ Devasis Ghose Devasis Ghose	Chief Financial Officer and Treasurer *(Principal Financial Officer)*	April 29, 2016
/s/ Steve Lucas Steve Lucas	Vice President, Controller and Chief Accounting Officer *(Principal Accounting Officer)*	April 29, 2016
/s/ Margaret Cotter Margaret Cotter	Vice Chairman of the Board and Director	April 29, 2016
_____ James J. Cotter	Director	
_____ Guy W. Adams	Director	
/s/ William D. Gould William D. Gould	Director	April 29, 2016
/s/ Edward L. Kane Edward L Kane	Director	April 29, 2016
/s/ Douglas J. McEachern Douglas J. McEachern	Director	April 29, 2016
/s/ Dr. Judy Codding Dr. Judy Codding	Director	April 29, 2016
/s/ Michael Wrotniak Michael Wrotniak	Director	April 29, 2016

STATE OF NEVADA

ROSS MILLER
Secretary of State

OFFICE OF THE
SECRETARY OF STATE

SCOTT W. ANDERSON
Deputy Secretary
for Commercial Recordings

Certified Copy

August 6, 2014

Job Number: C20140806-2998
Reference Number:
Expedite:
Through Date:

The undersigned filing officer hereby certifies that the attached copies are true and exact copies of all requested documents and related subsequent documentation filed with the Secretary of State's Office, Commercial Recordings Division listed on the attached report.

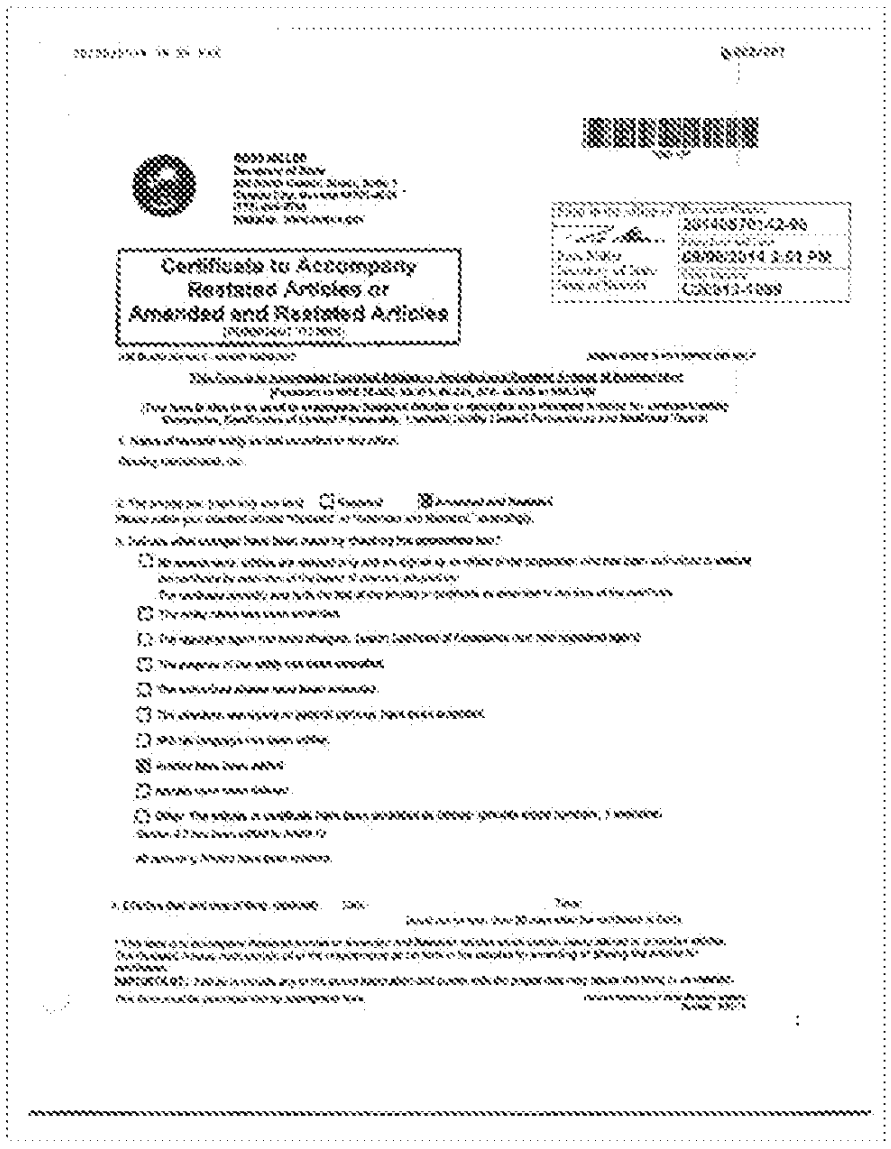
Document Number(s)	Description	Number of Pages
[redacted]	Amendment	6 Pages/1 Copies

Respectfully,

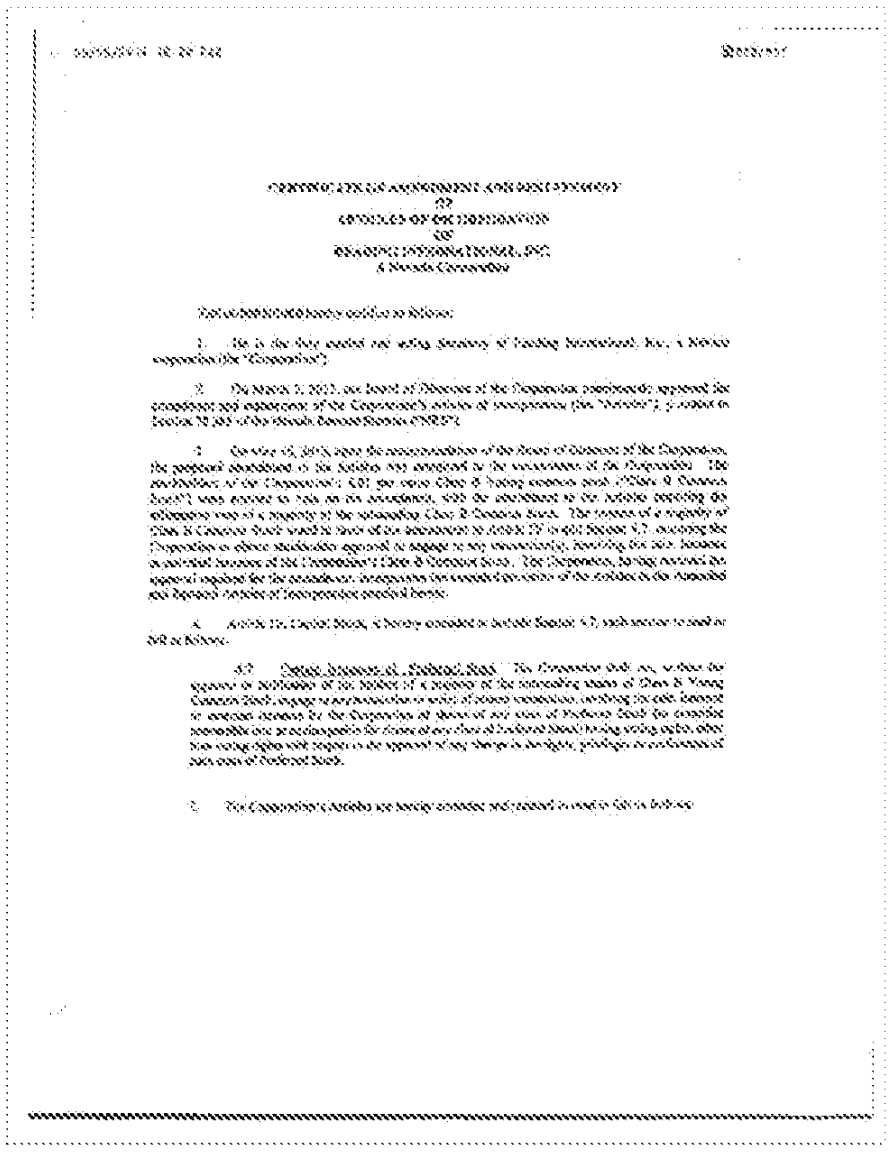
ROSS MILLER
Secretary of State

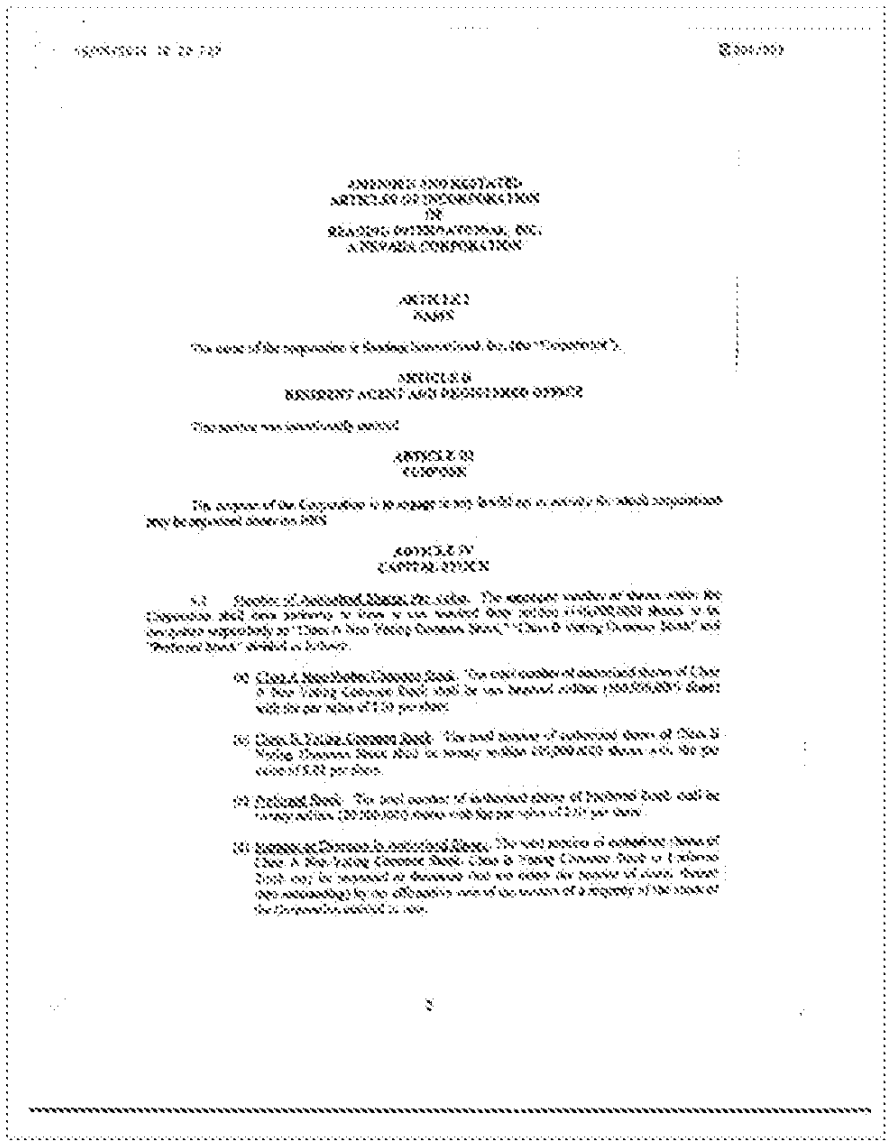
Certified By: Angela Warnick
Certificate Number: C20140806-2998
You may verify this certificate
online at http://www.nvsos.gov/

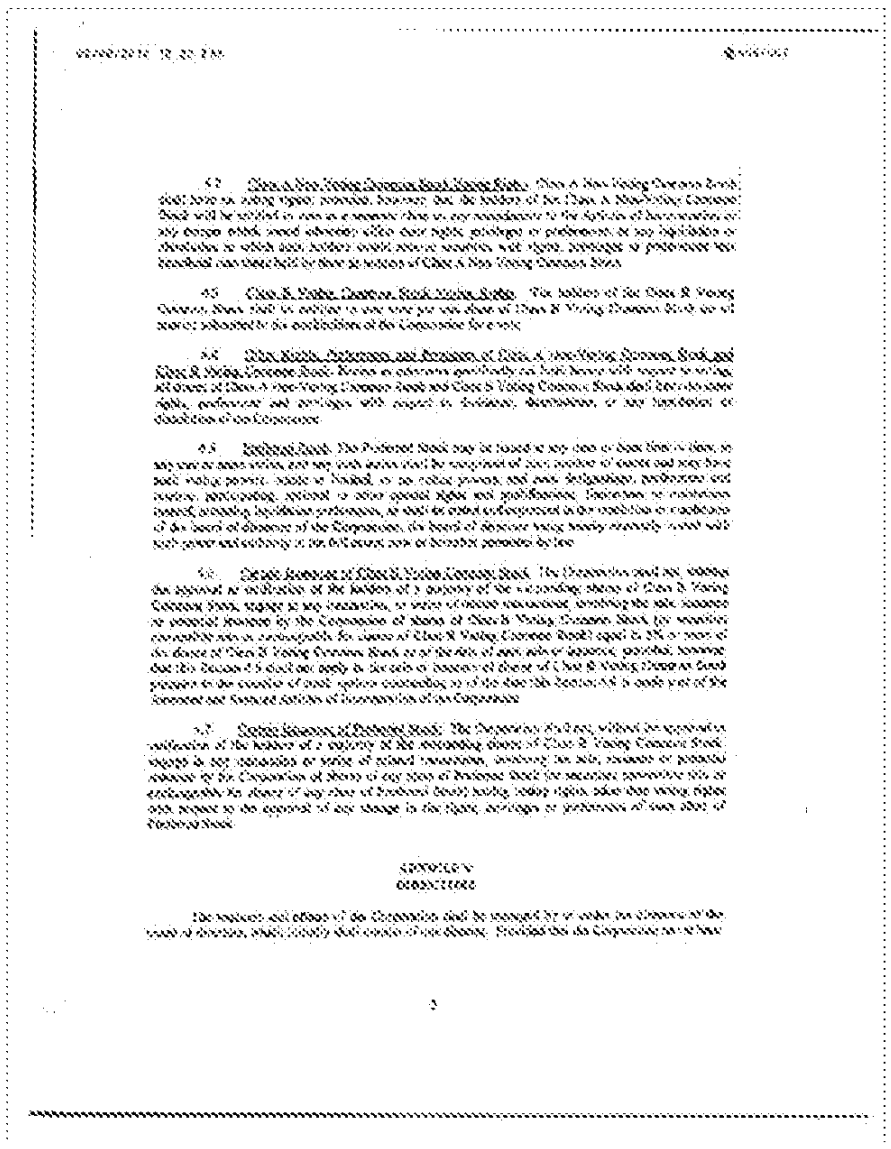
Commercial Recordings Division
202 N. Carson Street
Carson City, Nevada 89701-4069
Telephone (775) 684-5708
Fax (775) 684-7138

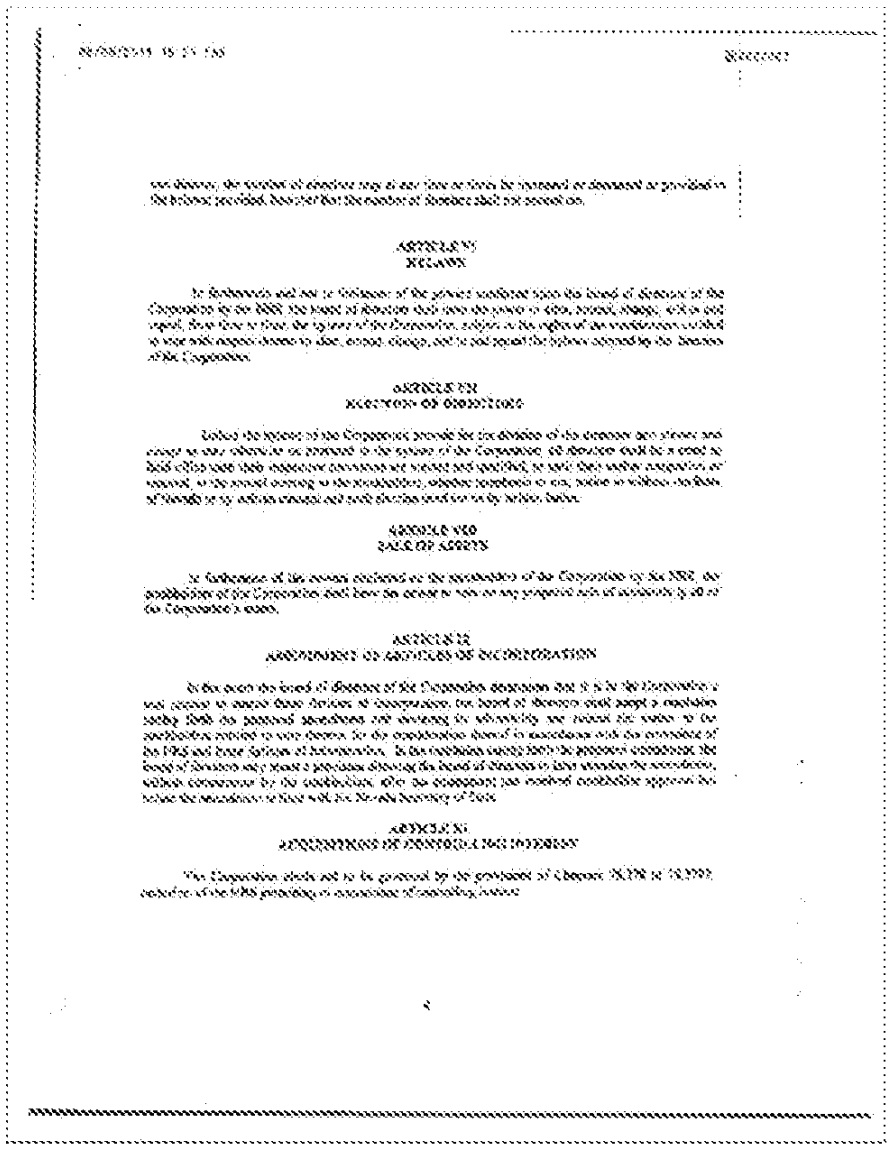


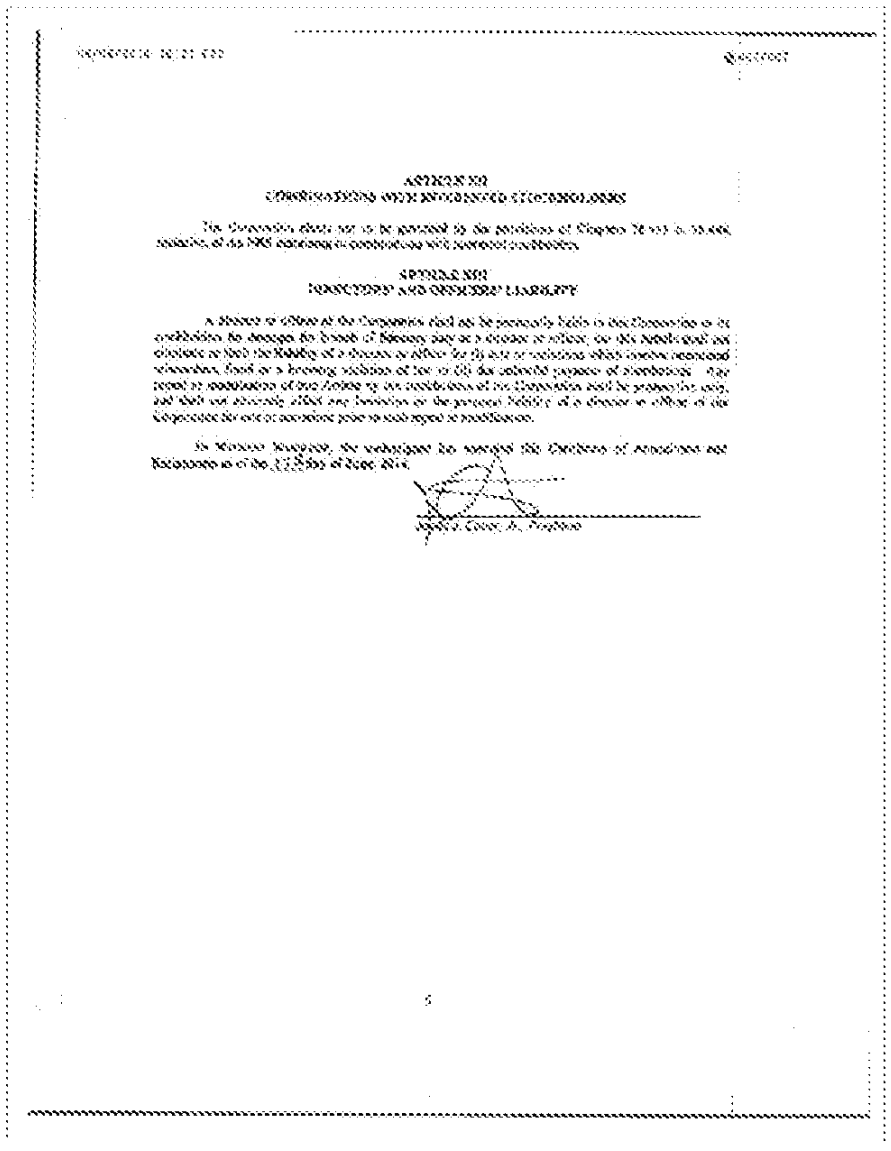
Certificate to Accompany
Restated Articles or
Amended and Restated Articles











AMENDED AND RESTATED

BYLAWS

OF

Reading International, Inc.

A Nevada Corporation

(formerly Citadel Holding Corporation)

AMENDED AND RESTATED

BYLAWS

OF

REATA PHARMACEUTICALS, INC.

A Texas Corporation

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AMENDED AND RESTATED

BYLAWS[1]

OF

READING INTERNATIONAL, INC.

A Nevada Corporation

ARTICLE I
STOCKHOLDERS

Section 1.1 Annual Meetings.

Annual meetings of the stockholders commencing with the year 2000 shall be held each year within 150 days of the end of the fiscal year on the first Thursday in May (if not a legal holiday, and if a legal holiday, then on the next succeeding day following) or such other date and time as may be set by the Board of Directors[2] from time to time and stated in the notice of the meeting, at which the stockholders shall elect by a plurality vote a Board of Directors and transact such other business as may properly be brought before the meeting.

Section 1.2 Special Meetings.

Special meetings of the stockholders, for any purpose or purposes, unless otherwise prescribed by statute or by the Articles of Incorporation, may be called by the Chairman or Vice Chairman of the Board or the President, and shall be called by the Chairman, Vice Chairman or President at the written request of a majority of the Board of Directors or at the written request of stockholders owning outstanding shares representing a majority of the voting power of the Corporation. Such request shall state the purpose or purposes of such meeting.

Section 1.3 Notice of Meetings.

Written notice of stockholders meetings, stating the place, date and hour thereof, and, in the case of a special meeting, the purpose or purposes for which the meeting is called, shall be given to each stockholder entitled to vote thereat at least ten days but not more than sixty days before the date of the meeting, unless a different period is prescribed by statute. Business transacted at any special meeting of the stockholders shall be limited to the purpose or purposes stated in the notice.

[1] Does not reflect any changes that have not been adopted as of the date hereof.
[2] The "Board" and "Board of Directors" as hereinafter used in reference to the Board of Directors of Reading International, Inc.

Section 6 Place of Meetings

All annual meetings of the stockholders shall be held in the County of Los Angeles, State of California, at such place as may be fixed from time to time by the Board of Directors, or at such other place within or without the State of Nevada as the Directors shall determine. Special meetings of the stockholders may be held at such time and place within or without the State of Nevada as shall be stated in the notice of the meeting, or in a duly executed waiver of notice thereof. Business transacted at any special meeting of stockholders shall be limited to the purposes stated in the notice.

Section 7 Stockholder List

The officer who has charge of the stock ledger of the Corporation shall prepare and make, not less than ten nor more than sixty days before every meeting of stockholders, a complete list of the stockholders entitled to vote at the meeting, arranged in alphabetical order, and showing the address of each stockholder and the number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder for any proper purpose germane to the meeting, during ordinary business hours, for a period not less than ten days prior to the meeting, either at a place within the city where the meeting is to be held, which place shall be specified in the notice of the meeting, or, if not so specified, at the place where the meeting is to be held. The list shall also be produced and kept at the time and place of the meeting during the whole time thereof, and may be inspected by any stockholder who is present.

Section 8 Quorum; Adjournment of Meetings

The holders of a majority of the stock issued and outstanding and entitled to vote thereat, present in person or represented by proxy, shall constitute a quorum at all meetings of the stockholders for the transaction of business except as otherwise provided by statute or by the Articles of Incorporation. If, however, such quorum shall not be present or represented at any meeting of the stockholders, the stockholders entitled to vote thereat, present in person or represented by proxy, shall have the power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present or represented. At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting as originally noticed. If the adjournment is for more than thirty days, or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting.

Section 9 Voting

Except as otherwise provided by statute or by the Articles of Incorporation or these Bylaws, and except for the election of directors, at any meeting duly called and held at which a quorum is present, a majority of the votes cast at such meeting upon a given matter by the holders of outstanding shares of stock of all classes of stock of the Corporation entitled to vote thereon who are present in person or by proxy shall decide such matter. At any meeting duly called and held for the election of directors at which a quorum is present, directors shall be elected by a plurality

of the votes cast by the holders (being as such) of shares of stock of the Corporation entitled to elect such Directors.

Section 9. Proxies.

At any meeting of the stockholders any stockholder may be represented and vote by a proxy or proxies appointed by an instrument in writing. In the event that any such instrument in writing shall designate two or more persons to act as proxies, a majority of such persons present at the meeting, or, if only one shall be present, then that one shall have and may exercise all of the powers conferred by such written instrument unless at the time of the exercise of the powers or designation unless the instrument shall otherwise provide. No proxy, proxy connection or power of attorney to vote shall be used in a meeting of the stockholders unless it shall have been filed with the secretary of the meeting, or such other, existing instrument herein shall prevent any stockholder from attending any meeting and voting in person. All questions regarding the qualification of voters, the validity of proxies and the acceptance or rejection of votes shall be decided by the inspectors of election who shall be appointed by the Board of Directors, or if not so appointed, then by the presiding officer of the meeting.

Section 10. Action Without Meeting.

Any action which may be taken by the vote of the stockholders at a meeting may be taken without a meeting if authorized by the written consent of stockholders holding at least a majority of the voting power, unless the provisions of the statutes governing the Corporation or of the Articles of Incorporation require a different proportion of voting power to authorize such action in which case such proportion of written consents shall be required. Prompt notice of the taking of the corporate action without a meeting by less than unanimous written consent shall be given to those stockholders who have not consented in writing.

Section 11. Certain Limitations.

The Board of Directors shall not, without the prior approval of the stockholders, adopt any procedures, rules or requirements which restrict a stockholders right to fix voter, whether in person, by proxy or by written consent (in lieu of voting) or restrict the right to call a special meeting of stockholders (other than procedures, rules or requirements required by applicable law).

ARTICLE II
DIRECTORS

Section 1. Management of the Corporation.

The business of the Corporation shall be managed by its Board of Directors, which may exercise all such powers of the Corporation and do all such lawful acts and things as are not by statute or by the Articles of Incorporation or by these Bylaws directed or required to be exercised or done by the stockholders.

SECTION 2 NUMBER, TENURE AND QUALIFICATIONS

The number of directors which shall constitute the whole board, shall be nine (9). Thereafter, the number of directors may from time to time be increased or decreased to not less than one nor more than five by action of the Board of Directors. The directors shall be elected by the holders of shares entitled to vote thereon at the annual meeting of the stockholders and, except as provided in Section 4 of this Article, each director elected shall hold office until his successor is elected and qualified. Directors need not be stockholders.

SECTION 3 CHAIRMAN AND VICE CHAIRMAN OF THE BOARD

The directors may elect one of their members to be Chairman of the Board of Directors and one of their members to be Vice Chairman of the Board of Directors. The Chairman and Vice Chairman shall be subject to the control of and may be removed by the Board of Directors. The Chairman and Vice Chairman shall perform such duties as may from time to time be assigned to them by the Board of Directors.

SECTION 4 VACANCIES AND REMOVAL

Vacancies in the Board of Directors, including those caused by an increase in the number of directors, may be filled by a majority of the remaining directors, though less than a quorum, or by a sole remaining director, and each director so elected shall hold office until his successor is elected at an annual or a special meeting of the stockholders. The holders of no less than two-thirds of the outstanding shares of stock entitled to vote may at any time peremptorily terminate the term of office of all or any of the directors by vote at a meeting called for such purpose or by written consent filed with the Secretary or, in his absence, with any other officer. Such removal shall be effective immediately, even if successors are not elected simultaneously.

A vacancy or vacancies in the Board of Directors shall be deemed to exist in case of the death, resignation or removal of any directors or if the authorized number of directors be increased, or if the stockholders fail to elect or consent at any meeting of stockholders at which any director or directors are elected to elect the full authorized number of directors to be voted for at that meeting.

If the Board of Directors accepts the resignation of a director tendered to take effect at a future time, the Board or the stockholders shall have power to elect a successor to take office when the resignation is to become effective.

No reduction of the authorized number of directors shall have the effect of removing any director prior to the expiration of his term of office.

SECTION 5 ANNUAL AND REGULAR MEETINGS

Annual and regular meetings of the Board of Directors shall be held at any place within or without the State of Nevada that has been designated from time to time by resolution of the Board of Directors or by written consent of all members of the Board of Directors. In the absence of such designation, annual and regular meetings shall be held at the registered office of the Corporation. Regular meetings of the Board of Directors may be held without call or notice

at such hour and at such place as shall from time to time be fixed and determined by the Board of Directors.

Section 6. First Meeting.

The first meeting of each newly elected Board of Directors shall be held at such time and place as shall be fixed by the vote of the shareholders at the annual meeting and no notice of such meeting shall be necessary to the directors in order legally to constitute the meeting, provided a quorum is present. In the event of the failure of the shareholders to fix the time and place of such first meeting or in the event such meeting is not so held, the meeting may be held at such time and place as shall be specified in a notice given as hereinafter provided for special meetings of the Board of Directors, or as shall be specified in a written waiver signed by all of the directors.

Section 7. Special Meetings.

Special meetings of the Board of Directors may be called by the Chairman or Vice Chairman of the Board or the President upon notice to each director, either personally or by mail or by telegram. Upon the written request of a majority of the directors, the Chairman or Vice Chairman of the Board or the President shall call a special meeting of the Board to be held within two days of the receipt of such request and shall give the notice thereof to each director either personally or by mail or by telegram.

Section 8. Attendance at Meetings.

The transaction of any meeting of the Board of Directors, however called and noticed or wherever held, shall be as valid as though had at a meeting duly held after regular call and notice, if a quorum be present, and if, either before or after the meeting, each of the directors not present signs a written waiver of notice, or a consent to holding such meeting, or an approval of the minutes thereof. All such waivers, consents or approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

Section 9. Quorum; Adjournment; Meetings.

A majority of the authorized number of directors shall constitute a quorum for the transaction of business, except to adjourn as hereinafter provided. Every act or decision done or made by a majority of the directors present at a meeting duly held at which a quorum is present shall be regarded as the act of the Board of Directors, unless a greater number is required by law or by the Articles of Incorporation. Any action of a majority, although not at a regularly called meeting, and the record thereof, if assented to in writing by all of the other members of the Board shall be as valid and effective in all respects as if passed by the Board of Directors in a regular meeting.

A majority of the directors may adjourn any Directors' meeting to meet again at a stated day and hour; provided, however, that in the absence of a quorum, a majority of the directors present at any directors' meeting, either regular or special, may adjourn from time to time, without notice other than announcement at the meeting, until a quorum is present.

notice of the time and place of holding an adjourned meeting need not be given to the absent directors if the time and place are fixed at the meeting adjourned.

Section 10. Committees.

The Board of Directors may, by resolution adopted by a majority of the whole Board, designate one or more committees of the Board of Directors, each committee to consist of at least one or more directors of the Corporation, which, to the extent provided in the resolution, shall have and may exercise the power of the Board of Directors in the management of the business and affairs of the Corporation and may have power to authorize the seal of the Corporation to be affixed to all papers which may require it, but no such committee shall have the power to amend the Articles of Incorporation, to adopt an agreement of merger or consolidation, to recommend to the stockholders a sale, lease or exchange of all or substantially all of the Corporation's assets, to recommend to the stockholders dissolution or revocation of dissolution, or to amend the Bylaws; and, unless the resolution or the Articles of Incorporation expressly so provide, no such committee shall have the power or authority to declare a dividend or to authorize the issuance of stock. Such committee or committees shall have such name or names as may be determined from time to time by the Board of Directors. The Board may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. The members of any such committee present at any meeting and not disqualified from voting may, whether or not they constitute a quorum, unanimously appoint another member of the Board of Directors to act at the meeting in the place of any absent or disqualified member. At meetings of such committees, a majority of the members or alternate members shall constitute a quorum for the transaction of business, and the act of a majority of the members or alternate members at any meeting at which there is a quorum shall be the act of the committee.

The committees, if required by the Board, shall keep regular minutes of their proceedings and report the same to the Board of Directors.

Section 11. Action Without Meeting; Telephonic Meetings.

Any action required or permitted to be taken at any meeting of the Board of Directors or of any committee thereof may be taken without a meeting if a written consent thereto is signed by all members of the Board of Directors or of such committee, as the case may be, and such written consent is filed with the minutes of proceedings of the Board or committee.

Nothing contained in these Bylaws shall be deemed to restrict the powers of members of the Board of Directors, or any committee thereof, to participate in a meeting of the Board or committee by means of telephone conference or similar communications equipment whereby all persons participating in the meeting can hear each other.

Section 12. Special Compensation.

The directors may be paid their expenses of attendance at each meeting of the Board of Directors and may be paid a fixed sum for attendance at each meeting of the Board of Directors or a stated salary as director as fixed by the Board of Directors. No such payment shall preclude any director from serving the Corporation in any other capacity and receiving compensation

thereafter. Members of committees may be allowed like reimbursement and compensation for attending committee meetings.

ARTICLE III
NOTICES

Section 1. Notice of Meetings.

Whenever, under the provisions of the statutes of incorporation or applicable law or these Bylaws, notice is required to be given to any director or stockholder, it shall not be construed to mean personal notice, but such notice may be given in writing, by mail, addressed to such director or stockholder, at his address as it appears on the records of the Corporation, postage prepaid, and such notice shall be deemed to be given at the time when the same shall be deposited in the United States mail. Notice to director may also be given by telegram.

Notices of meetings of stockholders shall state the day and signed by the President or a Vice-President or the Secretary or an Assistant Secretary or by such other person or persons as the directors shall designate. Such notice shall state the purpose or purposes for which the meeting is called and the time and the place, which may be within or without this State, where it is to be held. Personal delivery of any notice to any officer of a corporation or association, or to any member of a partnership shall constitute delivery of such notice to such corporation, association or partnership. In the event of the transfer of stock after delivery of such notice of and prior to the holding of the meeting it shall not be necessary to deliver or mail notice of the meeting to the transferee.

Section 2. Waiver of Notice and Consent by Absentees.

Whenever all parties entitled to vote at any meeting, whether of directors or stockholders, consent, either by a writing on the records of the meeting or filed with the secretary, or by presence at such meeting and not consent entered on the minutes, or by taking part in the deliberations at such meeting without objection, the doings of such meeting shall be as valid as if had at a meeting regularly called and noticed, and at such meeting any business may be transacted which is not excepted from the writing consent or to the consideration of which no objection for want of notice is made at the time, and if any meeting be irregular for want of notice or of such consent, provided a quorum was present at such meeting, the proceedings of said meeting may be ratified and approved and rendered likewise valid and the irregularity or defect therein waived by a writing signed by all parties having the right to vote at such meeting, and such consent or approval of stockholders may be by proxy or attorney, but all such proxies and powers of attorney must be in writing.

Section 3. Waiver of Notice.

Whenever any notice whatever is required to be given under the provisions of the statutes, the Articles of Incorporation or these Bylaws, a waiver thereof in writing, signed by the person or persons entitled to said notice, whether before or after the time stated therein, shall be deemed equivalent thereto.

ARTICLE IV
OFFICERS

SECTION 1 ELECTION

The officers of the Corporation shall be elected annually at the first meeting by the Board of Directors held after each annual meeting of the stockholders and shall be a President, one or more Vice Presidents, a Treasurer and a Secretary, and such other officers with such titles and duties as the Board of Directors may determine, none of whom need be directors. The President shall be the Chief Executive Officer, unless the Board designates the Chairman of the Board as Chief Executive Officer. Any person may hold one or more offices and each officer shall hold office until his successor shall have been duly elected and qualified or until his death or until he shall resign or is removed in the manner hereinafter provided. Any such term or duty may be prescribed by the Board of Directors from time to time.

SECTION 2 CHAIRMAN AND VICE CHAIRMAN OF THE BOARD

The Board of Directors at its first annual meeting after each annual meeting of the stockholders may choose a Chairman and Vice Chairman of the Board from among the directors of the Corporation. The Chairman of the Board, and in his absence the Vice Chairman, shall preside at meetings of the stockholders and the Board of Directors and shall see that all orders and resolutions of the Board of Directors are carried into effect.

SECTION 3 PRESIDENT

The President shall be the chief executive officer of the Corporation, shall have a general and active management of the business of the Corporation. The President shall execute on behalf of the Corporation all instruments requiring such execution except to the extent the signing and execution thereof shall be expressly designated by the Board of Directors to some other officer or agent of the Corporation.

SECTION 4 VICE PRESIDENTS

The Vice-President shall act under the direction of the President and in the absence or disability of the President shall perform the duties and exercise the powers of the President. The Vice-President shall perform such other duties and have such other powers as the President or the Board of Directors may from time to time prescribe. The Board of Directors may designate one or more Executive Vice-Presidents or may otherwise specify the order of seniority of the Vice-Presidents. The duties and powers of the President shall descend to the Vice-Presidents in such specified order of seniority.

SECTION 5 SECRETARY

The Secretary shall act under the direction of the President. Subject to the direction of the President, the Secretary shall attend all meetings of the Board of Directors and all meetings of the stockholders and record the proceedings. The Secretary shall perform like duties for the standing committees when required. The Secretary shall give, or cause to be given, notice of all meetings

of the stockholders and special meetings of the Board of Directors, and shall perform such other duties as may be prescribed by the President or the Board of Directors.

Section 6 Assistant Secretaries

The Assistant Secretaries shall act under the direction of the President. In order of their seniority, unless otherwise determined by the President or the Board of Directors, they shall, in the absence or disability of the Secretary, perform the duties and exercise the powers of the Secretary. They shall perform such other duties and have such other powers as the President or the Board of Directors may from time to time prescribe.

Section 7 Treasurer

The Treasurer shall act under the direction of the President. Subject to the direction of the President, the Treasurer shall have custody of the corporate funds and securities and shall keep full and accurate accounts of receipts and disbursements in books belonging to the Corporation and shall deposit all moneys and other valuable effects in the name and to the credit of the Corporation in such depositories as may be designated by the Board of Directors. The Treasurer shall disburse the funds of the Corporation as may be ordered by the President or the Board of Directors, taking proper vouchers for such disbursements, and shall render to the President and the Board of Directors, at its regular meetings, or when the Board of Directors so requires, an account of all transactions as Treasurer and of the financial condition of the Corporation.

If required by the Board of Directors, the Treasurer shall give the Corporation a bond in such sum and with such surety or sureties as shall be satisfactory to the Board of Directors for the faithful performance of the duties of such person's office and for the restoration to the Corporation, in case of such person's death, resignation, retirement or removal from office, of all books, papers, vouchers, money and other property of whatever kind in such person's possession or under such person's control belonging to the Corporation.

Section 8 Assistant Treasurers

The Assistant Treasurers in the order of their seniority, unless otherwise determined by the President or the Board of Directors, shall, in the absence or disability of the Treasurer, perform the duties and exercise the powers of the Treasurer. They shall perform such other duties and have such other powers as the President or the Board of Directors may from time to time prescribe.

Section 9 Compensation

The Board of Directors shall fix the salaries and compensation of all officers of the Corporation.

Section 10 Resignation; Removal

Any officer of the Corporation shall have power to resign at the pleasure of the Board of Directors. Any officer elected or appointed by the Board of Directors, or any member of a committee, may

be removed at any time, with or without cause, by the Board of Directors by a vote of not less than a majority of the entire Board at any meeting thereof or by written consent. Any vacancy occurring in any office of the Corporation by death, resignation, removal or otherwise shall be filled by the Board of Directors for the unexpired portion of the term.

Any direction or officer of the Corporation, or any member of any committee, may resign at any time by giving written notice to the Board of Directors, the Chairman of the Board, the President, or the Secretary of the Corporation. Any such resignation shall take effect at the time specified therein or, if the time is not specified, upon receipt thereof. The acceptance of such resignation shall not be necessary to make it effective.

ARTICLE V
CAPITAL STOCK

Section 1. Certificates and Uncertificated Shares of Stock.

Shares of stock in the Corporation shall be represented by certificates, or shall be uncertificated, as determined by the Board of Directors in its discretion. As to any shares represented by certificates, every stockholder shall be entitled to have a certificate signed by the Chairman or Vice Chairman of the Board of Directors, the President or a Vice President and the Treasurer or an Assistant Treasurer, or the Secretary or an Assistant Secretary of the Corporation, certifying the number of shares owned by such person in the Corporation. If the Corporation shall be authorized to issue more than one class of stock or more than one series of any class, the designations, preferences and relative, participating, optional or other special rights of the various classes of stock or series thereof and the qualifications, limitations or restrictions of such rights, shall be set forth in full or summarized on the face or back of any certificate which the Corporation shall issue to represent such stock; provided, however, that except as otherwise provided in NRS 78.234, in lieu of the foregoing requirements, there may be set forth on the face or back of any certificate which the Corporation shall issue to represent such class or series of stock a statement that the Corporation will furnish without charge to each stockholder who so requests, the designations, preferences and relative, participating, optional or other special rights of the various classes or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights.

If a certificate representing stock is signed (1) by a transfer agent other than the Corporation or its employees or (2) by a registrar other than the Corporation or its employees, the signatures of the officers of the Corporation may be facsimiles. In case any officer who has signed or whose facsimile signature has been placed upon a certificate shall cease to be such officer before such certificate is issued, such certificate may be issued with the same effect as though the person had not ceased to be such officer. The seal of the Corporation, or a facsimile thereof, may, but need not be, affixed to any certificates representing stock.

Section 2. Signatures; Lost or Destroyed Certificates.

The Board of Directors or any transfer agent of the Corporation may direct a new certificate or certificates to be issued, or if such stock is no longer certificated, a registration of such stock in place of any certificate or certificates theretofore issued by the Corporation alleged

of issue from lost or destroyed upon the making of an affidavit of that fact by the person claiming the certificate of stock to be lost or destroyed. When authorizing such issue of a new certificate or certificates, or new registration of uncertificated stock, the Board of Directors or any transfer agent of the Corporation authorized to do so by a resolution of the Board of Directors may, in its discretion and as a condition precedent to the issuance or registration thereof, require the owner of such lost or destroyed certificate or certificates, or the owner's legal representative, to advertise the same in such manner as it shall require and/or give the Corporation a bond in such sum as it may direct as indemnity against any claim that may be made against the Corporation with respect to the certificate alleged to have been lost or destroyed.

SECTION 3 REGULATIONS

The Board of Directors shall have the power and authority to make all such rules and regulations and procedures as it may deem expedient concerning the issue, transfer and registration of stock of the Corporation and replacement of any stock certificates representing stock and registration and re-registration of any uncertificated stock.

SECTION 4 RECORD DATE

The Board of Directors may fix in advance a date (the "record date") that shall not be more than 60 nor less than 10 days before the date of any meeting of stockholders, or the date for the payment of any dividend or other distribution, or the date for the allotment of rights, or the date when any change or conversion or exchange of capital stock shall go into effect, or a date in connection with obtaining the consent of stockholders for any purpose, as a record date for the determination of the stockholders entitled to notice of and to vote at any such meeting, and any adjournment thereof, or entitled to receive payment of any such dividend, or to give such consent, and to vote upon such consent, and only such stockholders as shall be stockholders of record on the date so fixed, shall be entitled to notice of and to vote at such meeting, or any adjournment thereof, or to receive payment of such dividend, or to receive such allotment of rights, or to exercise such rights, or to give such consent, as the case may be, notwithstanding any transfer of any stock on the books of the Corporation after any such record date fixed as aforesaid.

SECTION 5 REGISTERED OWNER

The Corporation shall be entitled to recognize the person registered on its books as the owner of the shares to be deemed the owner for all purposes, including voting and distribution, and the Corporation shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of any other person, whether or not it shall have express or other notice thereof, except as otherwise provided by the laws of Nevada.

ARTICLE VI
GENERAL PROVISIONS

SECTION 1 REGISTERED OFFICE

The registered office of the Corporation shall be in the County of Clark, State of Nevada. The principal office of the Corporation shall be located in the County of Los Angeles, State of California.

The Corporation may also have offices at such other places both within and without the State of Nevada as the Board of Directors may from time to time determine or the business of the Corporation may require.

SECTION 2 CERTIFICATES

All checks or demands for money and notes of the Corporation shall be signed by such officer or officers or such other person or persons as the Board of Directors may from time to time designate.

SECTION 3 FISCAL YEAR

The fiscal year of the Corporation shall be fixed by resolution of the Board of Directors.

SECTION 4 SPECIAL CORPORATION AUTHORIZATIONS.

Unless otherwise ordered by the Board of Directors, the President, the Secretary, and each other attorney or agent of the Corporation so duly authorized from time to time by the Board of Directors or the President, shall have full power and authority on behalf of the Corporation to attend and to act and vote in person or by proxy at any meeting of the holders of securities of any corporation or other entity in which the Corporation may own or hold shares or other securities, and at such meetings shall possess and may exercise all the rights and powers incident to the ownership of such shares or other securities which the Corporation, as the owner or holder thereof, might have possessed and exercised if present. The President, the Secretary or other such attorneys or agents may also execute and deliver on behalf of the Corporation, powers of attorney, proxies, consents, waivers and other instruments relating to the shares or securities owned or held by the Corporation.

SECTION 5 CORPORATE SEAL.

The corporation will have a corporate seal, as may from time to time be determined by resolution of the board of directors. If a corporate seal is adopted, it shall have inscribed thereon the name of the corporation and the words "Corporate Seal" and "Nevada." The seal may be used by causing it or a facsimile thereof to be impressed or affixed or in any manner reproduced.

SECTION 6 ANNUAL STATEMENT.

The Board of Directors shall present at each annual meeting, and at any special meeting of the stockholders when called for by a vote of the stockholders, a full and clear statement of the business and condition of the Corporation.

SECTION 7 DIVIDENDS.

Dividends upon the capital stock of the Corporation, subject to the provisions of the Articles of Incorporation, if any, may be declared by the Board of Directors at any regular or special meeting pursuant to law. Dividends may be paid in cash, in property, or in shares of the capital stock of the Corporation, subject to the provisions of the Articles of Incorporation.

Before payment of any dividend, there may be set aside out of any funds of the Corporation available for dividends such sum or sums as the directors from time to time, in their absolute and sole discretion, think proper as a reserve or reserves to meet contingencies, or for equalizing dividends, or for repairing or maintaining any property of the Corporation, or for such other purpose or purposes as the directors believe to be in the interest of the Corporation, and the directors may modify or abolish any such reserve in the manner in which it was created.

Section 8 Construction; Definitions

In the event of any conflict between the provisions of these Bylaws and the provisions of the Certificate of Incorporation or the General Corporation Law of the State of Delaware, as amended from time to time, the provisions of the Certificate of Incorporation or the General Corporation Law of the State of Delaware, as amended from time to time, shall control. In the event of any conflict between the provisions of these Bylaws and the provisions of any Stockholders Agreement, the provisions of the Stockholders Agreement shall control. Unless the context requires otherwise, the general provisions, rules of construction, and definitions in the General Corporation Law of the State of Delaware, as amended from time to time, shall govern the construction of these Bylaws. Without limiting the generality of this Section 8, the singular shall include the plural and the plural shall include the singular. The term "person" includes a corporation, an association, a partnership, a joint venture, a limited liability company, a joint stock company, a trust, an unincorporated organization, any other entity and a natural person. The term "shall" is mandatory and the term "may" is permissive.

ARTICLE VII
INDEMNIFICATION

Section 1 Indemnification of Directors and Officers, Employees and Agents

Every person who was or is a party or is threatened to be made a party to or is involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that such person or a person of whom that person is the legal representative is or was a director, officer, employee or agent of the Corporation or is or was serving at the request of the Corporation for the benefit of a director, officer, employee or agent of another corporation, or as its representative in a partnership, joint venture, trust or other enterprise, shall be indemnified and held harmless to the fullest extent legally permissible under the DGCL from time to time against all expenses, liability and loss (including attorneys' fees, judgments, fines and amounts paid or to be paid in settlement) reasonably incurred or suffered by such person in connection therewith. The expenses of officers, directors, employees or agents incurred in defending a civil or criminal action, suit or proceeding must be paid by the Corporation as they are incurred and in advance of the final disposition of the action, suit or proceeding, upon receipt of an undertaking by or on behalf of the director, officer, employee or agent to repay the amount if it is ultimately determined by a court of competent jurisdiction that such person is not entitled to be indemnified by the Corporation. Such right of indemnification shall be a contract right, which may be enforced in any manner desired by such person. Such right of indemnification shall not be exclusive of any other right which such directors, officers, employees or agents may have or hereafter acquire and, without limiting the generality of such statement, they shall be entitled to their respective rights of indemnification under any bylaw, agreement, vote of stockholders, provision of law or otherwise, as well as their rights under this Article VII.

Section 2. Insurance.

The Board of Directors may cause the Corporation to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, or as a representative in a partnership, joint venture, trust or other enterprise against any liability asserted against such person and incurred in any such capacity or arising out of such status, whether or not the Corporation would have the power to indemnify such person.

Section 3. Nonconforming Bylaws.

The Board of Directors may from time to time adopt further bylaws with respect to indemnification and may amend these and such bylaws to provide at all times the fullest indemnification permitted by the laws of the State of Nevada.

ARTICLE VIII
AMENDMENTS

Section 1. Amendment by Stockholders.

The Bylaws may be amended by the stockholders at any annual or special meeting of the stockholders by a majority vote, provided notice of intention to amend is stated or summary given in the notice of such meeting.

Section 2. Amendment by Board of Directors.

The Board of Directors at any regular or special meeting by a majority vote may amend these Bylaws, including Bylaws adopted by the stockholders, but the stockholders may from time to time specify particular provisions of the Bylaws which shall not be amended by the Board of Directors.

CERTIFICATE OF SECRETARY

I, the undersigned, hereby certify that I am the duly elected and qualified Secretary of Reading International, Inc. (formerly Citadel Holding Corporation), a Nevada corporation (the "Company"), and that the foregoing Bylaws, consisting of 37 pages (including cover page and table of contents), constitute the Amended and Restated Bylaws of the Company as duly adopted by the Board of Directors on November 19, 1999 and amended by the Board of Directors on March 21, 2002, September 26, 2002, October 15, 2008, December 23, 2009 and December 28, 2011.

IN WITNESS WHEREOF, I have hereunto subscribed my name this 28th of December, 2011.

Andrea Tedeschi, Corporate Secretary

Westpac New Zealand Limited

Wholesale Term Loan (Fixed and Floating Alternatives)
(For Use With General Security Agreement)

Westpac NZ Wholesale Term Loan (Fixed and Floating Alternatives) (For Use with General Security Agreement)

Borrower

Reading Courtenay Central Limited

(the "Borrower")

Westpac NZ

Westpac New Zealand Limited (1763862) incorporated in New Zealand and having its principal place of business in New Zealand at Westpac On Takutai Square, 16 Takutai Square, Auckland

("Westpac NZ")

Charging Group

The Borrower, Reading New Zealand Limited, Reading Cinemas Courtenay Central Limited, Courtenay Carpark Limited, Reading Restaurants NZ Limited, Courtenay Entertainment Limited, Courtenay Cinemas (NZ) Limited, Dissenchen Developments Limited, Reading Queenstown Limited, Reading Wellington Properties Limited and Reading Glendene Limited

(the "ChargingGroup")

This Agreement is dated this day of Nov 6

signature section

This Agreement is signed on behalf of the Borrower by:	Signed in my presence by the Borrower:
Director	Signature of Witness
Director/Authorised Person	Full Name
	Occupation
	Address
This Agreement is signed by Westpac NZ by its attorney:	Attorney
in the presence of:	
Signature of Witness	
Full Name	
Occupation	
Address	

Introduction

Westpac NZ has agreed to provide the Borrower with a term loan of $50,000,000 on the terms and conditions of this

Agreement.

Agreement

1. condition precedent

1.1 Pre-condition

The obligations of Westpac NZ under this Agreement are subject to the condition precedent that it must have received all of the following in form and substance satisfactory to it:

a) the original of this Agreement duly executed by the Borrower;

b) a certificate from a director of the Borrower in the form set out in the first schedule;

c) the Security (where necessary duly registered), the other Bank Documents and any ancillary documentation as may have been notified to the Borrower by Westpac NZ or its solicitors as being related to this Agreement, the Loan, the Security and/or the other Bank Documents;

d) evidence of registration of any financing statement in respect of the Security; and

e) any other documents or evidence (including legal opinions) as Westpac NZ or its solicitors may require.

1.2 Failure to Satisfy Pre-condition

If the condition contained in clause 1.1 is not satisfied or waived before 30 June 2015 then Westpac NZ may terminate this Agreement whereupon it shall have no further liability or obligation to the Borrower.

2. availability of loan

2.1 Loan

Westpac NZ will make the first Advance available to the Borrower during the Availability Period, and will then make the rest of the Loan available to the Borrower, provided that:

a) the Borrower has complied with the relevant drawdown procedure;

b) no Event of Default or Potential Event of Default has occurred and is continuing or will occur as a result of the making of the Loan;

c) the First Tranche is utilised to repay the Borrower's existing indebtedness with Westpac NZ (account no. 03- 0104-0786183-91) and any surplus may be utilised for the Borrower's general requirements and CAPEX funding and the first drawdown must occur prior to 30 June 2015;

d) the Second Tranche is utilised to assist the Borrower in completing the Development;

e) prior to the first drawdown under the Second Tranche being made available, the special conditions contained in the Letter of Offer for Advances of the Second Tranche must have been satisfied in Westpac NZ's absolute discretion.

2.2 Termination of Loan

On termination of the Loan:

a) Westpac NZ's obligations to make the Loan available will terminate; and

b) the Borrower must immediately pay or repay to Westpac NZ all Outstanding Moneys (notwithstanding that the due date for repayment has not otherwise occurred); and

c) Westpac NZ will have no further obligations to the Borrower.

2.3 Effect of Termination

Termination of the Loan will not affect any of the Borrower's obligations to Westpac NZ under this Agreement including obligations under the indemnities in clause 12 or the Borrower's obligations under the Security, which will remain binding upon it until all Outstanding Moneys have been repaid in full.

3. procedure for drawdown

Not later than 2 Banking Days prior to the Banking Day on which the Borrower requires to drawdown all or part of the Loan, the Borrower must deliver to Westpac NZ an unconditional and irrevocable drawdown notice in the form set out in the second schedule signed by an authorised signatory of the Borrower.

4. interest

4.1 Payment

a) Interest on the Loan will be calculated at the Floating Rate or at the Fixed Rate (if it applies) on the basis of the actual number of days elapsed and a 365 day year, and will accrue from day to day from the Commencement Date until the Loan is repaid in full, and must be paid by consecutive monthly payments on each Interest Payment Date.

b) The first interest payment on the Loan will be due and payable on the Interest Payment Date which immediately follows the Commencement Date. Each interest payment will be for the period beginning on the Commencement Date or the previous Interest Payment Date (as the case may be) and ending on (but excluding) the next Interest Payment Date.

4.2 Telephone Communications

a) validity of instructions

Westpac NZ will be under no obligation to enquire as to the validity of any telephone instructions or acceptance which it receives or to require any evidence as to the authenticity, validity or legality of any telephone advice received or as to the authority of the person giving the telephone advice to act on behalf of the Borrower.

b) authority to tape calls

The Borrower acknowledges that Westpac NZ may from time to time keep tape recordings of telephone conversations between Westpac NZ and the Borrower and consents to the recording of those telephone conversations.

5. repayment and prepayment of loan

5.1 Repayment

The Borrower must pay the Outstanding Moneys on the Termination Date.

5.2 Prepayment

a) notice and prepayment multiples

The Borrower may prepay all or part of the Loan:

i. after giving Westpac NZ not less than 5 Banking Days irrevocable notice in writing of its intention to do so and then making payment on the specified date; and

ii. in multiples of $10,000.

b) losses

On any prepayment made other than at the end of a Floating Rate Period applying to the amount prepaid, the Borrower must at the time of prepayment pay to Westpac NZ any losses, costs, penalties and expenses certified by Westpac NZ to have been sustained or incurred as a consequence of the prepayment.

c) interest ceases

Interest on any amount prepaid will cease to accrue from the date of the prepayment.

d) redrawing

Any amount prepaid will be available for redrawing.

5.3 Payment

The Borrower must not later than 3.00 p.m. on the due date for payment of interest or any other Outstanding Moneys, pay to Westpac NZ an amount equal to the amount due in cleared funds in Dollars to the account and/or in the manner Westpac NZ may from time to time advise.

Amounts due and payable by the Borrower will be debited from the Westpac NZ account nominated by the Borrower. If the Borrower does not nominate an account, Westpac NZ may, at any time, debit from any account of the Borrower with Westpac NZ any amounts due and payable by the Borrower.

5.4 Banking Days

If any payment by the Borrower falls due on a day which is not a Banking Day it must be made on the following Banking Day.

6. fees, charges, expenses and review entitlement

6.1 Fees, Charges and Expenses Payable

The Borrower must pay to Westpac NZ the following:

a) establishment fee

A non-refundable establishment fee of $75,000 payable in one sum on or before execution of this Agreement.

b) line of credit charge

A line of credit charge payable in arrears with the first charge being in respect of the period from the Commencement Date to the last Banking Day of the month in which that date occurs and thereafter monthly on the last Banking Day of each month through to the Termination Date and calculated at 0.40% per annum on the amount of the Loan.

c) expenses

The expenses of Westpac NZ and each Officer in relation to:

i) the Outstanding Moneys;

ii) the preparation, execution and completion of each Bank Document, and any subsequent consent, approval, waiver, amendment or release;

iii) any contemplated, attempted or actual enforcement of any Bank Document or the actual or contemplated, attempted or actual exercise or defence of any Power; and

iv) any enquiry by a Governmental Agency concerning the Borrower or related to a Bank Document.

This includes expenses incurred in retaining consultants to evaluate matters of concern to Westpac NZ. It also includes administrative time and costs including the time of Officers and other employees of Westpac NZ (whose time and costs are to be charged at reasonable rates).

It will include, in each case, legal fees and expenses on a full indemnity basis plus goods and services tax on those amounts.

All these expenses are payable on demand.

d) government charges

Any government duties, taxes and charges on the Bank Documents and payments and receipts under them.

6.2 Review of margin

Westpac NZ may, by 3 Banking Days' notice to the Borrower, increase or decrease the Margin provided no increase will take effect within 12 months of the Commencement Date.

7. interest on arrears

7.1 Default Interest Payable

If the Borrower does not pay any sum payable on the due date, it must pay interest on that overdue sum at the Default Rate from the due date until the Borrower remedies the default and pays all default interest.

7.2 Default in Payment of Interest

If the Borrower does not pay any sum on or before 14 days after the date on which payment was due, then the following rules apply:

a) Interest on all amounts on which interest is payable will be calculated at the Default Rate;

b) Interest at the Default Rate:

i) will accrue during the period beginning on the date the last payment was due and paid by the Borrower and ending on the date the Borrower remedies the default and pays all default interest. Where no payments have been made by the Borrower, the period begins on the date of drawdown;

ii) will be calculated on a daily basis by reference to successive periods of durations selected by Westpac NZ from time to time. Each period will begin on the last day of the previous period except for the first period which will begin on the due date;

iii) will be payable on the last day of each period and on the date of receipt of the overdue sum by Westpac NZ. Any interest which is not paid when due will be added to the overdue sum and will itself bear interest under this clause.

8. undertakings

8.1 General undertakings

The Borrower and the Charging Group (where applicable) undertake to Westpac NZ as follows, except to the extent that Westpac NZ agrees otherwise:

a) Personal Property Securities Act 1999

Whenever Westpac NZ asks it to do anything to better secure any property which secures or is intended to secure financial accommodation from Westpac NZ (including, without limitation, the Loan), the Borrower must do it (or procure that it is done) immediately at its own cost. This may include signing and delivering documents and anything else that Westpac NZ requires to ensure that Westpac NZ has perfected security interest(s) under the Personal Property Securities Act 1999 ("PPSA").

The Borrower waives any rights to receive a copy of a verification statement under the PPSA and agrees, to the extent permitted by law, that in respect of any arrangement between the Borrower and Westpac NZ:

i) sections 114(1)(a), 133 and 134 of the PPSA shall not apply;

ii) the Borrower shall have none of the rights referred to in paragraphs (c) to (e) and (h) to (j) of section 107(2) of the PPSA; and

iii) where Westpac NZ has rights in addition to those in Part 9 of the PPSA, those rights shall continue to apply and, in particular, shall not be limited by section 109 of the PPSA.

The Borrower must, immediately upon request by Westpac NZ, procure from any person considered by Westpac NZ to be relevant to its security position such agreements and waivers (including as equivalent to those above) as Westpac NZ may at any time require.

b) project invoices

It must ensure that, until such time as the Development has been completed, it promptly provides to Westpac NZ (and in any event within 7 days after being requested by Westpac NZ) copies of project invoices and the Quantity Surveyor's monthly report, which are to be acceptable to Westpac NZ in its absolute discretion.

c) valuation

It must ensure that, within 45 days of a written request being made by Westpac NZ, Westpac NZ is provided with up-to-date valuations for all assets of the Group secured to Westpac NZ (including the leasehold interests in the cinemas). The valuations must be:

i) addressed to Westpac NZ;
ii) provided by a registered valuer acceptable to Westpac NZ;
iii) in a format acceptable to Westpac NZ; and
iv) satisfactory to Westpac NZ in its absolute discretion in all respects.

Westpac NZ will not request such valuations more than once per year unless, in Westpac NZ's reasonable opinion, there has been a material change in the value of the Group's assets.

d) reporting and information

It must ensure that the Group provides to Westpac NZ:

i) as soon as practicable (and in any event not later than 120 days) after the close of each financial year copies of the Group's consolidated balance sheet and profit and loss account for that financial year all of which must be audited unless Westpac NZ agrees otherwise;
ii) as soon as practicable (and in any event not later than 45 days) after the close of each financial quarter copies of the Group's unaudited management accounts (showing performance against budget for each asset) for that financial quarter;
iii) prior to the start of each financial year, the Group's financial budget for that financial year, which is to show forecast expenditure on capital items and repairs and maintenance for each asset secured to Westpac NZ together with a brief commentary on such expenditure;
iv) at the same time the information required by paragraph 8.1(d)(i) is provided to Westpac NZ, a commentary on the Group's capital expenditure and repairs and maintenance undertaken by the Group for that financial year in respect of each asset secured to Westpac NZ; and
v) promptly (and in any event within 7 days after request by Westpac NZ) any other information in relation to the Group's assets, financial condition or business which Westpac NZ reasonably requests.

e) accounting standards

It must ensure that the financial statements of the Group, at any time delivered to Westpac NZ:

i) are prepared in accordance with current accounting practice;
ii) give a true and fair view of the Group's financial position and operations as at the date, and for the period to which the financial statements relate;
iii) together with the notes to them, disclose all liabilities (actual or contingent) of the Group; and
iv) are prepared and delivered to all relevant persons within the period in which they are required by law or under any agreement to be delivered.

f) insurance

It must ensure that insurance is maintained in respect of the Land for full replacement value (or as agreed by Westpac NZ). It must also take out contractor's all risk insurance during the construction of any improvements. Westpac NZ's interest as mortgagee must be noted on all insurance policies. Copies of such policies are to be provided to Westpac NZ and are to be satisfactory to Westpac NZ in all respects in its absolute discretion.

g) acquisition of assets

It must, if it uses any part of the Loan to finance the acquisition of an asset in New Zealand in excess of $5,000,000, provide to Westpac NZ details of such assets and any other documents or information in respect of such asset which Westpac NZ reasonably requests.

h) consent required to structure/acquisition

No member of the Charging Group can enter into a joint venture, make a material acquisition or provide advances outside the Charging Group (either to related or unrelated parties) without Westpac NZ's prior written consent.

i) payments

No member of the Charging Group can make any payments (including but not limited to capital reductions, dividends, repayment of loans, interest payments and management fees) to associated or related parties unless Westpac NZ is satisfied that all covenants contained in the Agreement are and will continue to be met following such payment being made.

8.2 Financial Covenants

The Borrower undertakes to Westpac NZ as follows, except to the extent that Westpac NZ agrees otherwise:

a) equity ratio

It must ensure that the Group maintains, at all times, Shareholders Funds of not less than 40% of Adjusted Tangible Assets. Shareholders Funds is the Group's Adjusted Tangible Assets less Adjusted Total Liabilities. Adjusted Tangible Assets is the aggregate of the consolidated book values of all of the Group's assets excluding assets of an intangible nature, advances to shareholders, investments in related and associate companies and future asset revaluations (except as individually approved by Westpac NZ). Adjusted Total Liabilities is the aggregate of the consolidated book values of all of the Group's liabilities excluding only advances from shareholders. This covenant will be tested quarterly for compliance and will be determined by Westpac NZ in its absolute discretion.

b) interest cover ratio

It must ensure that the Group's Earnings for each 12 month period are not less than 2.0 times its Funding Costs for that 12 month period. Earnings is the Group's net profit before Funding Costs, income Tax, Extraordinaries and management costs (on the basis that management costs are accrued only and not paid externally) and amortisation of goodwill for the relevant financial quarter. Funding Costs comprise all interest, charges and fees related to all funding other than interest on shareholder/related party advances provided such interest is capitalised and not paid outside the Group. Extraordinaries are items that are not expected to occur frequently and are distinct from the Group's ordinary operations.

9. deductions from payments

9.1 Gross-Up of Borrower's Withholding Tax

The Borrower must not make any payment subject to any condition, restriction or claim it may have against Westpac NZ. The Borrower may only make a withholding or deduction from money it pays to Westpac NZ under this Agreement if that withholding or deduction is required by law. If the law requires the Borrower to make a withholding or deduction then the following rules apply:

a) the Borrower must make sure that the withholding or deduction is for not more than the minimum amount required by that law;
b) the Borrower must make sure that the withholding or deduction is paid to the relevant revenue or Governmental Agency by the due date for payment;
c) the Borrower must send Westpac NZ, within 30 days of the withholding or deduction, a receipt showing that the withholding or deduction has been paid to the relevant revenue or Governmental Agency;
d) the Borrower must increase the amount it pays to Westpac NZ so that Westpac NZ receives the amount it would have received had there been no withholding or deduction.

9.2 Gross-Up for Westpac NZ's Withholding Tax

If the law requires Westpac NZ to make a deduction or withholding from any amount received or receivable by it under this Agreement or any other Bank Document (including any sum received or receivable under this clause 9.2, and excluding any Tax on its overall net income) then the Borrower must increase the amount it pays to Westpac NZ so that Westpac NZ receives the amount it would have received had there been no withholding or deduction.

9.3 Indemnity for Tax on Funding

If:

a) Westpac NZ (or any person on its behalf) is required by law to make a deduction or withholding for, or on account of, Tax or on any other account from an amount paid or payable to a person from whom it has borrowed or obtained moneys to enable it to fund the Loan or any other payment by it under this Agreement or any other Bank Document; and
b) as a result Westpac NZ is required to increase its payment, or makes an additional payment, to that person or to a taxation authority,

then the Borrower will indemnify and hold Westpac NZ harmless against that increased or additional payment and must, on demand by Westpac NZ, pay to Westpac NZ the amount which, after receiving that amount and making that increased or additional payment, will place Westpac NZ in the same position in which it would have been had no increased or additional payment been made.

9.4 Tax Credit

If Westpac NZ receives the benefit of a Tax credit, refund or allowance resulting from an increased amount paid by the Borrower under this clause then the following rules apply:

a) Westpac NZ will provide the Borrower with that part of the Tax credit, refund or allowance that Westpac NZ determines was obtained as a result of the increased amount the Borrower paid;
b) the amount determined by Westpac NZ will be calculated so Westpac NZ is in no better or worse position than it would have been had no amount been paid by the Borrower under this clause;
c) Westpac NZ is under no obligation to disclose any information relating to the calculation of its Tax liability or benefits;
d) this clause does not interfere with Westpac NZ's right to arrange its Tax affairs as it wishes and, in particular, Westpac NZ may apply Tax credits, refunds and allowances available to it as it likes.

10. events of default

At any time after an Event of Default and without prejudice to any other remedies, Westpac NZ may immediately by notice to the Borrower terminate the Loan with the consequences set out in clause 2.2.

11. change in circumstances

11.1 Increased Costs

If as a result of:

a) Westpac NZ complying with any law; or

b) any change in or introduction of any law or change in the interpretation or application of any law by any Governmental Agency or court which:

i) imposes, modifies or deems applicable any reserve, capital adequacy, prudential deposit, liquidity or similar requirement against assets of, or deposits with any branch of Westpac NZ;

ii) imposes on Westpac NZ any other requirement with respect to this Agreement or any other Bank Document; or

iii) changes the risk weighting for capital adequacy purposes of the Loan;

any of the following occur:

c) the cost to Westpac NZ of making, funding or maintaining the Loan is increased; or

d) the moneys payable to Westpac NZ or the effective return to Westpac NZ under or in connection with this Agreement is reduced; or

e) Westpac NZ makes any payment or foregoes any interest or other return on, or calculated by reference to, any sum received or receivable by it under any Bank Document; or

f) Westpac NZ is unable to obtain the rate of return on capital (including any notional return on capital calculated on a risk adjusted basis) which it would have received at the date of this Agreement;

then:

g) Westpac NZ will use its best efforts promptly to notify the Borrower in writing of those events, provided that failure to do so will not affect Westpac NZ's rights under this clause; and

h) the Borrower must pay on demand, from time to time, for the account of Westpac NZ, the amount certified by an Officer which will compensate Westpac NZ for its increased cost, reduction, payment or foregone interest or other return.

11.2 Survival of Obligations

The obligations of the Borrower under clause 11.1 will survive termination of the Loan and payment or repayment of all Outstanding Moneys.

11.3 Re-negotiation of Loan

If an additional amount is required to be paid under clause 11.1 then, without limiting the Borrower's obligations under this Agreement, Westpac NZ will, at the request of the Borrower given within 30 days of notice from Westpac NZ, consult with the Borrower with a view to renegotiating the terms of the Loan in order to mitigate or avoid any additional amounts payable under clause 11.1 provided that nothing in this clause will require Westpac NZ to act to its detriment.

11.4 Illegality

If as a result of:

a) the introduction or amendment of any law; or

b) any other circumstance affecting any interbank market or any relevant foreign exchange market generally;

it is unlawful, impracticable or impossible for Westpac NZ to make, fund or allow to remain outstanding the Loan or to comply with its obligations or exercise its rights under this Agreement, then Westpac NZ will as soon as practicable give written notice to the Borrower and Westpac NZ will be entitled, to terminate the Loan, with effect from the date Westpac NZ specifies and with the consequences set out in clause 2.2.

12. indemnity

12.1 General Indemnity

The Borrower agrees to indemnify Westpac NZ, every Officer and every employee of Westpac NZ upon demand from against any loss, cost, expense, charge, damage, claim or liability which Westpac NZ, an Officer or an employee of Westpac NZ may suffer or incur as a direct or indirect consequence of:

a) an Event of Default or Potential Event of Default;

b) the exercise, contemplated exercise or attempted exercise of any Power or the failure to exercise any Power;

c) the receipt of any amount to be paid under any Bank Document on a date other than the due date; or

d) the Loan requested under clause 3 not being made for any reason (excluding default by Westpac NZ) on the date notified by the Borrower to Westpac NZ as the drawdown date.

12.2 Examples

Without limitation, the indemnity in clause 12.1 will extend to:

a) any losses, costs, penalties and expenses incurred by reason of the liquidation or re-employment of deposits or other funds acquired or contracted for by Westpac NZ (including loss of margin); and

b) any losses, costs, penalties and expenses which may be incurred by Westpac NZ in:

i) terminating any options or forward rate agreements or interest or currency swap contracts entered into in connection with the Loan; or

ii) in entering into any new contracts which it deems appropriate to protect the return it would otherwise have expected under this Agreement.

12.3 Currency Indemnity

If for any reason:

a) Westpac NZ receives or recovers an amount under a Bank Document in a currency other than the currency in which it should have been paid and, after Westpac NZ has converted that other currency to the correct currency there is not enough to pay off the full amount then due under the Bank Document; or

b) Westpac NZ obtains any judgment or court order against the Borrower in a currency other than the currency in which the Outstanding Moneys are due, and Westpac NZ incurs any loss from the conversion of any amount actually received by it from that other currency to the correct currency,

then, as a separate and independent indemnity obligation, the Borrower must pay Westpac NZ the full amount of any shortfall or of any such loss incurred by Westpac NZ.

12.4 Unconditional Indemnities

The indemnities in this clause 12 are unconditional and irrevocable and will survive termination of the Loan and payment of all Outstanding Moneys and the release of any Security and will not be discharged or impaired by any act, omission, matter or thing which might discharge them but for this provision.

13. Set off and combination

13.1 Set Off

If the Borrower has any money in any account with Westpac NZ, then Westpac NZ can use it to pay amounts the Borrower owes under this Agreement but need not do so. If the Borrower is in default, Westpac NZ can use money which has not yet matured due and convert money in the account of the Borrower in foreign currencies. To the maximum extent allowed by law, the Borrower gives up any right to set off any amounts Westpac NZ owes it against the Outstanding Moneys.

13.2 Contingent Amounts

If at any time an amount is contingently due from the Borrower or an amount due is not quantified, Westpac NZ may retain and withhold repayment of any money in any account of the Borrower and the payment of interest or other moneys pending that amount becoming due and/or being quantified and may set off the maximum liability which may at any time be or become owing to Westpac NZ by the Borrower and in each case without prior notice or demand.

13.3 Combination

Subject to any applicable Bank Document, where the Borrower has two or more accounts with Westpac NZ:

a) Westpac NZ may at any time combine any two or more of those accounts. It may do so without notice and whether or not it has allowed a set-off for a calculation of interest between any of those accounts;

b) Westpac NZ may at any time combine any two or more of those accounts even where one or more of the combined accounts are in different currencies and may effect currency exchanges appropriate to implement that combination; and

c) if Westpac NZ combines two or more accounts, it may decline to pay cheques and it may otherwise act as if the combined accounts had always been one account.

13.4 Contractual Rights

Westpac NZ's rights under this clause are contractual rights affecting the terms upon which a credit balance is held and the creation of those rights does not constitute the creation of a security interest in respect of that credit balance.

13.5 Deposits with Westpac NZ

Any moneys which, pursuant to a Bank Document, are deposited at any time by the Borrower with Westpac NZ (or withheld by Westpac NZ from a payment to the Borrower and retained on deposit with it) must, unless otherwise provided, be held on the following basis:

a) each deposit and all rights of the Borrower relating to it must be incapable of assignment by the Borrower or of being the subject of a security interest except:

i) in favour of Westpac NZ; or

ii) with the prior written consent of Westpac NZ; and

b) the Borrower must have no right to withdraw any moneys from a deposit until all obligations of the Borrower under the Bank Documents (present and future, direct and contingent) have been performed and complied with, except:

EXHIBIT 12

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FORM DEF 14A

READING INTERNATIONAL INC - RDI

Filed: May 18, 2016 (period: May 18, 2016)

Official notification to shareholders of matters to be brought to a vote (Proxy)

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the Securities Exchange Act of 1934

Filed by the Registrant ☑
Filed by a party other than the Registrant ☐

Check the appropriate box:
- ☐ Preliminary Proxy Statement
- ☐ Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- ☑ Definitive Proxy Statement
- ☐ Definitive Additional Materials
- ☐ Soliciting Material under Sec. 240.14a-12

READING INTERNATIONAL, INC.
(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

☑ No fee required

☐ Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11
- (1) Title of each class of securities to which transaction applies: _____
- (2) Aggregate number of securities to which transaction applies: _____
- (3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined): _____
- (4) Proposed maximum aggregate value of transaction: _____
- (5) Total fee paid: _____

☐ Fee paid previously with preliminary materials.

☐ Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.
- (1) Amount Previously Paid: _____
- (2) Form, Schedule or Registration Statement No.: _____
- (3) Filing Party: _____
- (4) Date Filed: _____

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READING INTERNATIONAL

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6100 Center Drive, Suite 900
Los Angeles, California 90045

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS
TO BE HELD ON Thursday, June 2, 2016

TO THE STOCKHOLDERS:

The 2016 Annual Meeting of Stockholders (the "Annual Meeting") of Reading International, Inc., a Nevada corporation, will be held at Courtyard by Marriott Los Angeles Westside, located at 6333 Bristol Parkway, Culver City, California 90230, on Thursday, June 2, 2016, at 11:00 a.m., Local Time, for the following purposes:

1. To elect nine Directors to serve until the Company's 2017 Annual Meeting of Stockholders and thereafter until their successors are duly elected and qualified; and

2. To transact such other business as may properly come before the Annual Meeting and any adjournment or postponement thereof.

A copy of our Annual Report on Form 10-K for the fiscal year ended December 31, 2015 is enclosed (the "Annual Report"). Only holders of record of our Class B Voting Common Stock at the close of business on April 22, 2016, are entitled to notice of and to vote at the Annual Meeting and any adjournment or postponement thereof.

Whether or not you plan on attending the Annual Meeting, we ask that you take the time to vote by following the Internet or telephone voting instructions provided on the proxy card or by completing and mailing the enclosed proxy card as promptly as possible. We have enclosed a self-addressed, postage-paid envelope for your convenience. If you later decide to attend the Annual Meeting, you may vote your shares even if you have already submitted a proxy card.

By Order of the Board of Directors,

Ellen M. Cotter
Chair of the Board

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May 19, 2016

READING INTERNATIONAL, INC.
6100 Center Drive, Suite 900
Los Angeles, California 90045

PROXY STATEMENT

Annual Meeting of Stockholders
Thursday, June 2, 2016

INTRODUCTION

This Proxy Statement is furnished in connection with the solicitation by the Board of Directors of Reading International, Inc. (the "Company," "Reading," "we," "us," or "our") of proxies for use at our 2016 Annual Meeting of Stockholders (the "Annual Meeting") to be held on Thursday, June 2, 2016, at 11:00 a.m., local time, at Courtyard by Marriott Los Angeles Westside, located at 6333 Bristol Parkway, Culver City, California 90230, and at any adjournment or postponement thereof. This Proxy Statement and form of proxy are first being sent or given to stockholders on or about May 19, 2016.

At our Annual Meeting, you will be asked to (1) elect nine Directors to our Board of Directors (the "Board") to serve until the 2017 Annual Meeting of Stockholders, and (2) act on any other business that may properly come before the Annual Meeting or any adjournment or postponement of the Annual Meeting.

As of April 22, 2016, the record date for the Annual Meeting (the "Record Date"), there were 1,680,590 shares of our Class B Voting Common Stock ("Class B Stock") outstanding.

When proxies are properly executed and received, the shares represented thereby will be voted at the Annual Meeting in accordance with the directions noted thereon. If no direction is indicated, the shares will be voted: FOR each of the nine nominees named in this Proxy Statement for election to the Board under Proposal 1.

ABOUT THE ANNUAL MEETING AND VOTING

Why am I receiving these proxy materials?

This Proxy Statement is being sent to all of our stockholders of record as of the close of business on April 22, 2016, by Reading's Board to solicit the proxy of holders of our Class B Stock to be voted at Reading's 2016 Annual Meeting, which will be held on Thursday, June 2, 2016, at 11:00 a.m. local time, at Courtyard by Marriott Los Angeles Westside, located at 6333 Bristol Parkway, Culver City, California 90230.

What items of business will be voted on at the Annual Meeting?

There is one item of business scheduled to be voted on at the 2016 Annual Meeting:

- PROPOSAL 1: Election of nine Directors to the Board.

We will also consider any other business that may properly come before the Annual Meeting or any adjournments or postponements thereof, including approving any such adjournment, if necessary. Please note that at this time we are not aware of any such business.

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RDI-A02209

How does the Board of Directors recommend that I vote?

Our Board recommends that you vote:

- On PROPOSAL 1: "FOR" the election of its nominees to the Board.

What happens if additional matters are presented at the Annual Meeting?

Other than the item of business described in this Proxy Statement, we are not aware of any other business to be acted upon at the Annual Meeting. If you grant a proxy, the persons named as proxies will have the discretion to vote your shares on any additional matters properly presented for a vote at the Annual Meeting.

Am I eligible to vote?

You may vote your shares of Class B Stock at the Annual Meeting if you were a holder of record of Class B Stock at the close of business on April 22, 2016. Your shares of Class B Stock are entitled to one vote per share. At that time, there were 1,680,590 shares of Class B Stock outstanding, and approximately 350 holders of record. Each share of Class B Stock is entitled to one vote on each matter properly brought before the Annual Meeting.

What if I own Class A Nonvoting Common Stock?

If you do not own any Class B Stock, then you have received this Proxy Statement only for your information. You and other holders of our Class A Nonvoting Common Stock ("Class A Stock") have no voting rights with respect to the matters to be voted on at the Annual Meeting.

What should I do if I receive more than one copy of the proxy materials?

You may receive more than one copy of this Proxy Statement and multiple proxy cards or voting instruction cards. For example, if you hold your shares in more than one brokerage account, you may receive a separate notice or a separate voting instruction card for each brokerage account in which you hold shares. If you are a stockholder of record and your shares are registered in more than one name, you may receive more than one copy of this Proxy Statement or more than one proxy card.

To vote all of your shares of Class B Stock by proxy card, you must either (i) complete, date, sign and return each proxy card and voting instruction card that you receive or (ii) vote over the Internet or by telephone the shares represented by each notice that you receive.

What is the difference between holding shares as a stockholder of record and as a beneficial owner?

Many stockholders of our Company hold their shares through a broker, bank or other nominee rather than directly in their own name. As summarized below, there are some differences in how stockholders of record and beneficial owners are treated.

Stockholders of Record. If your shares of Class B Stock are registered directly in your name with our Transfer Agent, you are considered the stockholder of record with respect to those shares and the proxy materials are being sent directly to you by Reading. As the stockholder of record of Class B Stock, you have the right to vote in person at the meeting. If you choose to do so, you can vote using the ballot provided at the Annual Meeting. Even if you plan to attend the Annual Meeting, we recommend that you vote your shares in advance as described below so that your vote will be counted if you decide later not to attend the Annual Meeting.

Beneficial Owner. If you hold your shares of Class B Stock through a broker, bank or other nominee rather than directly in your own name, you are considered the beneficial owner of shares held in street name and the proxy materials are being forwarded to you by your broker, bank or other nominee, who is considered the stockholder of record with respect to those shares. As the beneficial owner, you are also invited to attend the Annual Meeting. Because a beneficial owner is not the stockholder of record, you may not vote these shares in person at the Annual Meeting, unless you obtain a proxy from the broker, trustee or nominee that holds your shares, giving you the right to vote the shares at the meeting. You will need to contact your broker, trustee or nominee to obtain a proxy, and you will need to bring it to the Annual Meeting in order to vote in person.

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RDI-A02210

How do I vote?

Proxies are solicited to give all holders of our Class B Stock who are entitled to vote on the matters that come before the Annual Meeting the opportunity to vote their shares, whether or not they attend the Annual Meeting in person. If you are a holder of record of shares of our Class B Stock, you have the right to vote in person at the Annual Meeting. If you choose to do so, you can vote using the ballot provided at the Annual Meeting. Even if you plan to attend the Annual Meeting, we recommend that you vote your shares in advance as described below so that your vote will be counted if you decide later not to attend the Annual Meeting. You can vote by one of the following manners:

- By Internet — Holders of record of our Class B Stock may submit proxies over the Internet by following the instructions on the proxy card. Holders of our Class B Stock who are beneficial owners may vote by Internet by following the instructions on the voting instruction card sent to them by their bank, broker, trustee or nominee. Proxies submitted by the Internet must be received by 11:59 p.m., local time, on June 1, 2016 (the day before the Annual Meeting).

- By Telephone — Holders of record of our Class B Stock who live in the United States or Canada may submit proxies by telephone by calling the toll-free number on the proxy card and following the instructions. Holders of record of our Class B Stock will need to have the control number that appears on their proxy card available when voting. In addition, holders of our Class B Stock who are beneficial owners of shares living in the United States or Canada and who have received a voting instruction card by mail from their bank, broker, trustee or nominee may vote by phone by calling the number specified on the voting instruction card. Those stockholders should check the voting instruction card for telephone voting availability. Proxies submitted by telephone must be received by 11:59 p.m., local time, on June 1, 2016 (the day before the Annual Meeting).

- By Mail — Holders of record of our Class B Stock who have received a paper copy of a proxy card by mail may submit proxies by completing, signing and dating their proxy card and mailing it in the accompanying pre-addressed envelope. Holders of our Class B Stock who are beneficial owners who have received a voting instruction card from their bank, broker or nominee may return the voting instruction card by mail as set forth on the card. Proxies submitted by mail must be received by the Inspector of Elections before the polls are closed at the Annual Meeting.

- In Person — Holders of record of our Class B Stock may vote shares held in their name in person at the Annual Meeting. You also may be represented by another person at the Annual Meeting by executing a proxy designating that person. Shares of Class B Stock for which a stockholder is the beneficial owner, but not the stockholder of record, may be voted in person at the Annual Meeting only if such stockholder obtains a proxy from the bank, broker or nominee that holds the stockholder's shares, indicating that the stockholder was the beneficial owner as of the record date and the number of shares for which the stockholder was the beneficial owner on the record date.

Holders of our Class B Stock are encouraged to vote their proxies by Internet, telephone or by completing, signing, dating and returning a proxy card or voting instruction card, but not by more than one method. If you vote by more than one method, or vote multiple times using the same method, only the last-dated vote that is timely received by the Inspector of Elections will be counted, and each previous vote will be disregarded. If you vote in person at the Annual Meeting, you will revoke any prior proxy that you may have given. You will need to bring a valid form of identification (such as a driver's license or passport) to the Annual Meeting to vote shares held of record by you in person.

What if my shares are held of record by an entity such as a corporation, limited liability company, general partnership, limited partnership or trust (an "Entity"), or in the name of more than one person, or I am voting in a representative or fiduciary capacity?

Shares held of record by an Entity. In order to vote shares on behalf of an Entity, you need to provide evidence (such as a sealed resolution) of your authority to vote such shares, unless you are listed as a record holder of such shares.

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Shares held of record by a trust. The trustee of a trust is entitled to vote the shares held by the trust, either by proxy or by attending and voting in person at the Annual Meeting. If you are voting as a trustee, and are not identified as a record owner of the shares, then you must provide suitable evidence of your status as a trustee of the record trust owner. If the record owner is a trust and there are multiple trustees, then if only one trustee votes, that trustee's vote applies to all of the shares held of record by the trust. If more than one trustee votes, the votes of the majority of the voting trustees apply to all of the shares held of record by the trust. If more than one trustee votes and the votes are split evenly on any particular Proposal, each trustee may vote proportionally the shares held of record by the trust.

Shares held of record in the name of more than one person. If only one individual votes, that individual's vote applies to all of the shares so held of record. If more than one person votes, the votes of the majority of the voting individuals apply to all of such shares. If more than one individual votes and the votes are split evenly on any particular Proposal, each individual may vote such shares proportionally.

What is a broker non-vote?

Applicable rules permit brokers to vote shares held in street name on routine matters. Shares that are not voted on non-routine matters, such as the election of Directors or any proposed amendment of our Articles or Bylaws, are called broker non-votes. Broker non-votes will have no effect on the vote for the election of Directors, but could affect the outcome of any matter requiring the approval of the holders of an absolute majority of the Class B Stock. We are not currently aware of any matter to be presented to the Annual Meeting that would require the approval of the holders of an absolute majority of the Class B Stock.

What routine matters will be voted on at the annual meeting?

None.

What non-routine matters will be voted on at the annual meeting?

The election of nine Directors to the Board is the only non-routine matter included among the Board's proposals on which brokers may not vote, unless they have received specific voting instructions from beneficial owners of our Class B Stock.

How are abstentions and broker non-votes counted?

Abstentions and broker non-votes are included in determining whether a quorum is present. In tabulating the voting results for the items to be voted on at the 2016 Annual Meeting, shares that constitute abstentions and broker non-votes are not considered entitled to vote and will not affect the outcome of any matter being voted on at the meeting, unless the matter requires the approval of the holders of a majority of the outstanding shares of Class B Stock.

How can I change my vote after I submit a proxy?

If you are a stockholder of record, there are three ways you can change your vote or revoke your proxy after you have submitted your proxy:

- First, you may send a written notice to Reading International, Inc., postage or other delivery charges pre-paid, 6100 Center Drive, Suite 900, Los Angeles, CA, 90045, c/o Annual Meeting Secretary, stating that you revoke your proxy. To be effective, the Inspector of Elections must receive your written notice prior to the closing of the polls at the Annual Meeting.

- Second, you may complete and submit a new proxy in one of the manners described above under the caption, "How do I vote?" Any earlier proxies will be revoked automatically.

- Third, you may attend the Annual Meeting and vote in person. Any earlier proxy will be revoked. However, attending the Annual Meeting without voting in person will not revoke your proxy.

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RDI-A02212

How will you solicit proxies and who will pay the costs?

We will pay the costs of the solicitation of proxies. We may reimburse brokerage firms and other persons representing beneficial owners of shares for expenses incurred in forwarding the voting materials to their customers who are beneficial owners and obtaining their voting instructions. In addition to soliciting proxies by mail, our board members, officers and employees may solicit proxies on our behalf, without additional compensation, personally or by telephone.

Is there a list of stockholders entitled to vote at the Annual Meeting?

The names of stockholders of record entitled to vote at the Annual Meeting will be available at the Annual Meeting and for ten days prior to the Annual Meeting, at our corporate offices, 6100 Center Drive, Suite 900, Los Angeles, CA, 90045 between the hours of 9:00 a.m. and 5:00 p.m., local time, for any purpose relevant to the Annual Meeting. To arrange to view this list during the times specified above, please contact the Secretary of the Company.

What constitutes a quorum?

The presence in person or by proxy of the holders of record of a majority of our outstanding shares of Class B Stock entitled to vote will constitute a quorum at the Annual Meeting. Each share of our Class B Stock entitles the holder of record to one vote on all matters to come before the Annual Meeting.

How are votes counted and who will certify the results?

First Coast Results, Inc. will act as the independent Inspector of Elections and will count the votes, determine whether a quorum is present, evaluate the validity of proxies and ballots, and certify the results. A representative of First Coast Results, Inc. will be present at the Annual Meeting. The final voting results will be reported by us on a Current Report on Form 8-K to be filed with the SEC within four business days following the Annual Meeting.

What is the vote required for a Proposal to pass?

The nine nominees for election as Directors at the Annual Meeting who receive the highest number of "FOR" votes will be elected as Directors. This is called plurality voting. Unless you indicate otherwise, the persons named as your proxies will vote your shares FOR all the nominees for Directors named in Proposal 1. If your shares are held by a broker or other nominee and you would like to vote your shares for the election of Directors in Proposal 1, you must instruct the broker or nominee to vote "FOR" for each of the candidates for whom you would like to vote. If you give no instructions to your broker or nominee, then your shares will not be voted. If you instruct your broker or nominee to "WITHHOLD," then your vote will not be counted in determining the election.

Only votes "FOR" Proposal 1 at the Annual Meeting will be counted as votes cast and abstentions; votes withheld and broker non-votes will not be counted for voting purposes.

Is my vote kept confidential?

Proxies, ballots and voting tabulations identifying stockholders are kept confidential and will not be disclosed to third parties, except as may be necessary to meet legal requirements.

How will the Annual Meeting be conducted?

In accordance with our Bylaws, Ellen M. Cotter, as the Chair of the Board, will be the Presiding Officer of the Annual Meeting. Craig Tompkins has been designated by the Board to serve as Secretary for the Annual Meeting.

Ms. Cotter and other members of management will address attendees following the Annual Meeting. Stockholders desiring to pose questions to our management are encouraged to send their questions to us, care of the Annual Meeting Secretary, in advance of the Annual Meeting, so as to assist our management in preparing appropriate responses and to facilitate compliance with applicable securities laws.

The Presiding Officer has broad authority to conduct the Annual Meeting in an orderly and timely manner. This authority includes establishing rules for stockholders who wish to address the meeting or bring matters before the

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RDI-A02213

Annual Meeting. The Presiding Officer may also exercise broad discretion in recognizing stockholders who wish to speak and in determining the extent of discussion on each item of business. In light of the need to conclude the Annual Meeting within a reasonable period of time, there can be no assurance that every stockholder who wishes to speak will be able to do so. The Presiding Officer has authority, in her discretion, to at any time recess or adjourn the Annual Meeting. Only stockholders are entitled to attend and address the Annual Meeting. Any questions or disputes as to who may or may not attend and address the Annual Meeting will be determined by the Presiding Officer.

Only such business as shall have been properly brought before the Annual Meeting shall be conducted. Pursuant to our governing documents and applicable Nevada law, in order to be properly brought before the Annual Meeting, such business must be brought by or at the direction of (1) the Chair, (2) our Board, or (3) holders of record of our Class B Stock. At the appropriate time, any stockholder who wishes to address the Annual Meeting should do so only upon being recognized by the Presiding Officer.

CORPORATE GOVERNANCE

Director Leadership Structure

Ellen M. Cotter is our current Chair, President and Chief Executive Officer. Ellen M. Cotter has been with our Company for more than 18 years, focusing principally on the cinema operations aspects of our business. During this time period, we have grown our Domestic Cinema Operations from 42 to 248 screens and our cinema revenues have grown from US $15.5 million to US $132.9 million. Historically, we have combined the roles of the Chair and the Chief Executive Officer, except for the period from August 2014 until June 12, 2015, when the roles of Chair and Chief Executive Officer were held by two executives of the Company following the resignation for health reasons of our founder, James J. Cotter, Sr. At the present time, we believe that the combined roles (i) allow for consistent leadership, (ii) continue the tradition of having a Chair and Chief Executive Officer, who is also a controlling stockholder of the Company, and also (iii) reflect our status as a "controlled company" under relevant NASDAQ Listing Rules

Margaret Cotter is our current Vice-Chair and she also serves as our Executive Vice President – Real Estate Management and Development - NYC. Margaret Cotter has been responsible for the operation of our live theaters for more than 17 years and has for more than the past five years been actively involved in the re-development of our New York properties. On March 10, 2016, our Board appointed Margaret Cotter as Executive Vice President-Real Estate Management and Development-NYC.

Ellen M. Cotter has a substantial stake in our business, owning directly 799,765 shares of Class A Stock and 50,000 shares of Class B Stock. Margaret Cotter likewise has a substantial stake in our business, owning directly 804,173 shares of Class A Stock and 35,100 shares of Class B Stock. Ellen M. Cotter and Margaret Cotter are the Co-Executors of their father's (James J. Cotter, Sr.) estate (the "Cotter Estate") and Co-Trustees of a trust (the "Cotter Trust") established for the benefit of his heirs. Together, they have shared voting control over an aggregate of 1,208,988 shares or 71.9% of our Class B Stock. Ellen M. Cotter and Margaret Cotter have informed the Board that they intend to vote the shares beneficially held by them for each of the nine nominees named in this Proxy Statement for election to the Board under Proposal 1.

James Cotter, Jr. alleges that he has the right to vote the shares held by the Cotter Trust. The Company believes that, under applicable Nevada Law, where there are multiple trustees of a trust that is a record owner of voting shares of a Nevada corporation, and more than one trustee votes, the votes of the majority of the voting trustees apply to all of the shares held of record by the trust. If more than one trustee votes and the votes are split evenly on any particular proposal, each trustee may vote proportionally the shares held of record by the trust. Ellen M. Cotter and Margaret Cotter, who collectively constitute a majority of the Co-Trustees of the Cotter Trust, have informed the Board that they intend to vote the shares held by the Cotter Trust for each of the nine nominees named in this Proxy Statement for election to the Board under Proposal 1. Accordingly, the Company believes that Ellen M. Cotter and Margaret Cotter collectively have the power and authority to vote all of the shares of Class B Stock held of record by the Cotter Trust, which, when added to the other shares they report as being beneficially owned by them, will constitute 71.9% of the shares of Class B Stock entitled to vote for Directors at the Annual Meeting.

The Company has elected to take the "controlled company" exemption under applicable listing rules of The NASDAQ Capital Stock Market (the "NASDAQ Listing Rules"). Accordingly, the Company is exempted from the requirement to have an independent nominating committee and to have a board composed of at least a majority of

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RDI-A02214

independent directors, as that term is defined in the NASDAQ Listing Rules ("Independent Directors"). We are nevertheless nominating a majority of Independent Directors for election to our Board. We currently have an Audit and Conflicts Committee (the "Audit Committee") and a Compensation and Stock Options Committee ("Compensation Committee") composed entirely of Independent Directors. We currently have a four member Executive Committee composed of our Chair and Vice-Chair and Messrs. Guy W. Adams and Edward L. Kane. Due to this structure, the concurrence of at least one non-management member of the Executive Committee is required in order for the Executive Committee to take action.

We believe that our Directors bring a broad range of leadership experience to our Company and regularly contribute to the thoughtful discussion involved in effectively overseeing the business and affairs of the Company. We believe that all Board members are well engaged in their responsibilities and that all Board members express their views and consider the opinions expressed by other Directors. A majority of our Board is independent under the NASDAQ Listing Rules and SEC rules, and William D. Gould serves as the Lead Independent Director among our Independent Directors ("Lead Independent Director"). In that capacity, Mr. Gould chairs meetings of the Independent Directors and acts as liaison between our Chair, President and Chief Executive Officer and our Independent Directors. Our Independent Directors are involved in the leadership structure of our Board by serving on our Audit Committee and the Compensation Committee, each of which has a separate independent Chair. Nominations to our Board for the Annual Meeting were made by our entire Board, consisting of a majority of Independent Directors.

Since our last Annual Meeting of Stockholders, we have (i) adopted a best practices Charter for our Compensation Committee, (ii) adopted a new best practices Charter for our Audit Committee, and (iii) completed, with the assistance of compensation consultants Willis Towers Watson and outside counsel Greenberg Traurig, LLP, a complete review of our compensation practices, in order to bring them into alignment with current best practices. Immediately prior to our last Annual Meeting we adopted a new supplemental policy restricting trading in our stock by our Directors and executive officers.

Management Succession

On August 7, 2014, James J. Cotter, Sr., our then controlling stockholder, Chair and Chief Executive Officer, resigned from all positions at our Company, and passed away on September 13, 2014. Upon his resignation, Ellen M. Cotter was appointed Chair, Margaret Cotter, her sister, was appointed Vice Chair and James Cotter, Jr., her brother, was appointed Chief Executive Officer, while continuing his position as President.

On June 12, 2015, the Board terminated the employment of James Cotter, Jr. as our President and Chief Executive Officer, and appointed Ellen M. Cotter to serve as the Company's interim President and Chief Executive Officer. The Board established an Executive Search Committee (the "Search Committee") initially composed of Ellen M. Cotter, Margaret Cotter, and Independent Directors William Gould and Douglas McEachern, and retained Korn Ferry to evaluate candidates for the Chief Executive Officer position. Ellen M. Cotter resigned from the Search Committee when she concluded that she was a serious candidate for the position. Korn Ferry screened over 200 candidates and ultimately presented six external candidates to the Search Committee. The Search Committee evaluated those external candidates and Ellen M. Cotter in meetings in December 2015 and January 2016, considering numerous factors, including, among others, the benefits of having a President and Chief Executive Officer who has the confidence of the existing senior management team, Ms. Cotter's prior performance as an executive of the Company and her performance as the interim President and Chief Executive Officer of the Company, the qualifications, experience and compensation demands of the external candidates, and the benefits and detriments of having a Chair, President and Chief Executive Officer who is also a controlling stockholder of the Company. The Search Committee recommended the appointment of Ellen M. Cotter as permanent President and Chief Executive Officer and the Board appointed her on January 8, 2016, with seven Directors voting yes, one Director (James Cotter, Jr.) voting no, and Ellen M. Cotter abstaining.

Board's Role in Risk Oversight

Our management is responsible for the day-to-day management of risks we face as a Company, while our Board, as a whole and through its committees, has responsibility for the oversight of risk management. In its risk oversight role, our Board has the responsibility to satisfy itself that the risk management processes designed and implemented by management are adequate and functioning as designed.

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The Board plays an important role in risk oversight at Reading through direct decision-making authority with respect to significant matters, as well as through the oversight of management by the Board and its committees. In particular, the Board administers its risk oversight function through (1) the review and discussion of regular periodic reports by the Board and its committees on topics relating to the risks that the Company faces, (2) the required approval by the Board (or a committee of the Board) of significant transactions and other decisions, (3) the direct oversight of specific areas of the Company's business by the Audit Committee and the Compensation Committee, and (4) regular periodic reports from the auditors and other outside consultants regarding various areas of potential risk, including, among others, those relating to our internal control over financial reporting. The Board also relies on management to bring significant matters impacting the Company to the attention of the Board.

"Controlled Company" Status

Under section 5615(c)(1) of the NASDAQ Listing Rules, a "controlled company" is a company in which 50% of the voting power for the election of Directors is held by an individual, a group or another company. Together, Ellen M. Cotter and Margaret Cotter beneficially own 1,208,988 shares or 71.9% of our Class B Stock. Our Class A Stock does not have voting rights. Based on advice of counsel, our Board has determined that the Company is therefore a "controlled company" within the NASDAQ Listing Rules.

After reviewing the benefits and detriments of taking advantage of the exemptions to certain corporate governance rules available to a "controlled company" as set forth in the NASDAQ Listing Rules, our Board has determined to take advantage of those exemptions. In reliance on a "controlled company" exemption, the Company does not maintain a separate standing Nominating Committee. The Company nevertheless at this time maintains a full Board composed of a majority of Independent Directors and a fully independent Audit Committee, and has no present intention to vary from that structure. Our Board, consisting of a majority of Independent Directors, approved the nominees for our 2016 Annual Meeting. See "*Consideration and Selection of the Board's Director Nominees*," below. Each of the nominees, in each case the nominee abstaining from the vote, was approved by at least a majority of our Directors.

Board Committees

Our Board has a standing Executive Committee, Audit Committee, and Compensation Committee. The Tax Oversight Committee has been inactive since November 2, 2015 in anticipation that its functions would be moved to the Audit Committee under its new charter. That new charter was approved on May 5, 2016. These committees, other than the Tax Oversight Committee, are discussed in greater detail below.

Executive Committee. The Executive Committee operates pursuant to a Charter adopted by our Board. Our Executive Committee is currently composed of Ms. Ellen M. Cotter, Ms. Margaret Cotter and Messrs. Adams and Kane. Pursuant to its Charter, the Executive Committee is authorized, to the fullest extent permitted by Nevada law and our Bylaws, to take any and all actions that could have been taken by the full Board between meetings of the full Board. The Executive Committee held six meetings during 2015.

Audit Committee. The Audit Committee operates pursuant to a Charter adopted by our Board that is available on our website at http://www.readingrdi.com/Committee-Charters. The Audit Committee reviews, considers, negotiates and approves or disapproves related party transactions (see the discussion in the section entitled "*Certain Relationships and Related Party Transactions*" below). In addition, the Audit Committee is responsible for, among other things, (i) reviewing and discussing with management the Company's financial statements, earnings press releases and all internal controls reports, (ii) appointing, compensating and overseeing the work performed by the Company's independent auditors, and (iii) reviewing with the independent auditors the findings of their audits.

Our Board has determined that the Audit Committee is composed entirely of Independent Directors (as defined in section 5605(a)(2) of the NASDAQ Listing Rules), and that Mr. McEachern, the Chair of our Audit Committee, is qualified as an Audit Committee Financial Expert. Our Audit Committee is currently composed of Mr. McEachern, who serves as Chair, Mr. Kane and Mr. Wrotniak. Mr. Timothy Storey, who served on our Board through October 11, 2015, served on our Audit Committee through the same date. The Audit Committee held four meetings during 2015.

Compensation Committee. Our Board has established a standing Compensation Committee consisting of three of our non-employee Directors, and is currently composed of Mr. Kane, who serves as Chair, Dr. Codding and Mr. McEachern. Mr. Storey served on our Compensation Committee through October 11, 2015 and Mr. Adams served

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through May 14, 2016. As a Controlled Company, we are exempt from the NASDAQ Listing Rules regarding the determination of executive compensation solely by Independent Directors. Notwithstanding such exemption, we adopted a Compensation Committee charter on March 10, 2016 requiring our Compensation Committee members to meet the independence rules and regulations of the SEC and the NASDAQ Stock Market. As a part of the transition to this new compensation committee structure, the compensation for 2016 of the President, Chief Executive Officer, all Executive Vice Presidents, and all Managing Directors was reviewed and approved by the Board at that March 10, 2016 meeting.

The Compensation Committee charter is available on our website at http://www.readingrdi.com/charter-of-our-compensation-stock-options-committee/. The Compensation Committee evaluates and makes recommendations to the full Board regarding the compensation of our Chief Executive Officer. Under its new Charter, the Compensation Committee has delegated authority to establish the compensation for all executive officers other than the President and Chief Executive Officer; provided that compensation decisions related to members of the Cotter Family remain vested in the full Board. In addition, the Compensation Committee establishes the Company's general compensation philosophy and objectives (in consultation with management), approves and adopts on behalf of the Board incentive compensation and equity-based compensation plans, subject to stockholder approval as required, and performs other compensation related functions as delegated by our Board. The Compensation Committee held three meetings during 2015.

Consideration and Selection of the Board's Director Nominees

The Company has elected to take the "Controlled Company" exemption under applicable NASDAQ Listing Rules. Accordingly, the Company does not maintain a standing Nominating Committee. Our Board, consisting of a majority of Independent Directors, approved the Board nominees for our 2016 Annual Meeting.

Our Board does not have a formal policy with respect to the consideration of Director candidates recommended by our stockholders. No non-Director stockholder has, in more than the past ten years, made any formal proposal or recommendation to the Board as to potential nominees. Neither our governing documents nor applicable Nevada law place any restriction on the nomination of candidates for election to our Board directly by our stockholders. In light of the facts that (i) we are a Controlled Company under the NASDAQ Listing Rules and exempted from the requirements for an independent nominating process, and (ii) our governing documents and Nevada law place no limitation upon the direct nomination of Director candidates by our stockholders, our Board believes there is no need for a formal policy with respect to Director nominations.

Our Board will consider nominations from our stockholders, provided written notice is delivered to our Secretary at our principal executive offices not less than 120 days prior to the first anniversary of the date that this Proxy Statement is sent to stockholders, or such earlier date as may be reasonable in the event that our annual stockholders meeting is moved more than 30 days from the anniversary of the 2016 Annual Meeting. Such written notice must set forth the name, age, address, and principal occupation or employment of such nominee, the number of shares of our common stock that are beneficially owned by such nominee, and such other information required by the proxy rules of the SEC with respect to a nominee of our Board.

Our Directors have not adopted any formal criteria with respect to the qualifications required to be a Director or the particular skills that should be represented on our Board, other than the need to have at least one Director and member of our Audit Committee who qualifies as an "audit committee financial expert," and have not historically retained any third party to identify or evaluate or to assist in identifying or evaluating potential nominees. We have no policy of considering diversity in identifying Director nominees.

Our Board oversees risk by remaining well-informed through regular meetings with management and our Chair's personal involvement in our day-to-day business including any matters requiring specific risk management oversight. Our Chair, President and Chief Executive Officer chairs regular senior management meetings, which are typically held weekly, one addressing domestic issues and the other addressing overseas issues. The risk oversight function of our Board is enhanced by the fact that our Audit Committee is comprised entirely of Independent Directors.

We encourage, but do not require, our Board members to attend our Annual Meeting. All of our nine then-incumbent Directors attended last year's annual meeting.

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Following a review of the experience and overall qualifications of the Director candidates, our Board resolved to nominate, each of the incumbent Directors named in Proposal 1 for election as Directors of the Company at our 2016 Annual Meeting.

The Board, in reaching the decision to nominate Mr. James Cotter, Jr. for re-election to the Board, took a number of factors into consideration. Without attempting to place any particular priority on any particular consideration, the Board considered Mr. Cotter Jr.'s pending litigation against certain of the other Directors; his pending arbitration proceedings with the Company related to his prior termination as the President and Chief Executive Officer of our Company; his litigation against the Company seeking reimbursement and future advancement of his legal fees and expenses incurred in such arbitration proceedings; the Board's June 2015 determination to terminate Mr. Cotter, Jr. as our Company's President and Chief Executive Officer; the potential that this personal action and legal proceedings have and will likely continue to cause dissension among Board members and impact the otherwise collegial nature of Board meetings; Mr. Cotter, Jr.'s longevity on the Board and his broad knowledge of our Company; Mr. Cotter, Jr.'s beneficial holdings of the Company's securities; the fact that, depending on the ultimate resolution of certain litigation as to the terms of the Cotter Trust, Mr. Cotter, Jr. could periodically or ultimately hold voting control over our Company, and the fact that Ellen M. Cotter and Margaret Cotter had notified the Board that, as the beneficial owners of over 70% of the voting power of our Company, they supported Mr. Cotter Jr.'s ongoing participation on the Board. After considering these factors, the Board nominated Mr. Cotter, Jr. to serve another term as a Director of the Company.

Each of the nominees received at least seven (7) Yes votes, with each such nominee abstaining as to his or her nomination. Director Cotter, Jr. abstained with respect to the nomination of each of the nominees other than Ellen M. Cotter and Margaret Cotter, and voted Yes for Ellen M. Cotter and Margaret Cotter. Director Adams voted No with respect to the nomination of James Cotter, Jr.

Code of Ethics

We have adopted a Code of Ethics designed to help our Directors and employees resolve ethical issues. Our Code of Ethics applies to all Directors and employees, including the Chief Executive Officer, the Chief Financial Officer, principal accounting officer, controller and persons performing similar functions. Our Code of Ethics is posted on our website at http://www.readingrdi.com/Governance-Documents.

The Board has established a means for employees to report a violation or suspected violation of the Code of Ethics anonymously. In addition, we have adopted a "Whistleblower Policy," which is posted on our website, at http://www.readingrdi.com/Governance-Documents, that establishes a process by which employees may anonymously disclose to the Audit Committee alleged fraud or violations of accounting, internal accounting controls or auditing matters.

Review, Approval or Ratification of Transactions with Related Persons

The Audit Committee adopted a written charter for approval of transactions between the Company and its Directors, Director nominees, executive officers, greater than five percent beneficial owners and their respective immediate family members, where the amount involved in the transaction exceeds or is expected to exceed $120,000 in a single calendar year and the party to the transaction has or will have a direct or indirect interest. A copy of this charter is available at www.readingrdi.com under the "Investor Relations" caption. For additional information, see the section entitled "*Certain Relationships and Related Party Transactions*."

Material Legal Proceedings

On June 12, 2015, the Board terminated James Cotter, Jr. as the President and Chief Executive Officer of our Company. That same day, Mr. Cotter, Jr. filed a lawsuit, styled as both an individual and a derivative action, and titled "James Cotter, Jr., individually and derivatively on behalf of Reading International, Inc. vs. Margaret Cotter, et al." Case No,: A-15-719860-V, Dept. XI (the "Cotter Jr. Derivative Action" and the "Cotter, Jr. Complaint," respectively) against the Company and each of our other then sitting Directors (Ellen M. Cotter, Margaret Cotter, Guy Adams, William Gould, Edward Kane, Douglas McEachern, and Tim Storey, the "Original Defendant Directors") in the Eighth Judicial District Court of the State of Nevada for Clark County (the "Nevada District Court"). On October 22, 2015, Mr. Cotter, Jr., amended his complaint to drop his individual claims (the "Amended Cotter Jr. Derivative Complaint"). Accordingly, the Amended Cotter, Jr. Complaint presently purports to assert only purportedly derivative claims and to seek remedies

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only on behalf of the Company. The lawsuit currently alleges, among other things, that the Original Defendant Directors breached their fiduciary duties to the Company by terminating Mr. Cotter, Jr. as President and Chief Executive Officer, continuing to make use of the Executive Committee that has been in place for more than the past ten years, making allegedly potentially misleading statements in its press releases and filings with the Securities and Exchange Commission ("SEC"), paying certain compensation to Ms. Ellen M. Cotter, and allowing the Cotter Estate to make use of Class A Common Stock to pay for the exercise of certain long outstanding stock options held of record by the Cotter Estate. He seeks reinstatement as President and Chief Executive Officer and alleges as damages fluctuations in the price for our Company's shares after the announcement of his termination as President and Chief Executive Officer and certain unspecified damages to our Company's reputation.

In a derivative action, the stockholder plaintiff seeks damages or other relief for the benefit of the Company, and not for the stockholder plaintiff's individual benefit. Accordingly, the Company is, at least in theory, only a nominal defendant in such a derivative action. However, as a practical matter, because Mr. Cotter, Jr. is also seeking, among other things, an order that our Board's determination to terminate Mr. Cotter Jr. was ineffective and that he should be reinstated as the President and Chief Executive Officer of the Company and also that our Board's Executive Committee be disbanded (an injunctive remedy that, if granted, would be binding on the Company), and as he asserts potentially misleading statements in certain press releases and filings with the SEC, the Company is incurring significant cost and expense defending the decision to terminate Mr. Cotter, Jr. as President and Chief Executive Officer, its Board committee structure, and the adequacy of those press releases and filings. Also, the Company continues to incur costs promulgating and responding to discovery demands and satisfying indemnity obligations to the Original Defendant Directors.

Our Directors and Officers Insurance liability insurer is providing insurance coverage, subject to a $500,000 deductible (which has now been exhausted) and its standard reservation of rights, with respect to the defense of the Original Director Defendants. Our new Directors, Dr. Judy Codding and Mr. Michael Wrotniak, are not named in the Cotter Jr. Derivative Action as they were not Directors at the time of the breaches of fiduciary duty alleged by Mr. Cotter, Jr.

Pursuant to the terms of Mr. Cotter Jr.'s employment agreement with the Company, disputes relating to his employment are to be arbitrated. Accordingly, on July 14, 2015, the Company filed an arbitration demand with the American Arbitration Association against Mr. Cotter, Jr. The demand seeks declaratory relief, among other things, that Mr. Cotter, Jr.'s employment and employment agreement with the Company have been validly terminated and that the Board validly removed him from his positions as President and Chief Executive Officer of the Company and positions with the Company's subsidiaries.

Mr. Cotter, Jr. has filed a counter-complaint in the arbitration, asserting claims for breach of his employment contract, declaratory relief, and contractual indemnification. Mr. Cotter, Jr.'s counsel has advised that Mr. Cotter is seeking a variety of damages, including consequential damages, and that such claimed damages total no less than $1,000,000. On April 19, 2016, Mr. Cotter, Jr. filed an action in the District Court, Clark County, Nevada seeking to recover his costs of defending the Arbitration, plus compensatory damages and interest at the maximum legal rate. The Company intends to vigorously defend these claims.

On August 6, 2015, the Company received notice that a Motion to Intervene in the Cotter Jr. Derivative Action and that a proposed derivative complaint had been filed in the Nevada District Court captioned T2 Partners Management, LP, a Delaware limited partnership, doing business as Kase Capital Management; T2 Accredited Fund, LP, a Delaware limited partnership, doing business as Kase Fund; T2 Qualified Fund, LP, a Delaware limited partnership, doing business as Kase Qualified Fund; Tilson Offshore Fund, Ltd, a Cayman Islands exempted company; T2 Partners Management I, LLC, a Delaware limited liability company, doing business as Kase Management; T2 Partners Management Group, LLC, a Delaware limited liability company, doing business as Kase Group; JMG Capital Management, LLC, a Delaware limited liability company; and Pacific Capital Management, LLC, a Delaware limited liability company, derivatively on behalf of Reading International, Inc. vs. Margaret Cotter, Ellen M. Cotter, Guy Adams, Edward Kane, Douglas McEachern, Timothy Storey, William Gould and Does 1 through 100, inclusive, as defendants, and, Reading International, Inc., a Nevada corporation, as Nominal Defendant (the "T2 Derivative Action"). On August 11, 2015, the Court granted the motion of T2 Partners Management, LP et. al. (the "T2 Plaintiffs"), allowing these plaintiffs to file their complaint (the "T2 Derivative Complaint").

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On September 9, 2015, certain of the Original Defendant Directors filed a Motion to Dismiss the T2 Derivative Complaint. The Company joined this Motion to Dismiss on September 14, 2015. The hearing on this Motion to Dismiss was vacated as the T2 Plaintiffs voluntarily withdrew the T2 Derivative Complaint, with the parties agreeing that T2 Plaintiffs would have leave to amend the Complaint. On February 12, 2016, the T2 Plaintiffs filed an amended T2 Derivative Complaint (the "Amended T2 Derivative Complaint").

The T2 Plaintiffs allege in their Amended T2 Derivative Complaint various violations of fiduciary duty, abuse of control, gross mismanagement and corporate waste by the Amended T2 Complaint Director Defendants (as such term is defined below). More specifically the Amended T2 Derivative Complaint seeks certain monetary damages, as well as equitable injunctive relief, attorney fees and costs of suit. Once again, the Company has been named as a nominal defendant. However, because the Amended T2 Derivative Complaint also seeks the reinstatement of Mr. Cotter, Jr., as our President and CEO, it is being defended by the Company. In addition, the Company continues to incur costs promulgating and responding to discovery demands and satisfying indemnity obligations to the Amended T2 Complaint Director Defendants. The defendants in the Amended T2 Complaint are the same as named in the Cotter Jr. Derivative Action as well as our two new Directors, Dr. Judy Codding and Michael Wrotniak, and Company legal counsel, Craig Tompkins. Mr. Storey was not named as a defendant in the Amended T2 Complaint. The cost of the defense of Directors Codding and Wrotniak is likewise being covered by our Directors and Officers Liability Insurance carrier with the same reservations of right as in the Cotter Jr. Derivative Action, but without any separate deductible. The coverage under our Directors and Officers Liability Insurance of the cost of the defense of Mr. Tompkins is being reviewed by the insurer and is currently being covered by the Company under its indemnity agreement with him. The Directors named in the T2 Derivative Complaint are referred to herein as the "Amended T2 Complaint Director Defendants" and the Directors named in the Amended Cotter, Jr. Derivative Complaint are referred to herein as the Amended Cotter Jr. Complaint Director Defendants.

The Amended T2 Derivative Complaint has deleted its request for an order disbanding our Executive Committee and an order "collapsing the Class A and B stock structure into a single class of voting stock." The Amended T2 Complaint has added a request for an order setting aside the election results from the 2015 Annual Meeting of Stockholders, based on an allegation that Ellen M. Cotter and Margaret Cotter were not entitled to vote the shares of Class B Common Stock held by the Cotter Estate and the Cotter Trust. The Company and the other defendants contest the allegations of the T2 Plaintiffs. The Company followed applicable Nevada law in recognizing that Ellen M. Cotter and Margaret Cotter had the legal right and power to vote the shares of Class B Common Stock held of record by the Cotter Estate and the Cotter Trust, and the independent Inspector of Elections has certified the results of that election. Furthermore, even if the election results were to be overturned or voided, this would have no impact on the current composition of our Board, as all of the nominees were standing for re-election and accordingly retain their directorships until their replacements are elected. The Company will vigorously contest any assertions by the T2 Plaintiffs challenging the voting at the 2015 Annual Meeting of Stockholders and believes that the court will rule for the Company should this issue ever reach the court. The case is currently set for trial in November, 2016.

On May 2, 2016, the T2 Plaintiffs filed a petition on order shortening time seeking a preliminary injunction (1) enjoining the Inspector of Elections from counting any proxies purporting to vote either the 327,808 Class B shares represented by stock certificate B0005 (held of record by the Cotter Estate) or the 696,080 Class B shares represented by stock certificate RDIB 0028 (held of record by the Cotter Trust) at the upcoming June 2, 2016 Annual Meeting, and (2) enjoining Ellen M. Cotter, Margaret Cotter and James Cotter, Jr. from voting the above referenced shares at the 2016 Annual Meeting. The Company believes that the above referenced shares are currently held of record by the Cotter Estate and the Cotter Trust, and that such shares can be voted by the Co-Executors of the Cotter Estate and the Trustees of the Cotter Trust, as applicable.

The Company believes that the claims set forth in the Amended Cotter Jr. Derivative Complaint and the Amended T2 Derivative Complaint are entirely without merit and seek equitable remedies for which no relief can be given. The Company intends to defend vigorously against our Directors and Officers and against any attempt to reinstate Mr. Cotter, Jr. as President and Chief Executive Officer or to effect any changes in the rights of our Company's stockholders. Mr. Storey has been dismissed by stipulation as a defendant in the James Cotter Jr. Derivative Action.

On May 13, 2016, Directors Adams, Codding, Ellen M. Cotter, Margaret Cotter, Kane, McEachern and Wrotniak filed a motion in the T2 Derivative Action to disqualify the T2 Plaintiffs on the grounds that at least one of the T2 Plaintiffs had engaged in trading in our Company's Class A Common Stock after production by the Company and the

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Amended T2 Complaint Director Defendants of confidential information in the discovery process.

PROPOSAL 1: Election of Directors

Nominees for Election

Nine Directors are to be elected at our Annual Meeting to serve until the annual meeting of stockholders to be held in 2017 or until their successors are duly elected and qualified. Unless otherwise instructed, the proxy holders will vote the proxies received by us "FOR" the election of the nominees below, all of whom currently serve as Directors. The nine nominees for election to the Board who receive the greatest number of votes cast for the election of Directors by the shares present and entitled to vote will be elected Directors. If any nominee becomes unavailable for any reason, it is intended that the proxies will be voted for a substitute nominee designated by the Board. The nominees named have consented to serve if elected.

The names of the nominees for Director, together with certain information regarding them, are as follows:

Name	Age	Position
Ellen M. Cotter	50	Chair of the Board and Chief Executive Officer and President [1]
Guy W. Adams	65	Director [1]
Judy Codding	71	Director [2]
James Cotter, Jr.	46	Director [3]
Margaret Cotter	48	Vice Chair of the Board and Executive Vice President-Real Estate Management and Development-NYC (1)
William D. Gould	77	Director [4]
Edward L. Kane	78	Director [1][2][3][5]
Douglas J. McEachern	64	Director [2][5]
Michael Wrotniak	49	Director [5]

(1) Member of the Executive Committee.
(2) Member of the Compensation and Stock Options Committee.
(3) Member of the Tax Oversight Committee. This committee has been inactive since November 2, 2015, in anticipation that its functions would move to the Audit Committee under its new charter. That new charter was approved on May 5, 2016.
(4) Lead Independent Director.
(5) Member of the Audit and Conflicts Committee.

Ellen M. Cotter. Ellen M. Cotter has been a member of our Board since March 13, 2013, and currently serves as a member of our Executive Committee. Ms. Cotter was appointed Chair of our Board on August 7, 2014 and served as our interim President and Chief Executive Officer from June 12, 2015 until January 8, 2016, when she was appointed our permanent President and Chief Executive Officer. She joined the Company in March 1998. Ms. Cotter is a graduate of Smith College and holds a Juris Doctor from Georgetown Law School. Prior to joining the Company, Ms. Cotter spent four years in private practice as a corporate attorney with the law firm of White & Case in New York City. Ms. Cotter is the sister of Margaret Cotter and James Cotter, Jr. For more than the past ten years, Ms. Cotter served as the Chief Operating Officer ("COO") of our domestic cinema operations, in which capacity she had, among other things, responsibility for the acquisition and development, marketing and operation of our cinemas in the United States. Prior to her appointment as COO of Domestic Cinemas, she spent a year in Australia and New Zealand, working to develop our cinema and real estate assets in those countries. Ms. Cotter is the Co-Executor of the Cotter Estate, which is the record owner of 427,808 shares of our Class B Stock (representing 25.5% of such Class B Stock). Ms. Cotter is also a Co-Trustee of the Cotter Trust, which is the record owner of 696,080 shares of Class B Stock (representing an additional 41.4% of such Class B Stock).

Ms. Cotter brings to our Board her 18 years of experience working in our Company's cinema operations in the United States, Australia and New Zealand. She has also served as the Chief Executive Officer of Reading's subsidiary,

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Consolidated Entertainment, LLC, which operates substantially all of our cinemas in Hawaii and California. In addition, with her direct ownership of 799,765 shares of Class A Stock and 50,000 shares of Class B Stock, and her positions as Co-Executor of the Cotter Estate and Co-Trustee of the Cotter Trust, Ms. Cotter is a significant stakeholder in our Company. In recognition of her contributions to the independent film industry, Ms. Cotter was awarded the first Gotham Appreciation Award at the 2015 Gotham Independent Film Awards. She was also inducted that same year into the ShowEast Hall of Fame.

Guy W. Adams. Guy W. Adams has been a Director of the Company since January 14, 2014, currently serves as the chair of our Executive Committee, and until May 14, 2016, served as a member of our Compensation Committee. For more than the past ten years, he has been a Managing Member of GWA Capital Partners, LLC, a registered investment adviser managing GWA Investments, LLC, a fund investing in various publicly traded securities. Over the past fifteen years, Mr. Adams has served as an independent director on the boards of directors of Lone Star Steakhouse & Saloon, Mercer International, Exar Corporation and Vitesse Semiconductor. At these companies, he has held a variety of board positions, including lead director, audit committee chair, and compensation committee chair. He has spoken on corporate governance topics before such groups as the Council of Institutional Investors, the USC Corporate Governance Summit and the University of Delaware Distinguished Speakers Program. Mr. Adams provides investment advice to private clients and currently invests his own capital in public and private equity transactions. He has served as an advisor to James J. Cotter, Sr. and continues to provide professional advisory services to various enterprises now owned by either the Cotter Estate or the Cotter Trust. Mr. Adams received his Bachelor of Science degree in Petroleum Engineering from Louisiana State University and his Masters of Business Administration from Harvard Graduate School of Business Administration.

Mr. Adams brings many years of experience serving as an independent director on public company boards, and in investing and providing financial advice with respect to investments in public companies.

Dr. Judy Codding. Dr. Judy Codding has been a Director of our Company since October 5, 2015, and currently serves as a member of our Compensation Committee. Dr. Codding is a globally respected education leader. From October 2010 until October 2015 she served as the Managing Director of "The System of Courses," a division of Pearson, PLC (NYSE: PSO), the largest education company in the world that provides education products and services to institutions, governments, and direct to individual learners. Prior to that time, Dr. Codding served as the Chief Executive Officer and President of America's Choice, Inc., which she founded in 1998, and which was acquired by Pearson in 2010. America's Choice, Inc. was a leading education company offering comprehensive, proven solutions to the complex problems educators face in the era of accountability. Dr. Codding has a Doctorate in Education from University of Massachusetts at Amherst, and completed postdoctoral work and served as a teaching associate in Education at Harvard University where she taught graduate level courses focused on moral leadership. Dr. Codding has served on various boards, including the Board of Trustees of Curtis School, Los Angeles, CA (2011 to present) and the Board of Trustees of Educational Development Center, Inc. (EDC) since 2012. Through family entities, Dr. Codding has been and continues to be involved in the real estate business, through the ownership of hotels, shopping centers and buildings in Florida and the exploration of mineral, oil and gas rights in Maryland and Kentucky.

Dr. Codding brings to our Board her experience as an entrepreneur, as an author, advisor and researcher in the areas of leadership training and decision-making as well as her experience in the real estate business.

James Cotter, Jr. James Cotter, Jr. has been a Director of our Company since March 21, 2002, and served as a member of our Tax Oversight Committee. The Tax Oversight Committee has been inactive since November 2, 2015, in anticipation that its functions would be moved to the Audit Committee under its new charter. That new charter was adopted on May 5, 2016. Mr. Cotter, Jr. served as our Vice Chair from June 2007 until August 7, 2014. Mr. Cotter, Jr. served as our President from June 1, 2013 through June 12, 2015, and as our Chief Executive Officer from August 7, 2014 through June 12, 2015. He is currently the lead director of Cecelia Packing Corporation (a Cotter family-owned citrus grower, packer and marketer) and served as the Chief Executive Officer of that company from July 2004 until 2013. Mr. Cotter, Jr. served as a Director of Cecelia Packing Corporation from February 1996 to September 1997, and as a Director of Gish Biomedical from September 1999 to March 2002. He was an attorney in the law firm of Winston & Strawn (and its predecessor), specializing in corporate law, from September 1997 to May 2004. Mr. Cotter, Jr. is the brother of Margaret Cotter and Ellen M. Cotter. Mr. Cotter, Jr. has advised the Company that he is a Co-Trustee of the Cotter Trust, which is the record owner of 696,080 shares of Class B Stock (representing 41.4% of such Class B Stock). The Company understands that Mr. Cotter's status as a trustee of the Cotter Trust is disputed by his sisters, Ellen M. Cotter and Margaret Cotter.

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James Cotter, Jr. brings to our Board his experience as a business professional and corporate attorney, as well as his many years of experience in, and knowledge of, the Company's business and affairs. In addition, with his direct ownership of 770,186 shares of our Company's Class A Common Stock and his position as Co-Trustee of the Cotter Trust, Mr. Cotter, Jr. is a significant stakeholder in our Company. Further, depending on the outcome of ongoing Trust Litigation, in the future Mr. Cotter, Jr. may be a controlling stockholder in the Company.

Margaret Cotter. Margaret Cotter has been a Director of our Company since September 27, 2002, and on August 7, 2014 was appointed Vice Chair of our Board and currently serves as a member of our Executive Committee. On March 10, 2016, our Board appointed Ms. Cotter as Executive Vice President-Real Estate Management and Development-NYC. In this position, Ms. Cotter is responsible for the management of our live theater properties and operations, including oversight of the re-development of our Union Square and Cinemas 1, 2, 3 properties. Ms. Cotter is the owner and President of OBI, LLC ("OBI"), which, from 2002 until her appointment as Executive Vice President-Real Estate Management and Development-NYC, managed our live-theater operations under a management agreement. Pursuant to the OBI management agreement, Ms. Cotter also served as the President of Liberty Theaters, LLC, the subsidiary through which we own our live theaters. The OBI management agreement was terminated with Ms. Cotter's appointment as Executive Vice President-Real Estate Management and Development-NYC. Ms. Cotter is also a theatrical producer who has produced shows in Chicago and New York and is a board member of the League of Off-Broadway Theaters and Producers. Ms. Cotter, a former Assistant District Attorney for King's County in Brooklyn, New York, graduated from Georgetown University and Georgetown University Law Center. She is the sister of Ellen M. Cotter and James Cotter, Jr. Ms. Margaret Cotter is a Co-Executor of the Cotter Estate, which is the record owner of 427,808 shares of our Class B Stock (representing 25.5% of such Class B Stock). Ms. Margaret Cotter is also a Co-Trustee of the Cotter Trust, which is the record owner of 696,080 shares of Class B Voting Common Stock (representing an additional 41.4% of such Class B Stock).

Ms. Cotter brings to the Board her experience as a live theater producer, theater operator and an active member of the New York theater community, which gives her insight into live theater business trends that affect our business in this sector. Operating and overseeing these properties for over 17 years, Ms. Cotter contributes to the strategic direction for our developments. In addition, with her direct ownership of 804,173 shares of Class A Stock and 35,100 shares of Class B Stock and her positions as Co-Executor of the Cotter Estate and Co-Trustee of the Cotter Trust, Ms. Cotter is a significant stakeholder in our Company.

William D. Gould. William D. Gould has been a Director of our Company since October 15, 2004, and currently serves as our Lead Independent Director. Mr. Gould has been a member of the law firm of TroyGould PC since 1986. Previously, he was a partner of the law firm of O'Melveny & Myers. We have from time to time retained TroyGould PC for legal advice. Total fees payable to Mr. Gould's law firm for calendar year 2015 were $61,000.84.

Mr. Gould is an author and lecturer on the subjects of corporate governance and mergers and acquisitions. Mr. Gould brings to our Board more than fifty years of experience as a corporate lawyer and advisor focusing on corporate governance, mergers and acquisitions.

Edward L. Kane. Edward L. Kane has been a Director of our Company since October 15, 2004. Mr. Kane was also a Director of our Company from 1985 to 1998, and served as President from 1987 to 1988. Mr. Kane currently serves as the chair of our Compensation Committee, and served as chair of our Tax Oversight Committee. That committee has been inactive since November 2, 2015, in anticipation that its functions would be moved to the Audit Committee under its new charter. The new charter for the Audit Committee was approved on May 5, 2016. He also serves as a member of our Executive Committee and our Audit Committee. Mr. Kane practiced as a tax attorney for many years in San Diego, California. Since 1996, Mr. Kane has acted as a consultant and advisor to the health care industry, serving as the President and sole shareholder of High Avenue Consulting, a healthcare consulting firm, and as the head of its successor proprietorship. During the 1990s, Mr. Kane also served as the Chair and Chief Executive Officer of ASMG Outpatient Surgical Centers in southern California, and he served as a director of BDI Investment Corp., which was a regulated investment company based in San Diego. For over a decade, he was the Chair of Kane Miller Books, an award-winning publisher of children's books. At various times during the past three decades, Mr. Kane has been Adjunct Professor of Law at two of San Diego's law schools, most recently in 2008 and 2009 at Thomas Jefferson School of Law, and prior thereto at California Western School of Law.

In addition to his varied business experience, Mr. Kane brings to our Board his many years as a tax attorney and law professor. Mr. Kane also brings his experience as a past President of Craig Corporation and of Reading Company,

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two of our corporate predecessors, as well as his experience as a former member of the boards of directors of several publicly held corporations.

Douglas J. McEachern. Douglas J. McEachern has been a Director of our Company since May 17, 2012 and chair of our Audit Committee since August 1, 2012 and serves as a member of our Compensation Committee since May 14, 2016. He has served as a member of the board and of the audit and compensation committee for Willdan Group, a NASDAQ listed engineering company, since 2009. From June 2011 until October 2015, Mr. McEachern was a director of Community Bank in Pasadena, California and a member of its audit committee. Mr. McEachern served as the chair of the board of Community Bank from October 2013 until October 2015. He also is a member of the finance committee of the Methodist Hospital of Arcadia. From September 2009 to December 2015, Mr. McEachern served as an instructor of auditing and accountancy at Claremont McKenna College. Mr. McEachern was an audit partner from July 1985 to May 2009 with the audit firm of Deloitte and Touche, LLP, with client concentrations in financial institutions and real estate. Mr. McEachern was also a Professional Accounting Fellow with the Federal Home Loan Bank board in Washington DC, from June 1983 to July 1985. From June 1976 to June 1983, Mr. McEachern was a staff member and subsequently a manager with the audit firm of Touche Ross & Co. (predecessor to Deloitte & Touche, LLP). Mr. McEachern received a B.S. in Business Administration in 1974 from the University of California, Berkeley, and an M.B.A. in 1976 from the University of Southern California.

Mr. McEachern brings to our Board his more than 38 years' experience meeting the accounting and auditing needs of financial institutions and real estate clients, including our Company. Mr. McEachern also brings his experience reporting as an independent auditor to the boards of directors of a variety of public reporting companies and as a board member himself for various companies and not-for-profit organizations.

Michael Wrotniak. Michael Wrotniak has been a Director of our Company since October 12, 2015, and has served as a member of our Audit Committee since October 25, 2015. Since 2009, Mr. Wrotniak has been the Chief Executive Officer of Aminco Resources, LLC ("Aminco"), a privately held international commodities trading firm. Mr. Wrotniak joined Aminco in 1991 and is credited with expanding Aminco's activities in Europe and Asia. By establishing a joint venture with a Swiss engineering company, as well as creating partnerships with Asia-based businesses, Mr. Wrotniak successfully diversified Aminco's product portfolio. Mr. Wrotniak became a partner of Aminco in 2002. Mr. Wrotniak has been for more than the past six years, a trustee of St. Joseph's Church in Bronxville, New York, and is a member of the Board of Advisors of the Little Sisters of the Poor at their nursing home in the Bronx, New York since approximately 2004. Mr. Wrotniak graduated from Georgetown University in 1989 with a B.S. in Business Administration (cum laude).

Mr. Wrotniak is a specialist in foreign trade, and brings to our Board his considerable experience in international business, including foreign exchange risk mitigation.

Please see footnote 12 of the Beneficial Ownership of Securities table for information regarding the election of Ellen M. Cotter, Margaret Cotter and James Cotter, Jr. to the Board.

Attendance at Board and Committee Meetings

During the year ended December 31, 2015, our Board met 13 times. The Audit Committee held four meetings, the Compensation Committee held three meetings, and the Tax Oversight Committee held one meeting. Each Director attended at least 75% of these Board meetings and at least 75% of the meetings of all committees on which he or she served.

Indemnity Agreements

We currently have indemnity agreements in place with each of our current Directors and senior officers, as well as certain of the Directors and senior officers of our subsidiaries. Under these agreements, we have agreed, subject to certain exceptions, to indemnify each of these individuals against all expenses, liabilities and losses incurred in connection with any threatened, pending or contemplated action, suit or proceeding, whether civil or criminal, administrative or investigative, to which such individual is a party or is threatened to be made a party, in any manner, based upon, arising from, relating to or by reason of the fact that such individual is, was, shall be or has been a Director, officer, employee, agent or fiduciary of the Company.

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Compensation of Directors

During 2015, we paid our non-employee Directors $50,000 per year. We paid the Chair of our Audit Committee an additional $7,000 per year, the Chair of our Compensation Committee an additional $5,000 per year, the Chair of our Tax Oversight Committee an additional $18,000 per year and the Lead Independent Director an additional $5,000 per year.

In 2015, we also paid an additional one-time fee of $25,000 to each of Messrs. Adams, Gould, McEachern and Kane, and an additional one-time fee of $75,000 to Mr. Storey. These fees were awarded in each case in recognition of their service on our Board and Committees.

In March 2016, the Board approved additional special compensation to be paid for extraordinary services to the Company and devotion of time in providing such services, as follows:

Guy W. Adams:	$50,000
Edward L. Kane:	$10,000
Douglas J. McEachern:	$10,000

Some portion of such additional special compensation was for services rendered during 2015.

Upon joining our Board, new Directors historically received immediately vested five-year stock options to purchase 20,000 shares of our Class A Stock at an exercise price equal to the market price of the stock at the date of grant. However, this process was discontinued in 2015, and Directors Codding and Wrotniak did not receive such grants. In January, 2015 and January, 2016, each of our then non-employee Directors received an annual grant of stock options to purchase 2,000 shares of our Class A Stock. The options awarded have a term of five years, an exercise price equal to the market price of Class A Stock on the grant date and were fully vested immediately upon grant. As discussed below, our outside director compensation was changed for the remainder of 2016 and the years thereafter. See "*2016 and Future Director Compensation*," below.

Director Compensation Table

The following table sets forth information concerning the compensation to persons who served as our non-employee Directors during 2015 for their services as Directors.

Name	Fees Earned or Paid in Cash ($)	Option Awards ($)(1)	All Other Compensation ($)	Total ($)
Judy Codding	11,957	0	0	11,957
Margaret Cotter [2]	35,000	7,656	0	42,656
Guy W. Adams	75,000	7,656	0	82,656
William D. Gould	80,000	7,656	0	87,656
Edward L. Kane	98,000	7,656	0	105,656
Douglas J. McEachern	82,000	7,656	0	89,656
Tim Storey [3]	112,500	7,656	21,136[4]	140,292
Michael Wrotniak	11,005	0	0	11,005

(1) Fair value of the award computed in accordance with FASB ASC Topic 718.

(2) Until March 10, 2016, in addition to her Director's fees, Ms. Margaret Cotter received a combination of fixed and incentive management fees under the OBI management agreement described under the caption "Certain Transactions and Related Party Transactions - OBI Management Agreement," below.

(3) Mr. Storey served on our Board and Compensation Committee through October 11, 2015.

(4) Represents fees paid to Mr. Storey as the sole independent Director of our Company's wholly owned New Zealand subsidiary.

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2016 and Future Director Compensation

As discussed below in "Compensation Discussion and Analysis," the Executive Committee of our Board, upon the recommendation of our Chief Executive Officer, requested the Compensation Committee to evaluate the Company's compensation policy for outside directors and to establish a plan that encompasses sound corporate practices consistent with the best interests of the Company. Our Compensation Committee undertook to review, evaluate, revise and recommend the adoption of new compensation arrangements for executive and management officers and outside directors of the Company. In January 2016, the Compensation Committee retained the international compensation consulting firm of Willis Towers Watson as its advisor in this process and also relied on our legal counsel, Greenberg Traurig, LLP.

The process followed by our Compensation Committee was similar to that in scope and approach used by the Compensation Committee in considering executive compensation. Willis Towers Watson reviewed and presented to the Compensation Committee the competitiveness of the Company's outside director compensation. The Company's outside director compensation was compared to the compensation paid by the 15 peer companies (identified "Compensation Discussion and Analysis"). Willis Towers Watson's key findings were:

- Our annual Board retainer was slightly above the 50th percentile while the total cash compensation paid to outside Directors was close to the 25th percentile.
- Due to our minimal annual Director equity grants, total direct compensation to our outside Directors was the lowest among the peer group.
- We should consider increasing our committee cash compensation and annual Director equity grants to be in line with peer practices.

The foregoing observations and recommendations were studied, questioned and thoroughly discussed by our Compensation Committee, Willis Towers Watson and legal counsel over the course of our Compensation Committee meetings. Among other things, our Compensation Committee discussed and considered the recommendations made by Willis Towers Watson regarding Director retainer fees and equity awards for Directors. Following discussion, our Compensation Committee recommended and our Board authorized that:

- The Board retainer currently paid to outside Directors will not be changed.
- The committee chair retainers will be increased to $20,000 for our Audit Committee and our Executive Committee and $15,000 for our Compensation Committee.
- The committee member fees will be $7,500 for our Audit and Executive Committees and $5,000 for our Compensation Committee.
- The Lead Independent Director fee will be increased to $10,000.
- The annual equity award value to Directors will be $60,000 as a fixed dollar value based on the closing price on the date of the grant and, that the equity award be restricted stock units and that such restricted stock units have a twelve month vesting period.
- Our Board also approved additional special compensation to be paid to certain directors for extraordinary services provided to us and devotion of time in providing such services as follows:
    - Guy W. Adams, $50,000
    - Edward L. Kane, $10,000
    - Douglas J. McEachern, $10,000

Our Board compensation was made effective for the year 2016 and equity grants were made on March 10, 2016 based upon the closing of the Company's Class A Common Stock on such date.

Vote Required

The nine nominees receiving the greatest number of votes cast at the Annual Meeting will be elected to the Board.

The Board has nominated each of the nominees discussed above to hold office until the 2017 Annual Meeting of Stockholders and thereafter until his or her respective successor has been duly elected and qualified. In the event that

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any nominee shall be unable or unwilling to serve as a Director, the Board shall reserve discretionary authority to vote for a substitute or substitutes. The Board has no reason to believe that any nominee will be unable or to serve and all nominees named have consented to serve if elected.

Recommendation of the Board

THE BOARD RECOMMENDS A VOTE "FOR" EACH OF THE DIRECTOR NOMINEES.

Ellen M. Cotter and Margaret Cotter, who together have shared voting control over an aggregate of 1,208,988 shares, or 71.9%, of our Class B Stock, have informed the Board that they intend to vote the shares beneficially held by them in favor of the nine nominees named in this Proxy Statement for election to the Board under Proposal 1. Of the shares of Class B Stock beneficially held by them, 696,080 shares are held of record by the Cotter Trust. James Cotter, Jr. alleges he has the right to vote the shares held by the Cotter Trust. The Company believes that, under applicable Nevada Law, where there are multiple trustees of a trust that is a record owner of voting shares of a Nevada corporation, and more than one trustee votes, the votes of the majority of the voting trustees apply to all of the shares held of record by the trust. If more than one trustee votes and the votes are split evenly on any particular proposal, each trustee may vote proportionally the shares held of record by the trust. Ellen M. Cotter and Margaret Cotter, who collectively constitute a majority of the Co-Trustees of the Cotter Trust, have informed the Board that they intend to vote the shares held by the Cotter Trust for the nine nominees named in this Proxy Statement for election to the Board under Proposal 1. Accordingly, the Company believes that Ellen M. Cotter and Margaret Cotter collectively have the power and authority to vote all of the shares of Class B Stock held of record by the Cotter Trust.

REPORT OF THE AUDIT COMMITTEE

The following is the report of the Audit Committee of our Board with respect to our audited financial statements for the fiscal year ended December 31, 2015.

The information contained in this report shall not be deemed to be "soliciting material" or "filed" with the SEC or subject to the liabilities of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), except to the extent that we specifically incorporate it by reference into a document filed under the Securities Act of 1933, as amended, or the Exchange Act.

The purpose of the Audit Committee is to assist the Board in its general oversight of our financial reporting, internal controls and audit functions. The Audit Committee operates under a written Charter adopted by our Board. The Charter is reviewed periodically and subject to change, as appropriate. The Audit Committee Charter describes in greater detail the full responsibilities of the Audit Committee.

In this context, the Audit Committee has reviewed and discussed the Company's audited financial statements with management and Grant Thornton LLP, our independent auditors. Management is responsible for: the preparation, presentation and integrity of our financial statements; accounting and financial reporting principles; establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rule 13a-15(e)); establishing and maintaining internal control over financial reporting (as defined in Exchange Act Rule 13a-15(f)); evaluating the effectiveness of disclosure controls and procedures; evaluating the effectiveness of internal control over financial reporting; and evaluating any change in internal control over financial reporting that has materially affected, or is reasonably likely to materially affect, internal control over financial reporting. Grant Thornton LLP is responsible for performing an independent audit of the consolidated financial statements and expressing an opinion on the conformity of those financial statements with accounting principles generally accepted in the United States of America, as well as an opinion on (i) management's assessment of the effectiveness of internal control over financial reporting and (ii) the effectiveness of internal control over financial reporting.

The Audit Committee has discussed with Grant Thornton LLP the matters required to be discussed by Auditing Standard No. 16, "Communications with Audit Committees" and PCAOB Auditing Standard No. 5, "An Audit of Internal Control Over Financial Reporting that is Integrated with Audit of Financial Statements." In addition, Grant Thornton LLP has provided the Audit Committee with the written disclosures and the letter required by the Independence Standards Board Standard No. 1, as amended, "Independence Discussions with Audit Committees," and the Audit Committee has discussed with Grant Thornton LLP their firm's independence.

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Based on their review of the consolidated financial statements and discussions with and representations from management and Grant Thornton LLP referred to above, the Audit Committee recommended to our Board that the audited financial statements be included in our Annual Report on Form 10-K for fiscal year 2015 for filing with the SEC.

It is not the duty of the Audit Committee to plan or conduct audits or to determine that the Company's financial statements are complete and accurate and in accordance with accounting principles generally accepted in the United States. That is the responsibility of management and the Company's independent registered public accounting firm. In giving its recommendation to the Board, the Audit Committee relied on (1) management's representation that such financial statements have been prepared with integrity and objectivity and in conformity with accounting principles generally accepted in the United States and (2) the report of the Company's independent registered public accounting firm with respect to such financial statements.

Respectfully submitted by the Audit Committee.

Douglas J. McEachern, Chair
Edward L. Kane
Michael Wrotniak

BENEFICIAL OWNERSHIP OF SECURITIES

Except as described below, the following table sets forth the shares of Class A Stock and Class B Stock beneficially owned on April 22, 2016 by:

- each of our incumbent Directors and Director nominees;
- each of our incumbent executive officers and named executive officers set forth in the Summary Compensation Table of this Proxy Statement;
- each person known to us to be the beneficial owner of more than 5% of our Class B Stock; and
- all of our incumbent Directors and incumbent executive officers as a group.

Except as noted, and except pursuant to applicable community property laws, we believe that each beneficial owner has sole voting power and sole investment power with respect to the shares shown. An asterisk (*) denotes beneficial ownership of less than 1%.

	Amount and Nature of Beneficial Ownership (1)			
	Class A Stock		Class B Stock	
Name and Address of Beneficial Owner	Number of Shares	Percentage of Stock	Number of Shares	Percentage of Stock
Directors and Named Executive Officers				
Ellen M. Cotter (2)(12)	3,146,965	14.5	1,173,888	69.8
James Cotter, Jr. (12)(13)	3,084,976	14.2	696,080	41.4
Margaret Cotter (3)(12)	3,335,012	15.4	1,158,988	66.9
Guy W. Adams (8)	2,000	*	--	--
Judy Codding (9)	2,000	*	--	--
William D. Gould (4)	56,340	*	--	--
Edward L. Kane (5)	21,500	*	100	*
Andrzej J. Matyczynski (16)	50,880	*	--	--
Douglas J. McEachern (6)	39,300	*	--	--
Michael Wrotniak (10)	2,000	--	--	--
Robert F. Smerling (7)	43,750	*	--	--
Wayne Smith (11)	3,000	*	--	--
William Ellis (17)	20,000	*	--	--
Dev Ghose (18)	25,000	*	--	--
5% or Greater Stockholders				
James J. Cotter Living Trust (12)	1,897,649	8.8	696,080	41.4
Estate of James J. Cotter, Sr. (Deceased) (12)	326,800	1.5	427,808	25.5

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Mark Cuban (14) 5424 Deloache Avenue Dallas, Texas 75220	72,164	*	207,913	12.4
PICO Holdings, Inc. and PICO Deferred Holdings, LLC (15) 875 Prospect Street, Suite 301 La Jolla, California 92037	--	--	117,500	7.0
James J. Cotter Foundation	102,751	*		
Cotter 2005 Grandchildren's Trust	289,390	1.3		
All Directors and executive officers as a group (14 persons)	5,032,094	23.2	1,209,088	71.9

(1) Percentage ownership is determined based on 21,654,302 shares of Class A Stock and 1,680,590 shares of Class B Stock outstanding on April 22, 2016. Beneficial ownership has been determined in accordance with SEC rules. Shares subject to options that are currently exercisable, or exercisable within 60 days following the date as of which this information is provided, and not subject to repurchase as of that date, which are indicated by footnote, are deemed to be beneficially owned by the person holding the options and are deemed to be outstanding in computing the percentage ownership of that person, but not in computing the percentage ownership of any other person.

(2) The Class A Stock shown includes 20,000 shares subject to stock options as well as 799,765 shares held directly. The Class A Stock shown also includes 102,751 shares held by the James J. Cotter Foundation (the "Cotter Foundation"). Ellen M. Cotter is Co-Trustee of the Cotter Foundation and, as such, is deemed to beneficially own such shares. Ms. Cotter disclaims beneficial ownership of such shares except to the extent of her pecuniary interest, if any, in such shares. The Class A Stock shown also includes 297,070 shares that are part of the Estate of James J. Cotter, Deceased (the "Cotter Estate") that is being administered in the State of Nevada and 29,730 shares from the Cotter Profit Sharing Plan. On December 22, 2014, the District Court of Clark County, Nevada, appointed Ellen M. Cotter and Margaret Cotter as co-executors of the Cotter Estate. As such, Ellen M. Cotter would be deemed to beneficially own such shares. The shares of Class A Stock shown also include 1,897,649 shares held by the James J. Cotter Living Trust (the "Cotter Trust"). See footnote (12) to this table for information regarding beneficial ownership of the shares held by the Cotter Trust. As Co-Trustees of the Cotter Trust, the three Cotter family members would be deemed to beneficially own such shares depending upon the outcome of the matters described in footnote (12). Together Margaret Cotter and Ellen M. Cotter beneficially own 1,208,988 shares of Class B Stock.

(3) The Class A Stock shown includes 17,000 shares subject to stock options as well as 804,173 shares held directly. The Class A Stock shown also includes 289,390 shares held by the Cotter 2005 Grandchildren's Trust and 29,730 shares from the Cotter Profit Sharing Plan. Margaret Cotter is Co-Trustee of the Cotter 2005 Grandchildren's Trust and, as such, is deemed to beneficially own such shares. Ms. Cotter disclaims beneficial ownership of such shares except to the extent of her pecuniary interest, if any, in such shares. The Class A Stock shown includes 297,070 shares of Class A Stock that are part of the Cotter Estate. As Co-Executor of the Cotter Estate, Ms. Cotter would be deemed to beneficially own such shares. The shares of Class A Stock shown also include 1,897,649 shares held by the Cotter Trust. See footnotes (12) for information regarding beneficial ownership of the shares held by the Cotter Trust. As Co-Trustees of the Cotter Trust, the three Cotter family members would be deemed to beneficially own such shares depending upon the outcome of the matters described in footnote (12). Together Margaret Cotter and Ellen M. Cotter beneficially own 1,208,988 shares of Class B Stock.

(4) The Class A Stock shown includes 19,000 shares subject to stock options.

(5) The Class A Stock shown includes 4,000 shares subject to stock options.

(6) The Class A Stock shown includes 29,000 shares subject to stock options.

(7) The Class A Stock shown consists of 43,750 shares subject to stock options.

(8) The Class A Stock shown consists of 2,000 shares subject to stock options.

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(9) The Class A Stock shown consists of 2,000 shares subject to stock options.

(10) The Class A Stock shown consists of 2,000 shares subject to stock options.

(11) The Class A Stock shown consists of 3,000 restricted stock grants.

(12) On June 5, 2013, the Declaration of Trust establishing the Cotter Trust was amended and restated (the "2013 Restatement") to provide that, upon the death of James J. Cotter, Sr., the Trust's shares of Class B Stock were to be held in a separate trust, to be known as the "Reading Voting Trust," for the benefit of the grandchildren of Mr. Cotter, Sr. Mr. Cotter, Sr. passed away on September 13, 2014. The 2013 Restatement also names Margaret Cotter the sole trustee of the Reading Voting Trust and names James Cotter, Jr. as the first alternate trustee in the event that Ms. Cotter is unable or unwilling to act as trustee. The trustees of the Cotter Trust, as of the 2013 Restatement, were Ellen M. Cotter and Margaret Cotter. On June 19, 2014, Mr. Cotter, Sr. signed a 2014 Partial Amendment to Declaration of Trust (the "2014 Amendment") that names Margaret Cotter and James Cotter, Jr. as the co-trustees of the Reading Voting Trust and provides that, in the event they are unable to agree upon an important trust decision, they shall rotate the trusteeship between them annually on each January 1st. It further directs the trustees of the Reading Voting Trust to, among other things, vote the Class B Stock held by the Reading Voting Trust in favor of the appointment of Ellen M. Cotter, Margaret Cotter and James Cotter, Jr. to our Board and to take all actions to rotate the chairmanship of our Board among the three of them. The 2014 Amendment states that James Cotter, Jr., Ellen M. Cotter and Margaret Cotter are Co-Trustees of the Cotter Trust. On February 5, 2015, Ellen M. Cotter and Margaret Cotter filed a Petition in the Superior Court of the State of California, County of Los Angeles, captioned In re James J. Cotter Living Trust dated August 1, 2000 (Case No. BP159755). The Petition, among other things, seeks relief that could determine the validity of the 2014 Amendment and who between Margaret Cotter and James Cotter Jr. will have authority as trustee or co-trustees of the Reading Voting Trust to vote the shares of Class B Stock shown (in whole or in part) and the scope and extent of such authority. Mr. Cotter, Jr. has filed an opposition to the Petition. The 696,080 shares of Class B Stock shown in the table as being beneficially owned by the Cotter Trust are reflected on the Company's stock register as being held by the Cotter Trust and not by the Reading Voting Trust. The information in the table reflects direct ownership of the 696,080 shares of Class B Stock by the Cotter Trust in accordance with the Company's stock register and beneficial ownership of such shares as being held by each of the three potential Co-Trustees, Mr. Cotter, Jr., Ellen M. Cotter and Margaret Cotter, who, unless a court determines otherwise, are deemed to share voting and investment power of the shares held by the Cotter Trust.

(13) The Class A Stock shown includes 25,000 shares subject to stock options as well as 770,186 shares held directly. The Class A Stock shown also includes 289,390 shares held by the Cotter 2005 Grandchildren's Trust and 102,751 held by the Cotter Foundation. Mr. Cotter, Jr. is Co-Trustee of the Cotter 2005 Grandchildren's Trust and of the Cotter Foundation and, as such, is deemed to beneficially own such shares. Mr. Cotter, Jr. disclaims beneficial ownership of such shares except to the extent of his pecuniary interest, if any, in such shares. The Class A Stock shown also includes 1,897,649 shares held by the Cotter Trust, which became irrevocable upon Mr. Cotter, Sr.'s death on September 13, 2014. See footnote (12) above for information regarding beneficial ownership of the shares held by the Cotter Trust. As Co-Trustees of the Cotter Trust, the three Cotter family members would be deemed to beneficially own such shares depending upon the outcome of the matters described in footnote (12). The Class A Stock shown includes 770,186 shares pledged as security for a margin loan.

(14) Based on Mr. Cuban's Form 5 filed with the SEC on February 19, 2016 and Schedule 13D/A filed on February 22, 2016.

(15) Based on the PICO Holdings, Inc. and PICO Deferred Holdings, LLC Schedule 13G filed with the SEC on January 14, 2009.

(16) The Class A Stock shown includes 25,000 shares subject to stock options.

(17) The Class A Stock shown includes 8,815 shares subject to stock options.

(18) The Class A Stock shown includes 25,000 shares subject to stock options.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Exchange Act requires our executive officers and Directors, and persons who own more than 10% of our common stock, to file reports regarding ownership of, and transactions in, our securities with the SEC and to provide us with copies of those filings. Based solely on our review of the copies received by us and on the written representations of certain reporting persons, we believe that the following Forms 3 and 4 for transactions that occurred in

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2015 were not filed or filed later than is required under Section 16(a) of the Securities Exchange Act of 1934:

Filer	Form	Transaction Date	Date of Filing
Andrzej J. Matyczynski	4	December 31, 2015	Not filed (1)
Andrzej J. Matyczynski	4	December 31, 2014	Not filed (2)
Andrzej J. Matyczynski	4	December 31, 2013	Not filed (3)
Mark Cuban	4	November 11, 2015	Not filed (4)
Estate of James J. Cotter	4	December 31, 2014	October 9, 2015
James J. Cotter Living Trust	3	September 13, 2014	October 9, 2015
Ellen M. Cotter	4	April 16, 2015	October 9, 2015
Margaret Cotter	4	April 8, 2015	October 9, 2015
William Gould	4	April 6, 2015	October 8, 2015
James Cotter Jr.(5)	4	March 10, 2016	March 15, 2016
James Cotter Jr.	4	November 25, 2015	December 1, 2015
James Cotter Jr.	4	August 17, 2015	August 24, 2015
James Cotter Jr.	4	July 16, 2015	July 31, 2015
James Cotter Jr.	4	June 30, 2015(6)	July 16, 2015
James Cotter, Jr.	4	June 4, 2016(7)	July 16, 2015
Wayne Smith	4	July 16, 2015	July 31, 2015

(1) This transaction was reported on Form 5 on April 22, 2016, which is later than required under Section 16(a) of the Securities Exchange Act of 1934.
(2) This transaction was reported on Form 5 on March 17, 2015, which is later than required under Section 16(a) of the Securities Exchange Act of 1934.
(3) This transaction was reported on Form 5 on March 12, 2014, which is later than required under Section 16(a) of the Securities Exchange Act of 1934.
(4) This transaction was reported on Form 5 on February 19, 2016, which is later than required under Section 16(a) of the Securities Exchange Act of 1934.
(5) An additional Form 4 for Mr. Cotter Jr. was reported with a typographical error in the transaction date. The transaction date was reported as December 1, 2012, but should have been reported as December 1, 2015. This Form 4 was timely filed on December 3, 2015.
(6) Pursuant to Form 4/A filed August 24, 2015, the earliest transaction date was changed from July 1, 2015 to June 30, 2015.
(7) Pursuant to Form 4/A filed November 17, 2015, the earliest transaction date was changed from July 1, 2015 to June 4, 2015.

In addition to the above, the following Forms 5 for transactions that occurred in 2013, 2014 and 2015 were filed later than is required under Section 16(a) of the Securities Exchange Act of 1934.

Filer	Form	Transaction Date	Date of Filing
Andrzej J. Matyczynski	5	December 31, 2015	April 22, 2016
Andrzej J. Matyczynski	5	December 31, 2014	March 17, 2015
Andrzej J. Matyczynski	5	December 31, 2013	March 12, 2014
Mark Cuban	5	November 11, 2015	February 19, 2016

Insofar as we are aware, all required filings have now been made.

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EXECUTIVE OFFICERS

The following table sets forth information regarding our executive officers, other than Ellen M. Cotter and Margaret Cotter, whose information is set forth above under "Proposal 1: Election of Directors – Nominees for Election."

Name	Age	Title
Dev Ghose	62	Executive Vice President, Chief Financial Officer, Treasurer and Corporate Secretary
Robert F. Smerling	81	President - Domestic Cinemas
Wayne D. Smith	58	Managing Director – Australia and New Zealand
Andrzej J. Matyczynski	63	Executive Vice President – Global Operations

Devasis ("Dev") Ghose. Dev Ghose was appointed Chief Financial Officer and Treasurer on May 11, 2015, Executive Vice President on March 10, 2016 and Corporate Secretary on April 28, 2016. Over the past 25 years, Mr. Ghose served as Executive Vice President and Chief Financial Officer and in a number of senior finance roles with three NYSE-listed companies: Skilled Healthcare Group (a health services company, now part of Genesis HealthCare) from 2008 to 2013, Shurgard Storage Centers, Inc. (an international company focused on the acquisition, development and operation of self-storage centers in the US and Europe; now part of Public Storage) from 2004 to 2006, and HCP, Inc., (which invests primarily in real estate serving the healthcare industry) from 1986 to 2003, and as Managing Director-International for Green Street Advisors (an independent research and trading firm concentrating on publicly traded real estate corporate securities in the US & Europe) from 2006 to 2007. Prior thereto, Mr. Ghose worked for 10 years for PricewaterhouseCoopers in the U.S. from 1975 to 1985, and KPMG in the UK. He qualified as a Certified Public Accountant in the U.S. and a Chartered Accountant in the U.K., and holds an Honors Degree in Physics from the University of Delhi, India and an Executive M.B.A. from the University of California, Los Angeles.

Robert F. Smerling. Robert F. Smerling has served as President of our domestic cinema operations since 1994. Mr. Smerling has been in the cinema industry for 58 years and, immediately before joining our Company, served as the President of Loews Theatres Management Corporation.

Wayne D. Smith. Wayne D. Smith joined our Company in April 2004 as our Managing Director - Australia and New Zealand, after 23 years with Hoyts Cinemas. During his time with Hoyts, he was a key driver, as Head of Property, in growing that company's Australian and New Zealand operations via an AUD$250 million expansion to more than 50 sites and 400 screens. While at Hoyts, his career included heading up the group's car parking company, cinema operations, representing Hoyts as a director on various joint venture interests, and coordinating many asset acquisitions and disposals the company made.

Andrzej J. Matyczynski. On March 10, 2016, Mr. Matyczynski was appointed as our Executive Vice President—Global Operations. From May 11, 2015 until March 10, 2016, Andrzej J. Matyczynski acted as the Strategic Corporate Advisor to the Company. Mr. Matyczynski served as our Chief Financial Officer and Treasurer from November 1999 until May 11, 2015 and as Corporate Secretary from May 10, 2011 to October 20, 2014. Prior to joining our Company, he spent 20 years in various senior roles throughout the world at Beckman Coulter Inc., a U.S. based multi-national. Mr. Matyczynski earned a Master's Degree in Business Administration from the University of Southern California.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

Role and Authority of the Compensation Committee

Our Board has established a standing Compensation Committee consisting of three of our non-employee Directors. As a Controlled Company, we are exempt from the NASDAQ Listing Rules regarding the determination of executive compensation solely by independent directors. Notwithstanding such exemption, we adopted a Compensation Committee charter on March 10, 2016 requiring our Compensation Committee members to meet the independence rules

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and regulations of the SEC and the NASDAQ Stock Market.

Prior to the adoption of our Compensation Committee Charter on March 10, 2016, it was our practice that the Compensation Committee would recommend to the full Board the compensation of our Chief Executive Officer and of the other Cotter family members who serve as officers of our Company. Our Board, with the Cotter family Directors abstaining, typically accepted without modification the compensation recommendations of the Compensation Committee, but reserved the right to modify the recommendations or take other compensation actions of its own. Prior to his resignation as our Chief Executive Officer, Mr. James J. Cotter, Sr. was delegated responsibility by our Board for determining the compensation of our executive officers other than himself and his family members. The Board exercised oversight of Mr. Cotter, Sr.'s executive compensation decisions as a part of his performance as our former Chief Executive Officer.

Earlier this year, our Board adopted a number of actions intended to bring certain of our governance practices into line with best practices, including substantial steps in the area of Executive Compensation, which are discussed below under "2016 and Future Compensation Structure." First, this discussion will address our executive compensation for 2015.

2015 EXECUTIVE COMPENSATION

The individuals named in the Summary Compensation Table, below, are referred to as the "named executive officers."

Chief Executive Officer Compensation

As a matter of general practice prior to 2016, the Compensation Committee recommended to our Board the annual compensation of our Chief Executive Officer, based primarily upon the Compensation Committee's annual review of peer group practices and the advice of an independent third-party compensation consultant engaged annually to assist the Compensation Committee. The Compensation Committee had established three components of our Chief Executive Officer's compensation—a base cash salary, a discretionary annual cash bonus, and a fixed stock grant. The objective of each element was to reasonably reward our Chief Executive Officer for his or her performance and leadership.

The Compensation Committee engaged executive compensation consultants Towers Watson (now known as Willis Towers Watson) in 2012 to analyze our Chief Executive Officer's total direct compensation compared to a peer group of companies. In preparing that analysis, Willis Towers Watson, in consultation with our management, including James J. Cotter, Sr., identified a peer group of companies in the real estate and cinema exhibition industries, our two business segments, based on market value, industry, and business description.

Prior to the work commenced in early 2016, Willis Towers Watson had most recently updated its analysis of our Chief Executive Officer's compensation in 2014, when Mr. Cotter, Sr. held that position. The Willis Towers Watson analysis focused on the competitiveness of Mr. Cotter, Sr.'s annual base salary, total cash compensation and total direct compensation (*i.e.*, total cash compensation plus expected value of long-term compensation) relative to a peer group of 17 United States and Australian companies and published compensation survey data, and to our Company's compensation philosophy, which was to target Mr. Cotter, Sr.'s total direct compensation to the 66th percentile of the peer group. The peer group consisted of the following 17 companies:

Acadia Realty Trust
Amalgamated Holdings Ltd.
Associated Estates Realty Corp.
Carmike Cinemas Inc.
Cedar Shopping Centers Inc.
Cinemark Holdings Inc.
Entertainment Properties Trust
Glimcher Realty Trust
IMAX Corporation
Inland Real Estate Corp.
Kite Realty Group Trust
LTC Properties Inc.
Ramco-Gershenson Properties Trust
Regal Entertainment Group
The Marcus Corporation
Urstadt Biddle Properties Inc.
Village Roadshow Ltd.

Following his appointment on August 7, 2014 as our Chief Executive Officer and until his termination from that position on June 12, 2015, James Cotter, Jr. continued to receive the same base salary of $335,000 that he had previously

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been receiving in his capacity as our President. Mr. Cotter, Jr. was not awarded a discretionary cash bonus for 2014 or 2015.

On June 12, 2015, our Board appointed Ellen M. Cotter as our interim President and Chief Executive Officer. No new compensatory arrangements were entered into with Ms. Cotter in connection with her appointment as interim President and Chief Executive Officer, and she continued to receive the same base salary of $402,000 that she received at the time of her appointment.

In early 2016, the Compensation Committee, with the assistance of Willis Towers Watson and Ms. Cotter, adopted new procedures regarding officer compensation. As a part thereof, unlike prior years, the Compensation Committee evaluated the performance of our Chief Executive Officer and our named executive officers and determined their 2015 cash bonus awards. Having had the benefit of further analysis of the Company's executive compensation and revisions of the Company's compensation philosophy, the Compensation Committee approved a $250,000 bonus for Ellen M. Cotter for her 2015 performance as interim President and Chief Executive Officer.

Total Direct Compensation

In 2015, we and our Compensation Committee had no policy regarding the amount of salary and cash bonus paid to our Chief Executive Officer or other named executive officers in proportion to their total direct compensation.

Compensation of Other Named Executive Officers

Until the reassessment of compensation practices in early 2016, the compensation of the Cotter family members as executive officers of our Company was determined by the Compensation Committee based on the same compensation philosophy used to determined Mr. Cotter, Sr.'s compensation prior to his retirement. The Cotter family members' respective compensation packages each consisted of a base cash salary, discretionary cash bonus and, on occasion, discretionary grants of stock options.

Historically, our Chief Executive Officer determined the base salaries of our executive officers other than himself and members of his family. Our Chief Executive Officer considered the following guidelines in setting the type and amount of executive compensation:

1. Executive compensation should primarily be used to:

   - attract and retain talented executives;
   - reward executives appropriately for their individual efforts and job performance; and
   - afford executives appropriate incentives to achieve the short-term and long-term business objectives established by management and our Board.

2. In support of the foregoing, the total compensation paid to our named executive officers should be:

   - fair, both to our Company and to the named executive officers;
   - reasonable in nature and amount; and
   - competitive with market compensation rates.

Personal and Company performances were just two factors historically considered in establishing base salaries. We had no pre-established policy or target for allocating total executive compensation between base and discretionary or incentive compensation, or between cash and stock-based incentive compensation. Historically, including in 2015, a majority of total compensation to our named executive officers has been in the form of annual base salaries and discretionary cash bonuses, although stock bonuses have been granted from time to time under special circumstances.

These elements of our executive compensation are discussed further below.

Salary: Annual base salary was intended to compensate named executive officers for services rendered during the fiscal year in the ordinary course of performing their job responsibilities. Factors considered in setting the base salaries prior to 2015 included (i) the negotiated terms of each executive's employment agreement or the original terms of employment, (ii) the individual's position and level of responsibility with our Company, (iii) periodic review of the

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executive's compensation, both individually and relative to our other named executive officers, and (iv) a subjective evaluation of individual job performance of the executive.

Cash Bonus: Historically, we had awarded annual cash bonuses to supplement the base salaries of our named executive officers, and our Board delegated to our former Chief Executive Officer, Mr. Cotter, Sr., the authority to determine in his discretion the annual cash bonuses, if any, to be paid to our executive officers other than the Cotter family executives.

In early 2016, following the reassessment of the Company's compensation structure discussed below, the Compensation Committee, meeting in executive session, approved a 2015 performance bonus for the Chief Executive Officer as well as our other named executive officers.

Stock Bonus: Equity incentive bonuses were available for award to align our executives' long-term compensation to appreciation in stockholder value over time. Historically, awards have not been granted on any fixed schedule, but instead were granted from time to time to new hires and for the recognition and retention of executives.

If awarded, it has generally been our policy to value stock options and restricted stock at the closing price of our common stock as reported on the NASDAQ Stock Market on the date the award was approved or on the date of hire, if the stock is granted as a recruitment incentive. When stock was granted as bonus compensation for a particular transaction, the award may have been based on the market price on a date calculated from the closing date of the relevant transaction. Stock options granted to our employees generally have a five year term and vest over four years in equal installments upon the annual anniversaries of the date of the grant, subject to continued employment upon each vesting date. Awards may also have been subject to vesting and limitations on voting or other rights.

As discussed below, our Board substantially changed these practices for 2016 and future years.

Other than James Cotter, Jr.'s role as Chief Executive Officer and thereafter, Ms. Ellen M. Cotter's role as Chief Executive Officer, none of our executive officers played a role in determining the compensation of our named executive officers during 2015.

2015 Base Salaries and Bonuses

We have historically established base salaries and target discretionary cash bonuses for our named executive officers through negotiations with the individual named executive officer, generally at the time the named executive officer commenced employment with us, subject to additional increases from time to time based on performance and tenure, with the intent of providing annual cash compensation at a level sufficient to attract and retain talented and experienced individuals.

Our Compensation Committee recommended and our Board approved the following base salaries for Mr. Cotter, Jr. and Ellen M. Cotter for 2015:

Name	2014 Base Salary ($)	2015 Base Salary ($)
Ellen M. Cotter [1]	335,000	402,000
James Cotter, Jr [2]	335,000	335,000[2]

(1) Ellen M. Cotter was appointed Interim President and Chief Executive Officer on June 12, 2015 and President and Chief Executive Officer on January 8, 2016.

(2) James Cotter, Jr. served as President from June 1, 2013 through June 12, 2015, and Chief Executive Officer from August 7, 2014 through June 12, 2015. Mr. Cotter, Jr. had an annual base salary of $335,000 for 2015. When his employment ended, Mr. Cotter, Jr. earned a prorated base salary of $195,417 for 2015, which includes his severance payment paid through the end of July 2015.

With the exception of Mr. Ghose, who was appointed Chief Financial Officer on May 11, 2015, Mr. Matyczynski, whose base salary was $324,000 in 2015, and Mr. Smith, whose base salary was $274,897, the base salaries of our other named executive officers generally remained at the levels established for 2014, as shown in the following table:

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Name	2014 Base Salary ($)	2015 Base Salary ($)
Dev Ghose [1]	--	400,000[1]
Andrzej J. Matyczynski [2]	309,000	324,000
William Ellis[3]	350,000[3]	350,000
Robert F. Smerling	350,000	350,000
Wayne Smith	324,295[4]	274,897[4]

(1) Dev Ghose was appointed Chief Financial Officer and Treasurer on May 11, 2015. For 2015, Mr. Ghose earned a prorated base salary of $257,692.

(2) Andrzej J. Matyczynski, our former Chief Financial Officer, Treasurer and Corporate Secretary, has a written agreement with our Company that provides certain severance and deferred compensation benefits. Mr. Matyczynski resigned as Corporate Secretary on October 20, 2014 and as our Chief Financial Officer and Treasurer effective May 11, 2015, however he continued as an employee to assist in the transition of our new Chief Financial Officer, and was appointed Executive Vice President-- Global Operations on March 10, 2016. Under Mr. Matyczynski's employment contract, upon his retirement and provided there has been no termination for cause, he will become entitled under his agreement to a lump-sum severance payment of $50,000, subject to certain offsets, and to the payment of his vested benefit under his deferred compensation plan discussed below in this section.

(3) William Ellis submitted his resignation on February 18, 2016, effective March 11, 2016. For 2014, Mr. Ellis earned a prorated base salary of $71,795.

(4) Mr. Smith's salary was paid in Australian Dollars in the amounts of AUD$359,250 in 2014 (shown in the table in U.S. Dollars using exchange rate 0.9027), and AUD$365,360 in 2015 (shown in the table in U.S. Dollars using exchange rate 0.7524).

Prior to 2016, all named executive officers were eligible to receive a discretionary annual cash bonus. Cash bonuses are typically prorated to reflect a partial year of service.

In connection with consideration of 2015 performance bonuses for members of management, the Chief Executive Officer prepared and submitted recommendations for each of the executive and management team members, other than herself. In considering these recommendations, the Compensation Committee had the benefit of its extensive deliberations as well as the data provided by Willis Towers Watson. In executive session, the Compensation Committee considered and approved a 2015 performance bonus for the Chief Executive Officer. The proposed bonus amounts were reviewed and approved by the Board in February 2016. The Board approval covered the named executive officers set forth below, as well as select other officers and executives.

The following are the 2015 Performance Bonuses approved pursuant to the above process:

Name	2015 Performance Bonus ($)
Ellen M. Cotter	250,000
Dev Ghose	75,000
Andrzej J. Matyczynski	0
William Ellis	0[1]
James Cotter, Jr.	0
Robert F. Smerling	75,000
Wayne Smith	71,478[2]

(1) Pursuant to his employment agreement, in 2015 Mr. Ellis received a guaranteed bonus of $60,000, and as such, it was not subject to the process above. Mr. Ellis submitted his resignation on February 18, 2016.

(2) Mr. Smith's bonus was paid in Australian Dollars in the amount of AUD$95,000 (shown in the table in U.S. Dollars using exchange rate 0.7524).

In the past, we have offered stock options and stock awards to our employees, including named executive

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officers, as the long-term incentive component of our compensation program. We sometimes granted equity awards to new hires upon their commencing employment with us and from time to time thereafter. Our stock options allow employees to purchase shares of our common stock at a price per share equal to the fair market value of our common stock on the date of grant and may or may not be intended to qualify as "incentive stock options" for U.S. federal income tax purposes. Generally, the stock options we granted to our employees vest over four years in equal installments upon the annual anniversaries of the date of grant, subject to their continued employment with us on each vesting date.

Employment Agreements

James Cotter, Jr. On June 12, 2015, the Board terminated the employment of James Cotter, Jr. as our President and Chief Executive Officer. Under Mr. Cotter, Jr.'s employment agreement with the Company, he is entitled to the compensation and benefits he was receiving at the time of a termination without cause for a period of twelve months from notice of termination. At the time of termination, Mr. Cotter Jr.'s annual salary was $335,000, and the Company paid Mr. Cotter Jr. severance payments in the amount of $43,750. A dispute has arisen between the Company and Mr. Cotter as to whether the Company is required to continue to make these payments, which dispute is currently subject to arbitration. Mr. Cotter's employment agreement also provided for the grant of options to purchase 100,000 shares of Class A Stock at an exercise price of $6.31 per share. Mr. Cotter, Jr. has previously exercised options to purchase 50,000 of such shares. Mr. Cotter, Jr. has asserted that the options to exercise the remainder of the 50,000 options survived the termination of his employment. The Company's position is that all unvested options expired upon the termination of Mr. Cotter, Jr.'s employment. This matter is currently under review by the Compensation Committee.

Dev Ghose. On April 20, 2015, we entered into an employment agreement with Mr. Dev Ghose, pursuant to which he agreed to serve as our Chief Financial Officer for a one-year term commencing on May 11, 2015. The employment agreement provides that Mr. Ghose is to receive an annual base salary of $400,000, with an annual target bonus of $200,000, and employee benefits in line with those received by our other senior executives. Mr. Ghose was also granted stock options to purchase 100,000 shares of Class A Stock at an exercise price equal to the closing price of our Class A Stock on the date of grant and which will vest in equal annual increments over a four-year period, subject to his remaining in our continuous employ through each annual vesting date.

Under his employment agreement, we may terminate Mr. Ghose's employment with or without cause (as defined) at any time. If we terminate his employment without cause or fail to renew his employment agreement upon expiration without cause, Mr. Ghose will be entitled to receive severance in an amount equal to the salary and benefits he was receiving for a period of 12 months following such termination or non-renewal. If the termination is in connection with a "change of control" (as defined), Mr. Ghose would be entitled to severance in an amount equal to the compensation he would have received for a period two years from such termination.

William D. Ellis. On October 20, 2014, we entered into an employment agreement with Mr. William D. Ellis, which was amended in September 2015, pursuant to which he agreed to serve as our General Counsel for a term of three years. The employment agreement provided that Mr. Ellis was to receive an annual base salary of $350,000, with an annual guaranteed bonus of at least $60,000. In addition, Mr. Ellis was granted stock options to purchase 60,000 shares of Class A Stock at an exercise price equal to the closing price of our Class A Stock on the date of grant and which will vest in equal annual increments over a three-year period, subject to his remaining in our continuous employ through each annual vesting date.

On February 18, 2016, Mr. Ellis submitted his resignation as our General Counsel and Corporate Secretary. On March 11, 2016, we entered into an agreement with Mr. Ellis, pursuant to which, in consideration of the payment to Mr. Ellis of $205,010 (to be paid in 19 equal semi-monthly installments of $10,790) and the vesting of options to acquire 20,000 shares of our Class A Common Stock on October 15, 2016, Mr. Ellis has agreed to be available to advise us on matters on which he previously worked until December 31, 2016. Mr. Ellis' last day of employment was March 11, 2016.

Andrzej J. Matyczynski. Mr. Matyczynski, our former Chief Financial Officer, Treasurer and Corporate Secretary, has a written agreement with our Company that provides for a lump-sum severance payment of $50,000, provided there has been no termination for cause and subject to certain offsets, and to the payment of his vested benefit under his deferred compensation plan discussed below in the section entitled "Other Elements of Compensation." Mr. Matyczynski resigned as our Corporate Secretary on October 20, 2014 and as our Chief Financial Officer and

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Treasurer effective May 11, 2015, but continued as an employee in order to assist in the transition of our new Chief Financial Officer. He was appointed EVP-Global Operations in March 2016.

2016 AND FUTURE COMPENSATION STRUCTURE

Background

In early 2016, our Compensation Committee conducted a thorough evaluation of our compensation policy for executive officers and outside directors to establish a plan that encompasses best corporate practices consistent with our best interests. Our Compensation Committee undertook to review, evaluate, revise and recommend the adoption of new compensation arrangements for our executive and management officers and outside directors. In January 2016, our Compensation Committee retained the international compensation consulting firm of Willis Towers Watson as its advisor in this process and also relied on the advice of our legal counsel, Greenberg Traurig, LLP.

Compensation Committee Charter

On February 29, 2016, our Board adopted the Charter of the Compensation Committee, or the Compensation Committee Charter. In keeping with our intent to implement best practices, the Compensation Committee Charter delegated the following responsibilities to our Compensation Committee:

- in consultation with our senior management, to establish our compensation philosophy and objectives;
- to review and approve all compensation, including salary, bonus, incentive and equity compensation, for our Chief Executive Officer and our executive officers, provided that our Chief Executive Officer may not be present during voting or deliberations on his or her compensation;
- to approve all employment agreements, severance arrangements, change in control provisions and agreements and any special or supplemental benefits applicable to our Chief Executive Officer and other executive officers;
- to approve and adopt, on behalf of our Board, incentive compensation and equity-based compensation plans, or, in the case of plans requiring stockholder approval, to review and recommend such plan to the stockholders;
- to review and discuss with our management and our counsel and auditors, the disclosures made in Compensation Discussion and Analysis and advise our Board whether, in the view of the Committee, the Compensation Discussion and Analysis is, in form and substance, satisfactory for inclusion in our annual report on Form 10-K and proxy statement for the annual meeting of stockholders;
- to prepare an annual compensation committee report for inclusion in our proxy statement for the annual meeting of stockholders in accordance with the applicable rules of the SEC;
- to periodically review and reassess the adequacy of this charter and recommend any proposed changes to the Board for approval;
- to administer our equity-based compensation plans, including the grant of stock options and other equity awards under such plans, the exercise of any discretion accorded to the administrator of all such plans and the interpretation of the provisions of such plans and the terms of any awards made under the plans; and
- to consider the results of the most recent stockholder advisory vote on executive compensation required by Section 14A of the Securities Exchange Act of 1934 when determining compensation policies and making decisions on executive compensation.

Under the Compensation Committee Charter, "executive officer" is defined to mean the chief executive officer, president, chief financial officer, chief operating officer, general counsel, principal accounting officer, any executive vice president of the Company and any Managing Director of Reading Entertainment Australia Pty Ltd and/or Reading New Zealand, Ltd.; provided that any compensation determinations pertaining to Ellen M. Cotter and Margaret Cotter will be subject to review and approval by our Board.

As noted above, the Compensation Committee Charter was adopted as part of our Board's implementation of additional corporate best practices measures. The Compensation Committee Charter will apply for the remainder of 2016 and the future, subject to further amendments and modifications by our Board. The Compensation Committee's charter is available on our website at http://www.readingrdi.com/Committee-Charters.

The Compensation Committee reviews compensation policies and practices effecting employees in addition to

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those applicable to executive officers. The Compensation Committee has determined that it is not reasonably likely that our compensation policies and practices for its employees would have a material adverse effect on our Company.

Executive Compensation

In early 2016, our Compensation Committee met with Willis Towers Watson, our Chief Executive Officer, and our legal counsel, to review the Company's compensation levels, programs and practices. As part of its engagement, Willis Towers Watson reviewed our compensation paid to executive and management officers by position, in light of each person's duties and responsibilities. Willis Towers Watson then compared our top executive and management positions to (i) executive compensation paid by a peer group, and (ii) two surveys, the 2015 Willis Towers Watson Data Services Top Management Survey Report and the 2015 Mercer MBD Executive Compensation Survey, in each case, identified by office position and duties performed by the officer. The peer group utilized by Willis Towers Watson included the following 15 companies:

Arcadia Realty Trust
Associated Estates Realty Corp.
Carmike Cinemas Inc.
Cedar Realty Trust Inc.
Charter Hall Group
EPR Properties
Vicinity Centres
IMAX Corporation
Inland Real Estate Corp.
Kite Realty Group Trust
Marcus Corporation
Pennsylvania Real Estate Investment Trust
Ramco-Gershenson Properties Trust
Urstadt Biddle Properties Inc.
Village Roadshow Ltd.

Willis Towers Watson selected the above peer group noting that the companies selected (i) included 12 United States based companies and three Australian based companies to reflect our geographic operations, and (ii) were comparable to us based on the key financial criteria of being between 1/3rd and three times our revenue.

The executive pay assessment prepared by Willis Towers Watson measured our executive and management compensation against compensation paid by peer group companies and the companies listed in the two surveys based on the 25th, 50th and 75th percentile of such peer group and surveyed companies. The 50th percentile was the median compensation paid by such peer group and surveyed companies to executives performing similar responsibilities and duties.

The Willis Towers Watson assessment compared the base salary, the short term incentive (cash bonus) and long term incentive (equity awards) of the peer and surveyed companies to the base salary, short term incentive and long term incentive provided to our executives. The assessment concluded that, except in a few positions, we were generally competitive in base salary, however, we were not competitive when short-term incentives and long term incentives were included in the total compensation paid to our executives and management.

As a result of the foregoing factors, Willis Towers Watson recommended that we:

- Implement a formal annual incentive opportunity for all executives; and
- Implement a regular annual grant program for long-term incentives.

Our Compensation Committee recommended, and our Board subsequently adopted, a compensation philosophy for our management team members to:

- Attract and retain talented and dedicated management team members;
- Provide overall compensation that is competitive in its industry;
- Correlate annual cash incentives to the achievement of its business and financial objectives; and
- Provide management team members with appropriate long-term incentives aligned with stockholder value.

As part of the compensation philosophy, our compensation focus will be to (1) drive our strategic plan on growth, (2) align officer and management performance with the interests of our stockholders, and (3) encourage retention of our officers and management team members.

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In furtherance of the compensation policy and as a result of the extensive deliberations, including consideration of the Willis Towers Watson recommendations, our Compensation Committee adopted an executive and management officer compensation structure for 2016 consisting of:

- A base salary comparable with job description and industry standard;
- A short-term incentive plan based on a combination of factors including overall corporate and division performance as well as individual performance with a target bonus opportunity to be denominated as a percent of base salary with specific goals weightings and pay-out ranges; and
- A long-term incentive or equity awards in line with job description, performance, and industry standards.

Our Compensation Committee's intention is that the compensation structure approved for 2016 will remain in place indefinitely. However, it will review performance and results after the first year and thereafter and evaluate from time to time whether enhancements, changes or other compensation structures are in our and our stockholders best interests.

Reflecting the new approach, our Compensation Committee established (i) 2016 annual base salaries at levels that it believed (based heavily on the data provided by Willis Towers Watson) are generally competitive with executives in our peer group and in other comparable publicly-held companies as described in the executive pay assessment prepared by Willis Towers Watson, (ii) short term incentives in the form of discretionary annual cash bonuses based on the achievement of identified goals and benchmarks, and (iii) long-term incentives in the form of employee stock options and restricted stock units will be used as a retention tool and as a means to further align an executive's long-term interests with those of our stockholders, with the ultimate objective of affording our executives an appropriate incentive to help drive increases in stockholder value.

Our Compensation Committee will evaluate both executive performance and compensation to maintain our ability to attract and retain highly-qualified executives in key positions and to assure that compensation provided to executives remains competitive when compared to the compensation paid to similarly situated executives of companies with whom we compete for executive talent or that we consider comparable to our Company.

Role of Chief Executive Officer in Compensation Decisions

In connection with the implementation of the new compensation structure, our Compensation Committee conducted the thorough review of executive compensation discussed above. Our Compensation Committee engaged in extensive discussions with, and considered with great weight the recommendations of, the Chief Executive Officer as to compensation for executive and management team members other than for the Chief Executive Officer.

Our Compensation Committee expects to perform an annual review of executive compensation, generally in the first quarter of the year following the year in review, with a presentation by the Chief Executive Officer regarding each element of the executive compensation arrangements. At our Compensation Committee's direction, our Chief Executive Officer prepared an executive compensation review for each executive officer (other than the Chief Executive Officer), as well as the full executive team, which included recommendations for:

- 2016 Base Salary
- A proposed year-end short -term incentive in the form of a target cash bonus based on the achievement of certain objectives; and
- A long-term incentive in the form of stock options and restricted stock units for the year under review.

As part of the compensation review, our Chief Executive Officer may also recommend other changes to an executive's compensation arrangements such as a change in the executive's responsibilities. Our Compensation Committee will evaluate the Chief Executive Officer's recommendations and, in its discretion, may accept or reject the recommendations, subject to the terms of any written employment agreements.

Our Compensation Committee met in executive session without our Chief Executive Officer to consider the Chief Executive Officer's compensation, including base salary, cash bonus and equity award, if any. Prior to such executive sessions, our Compensation Committee interviewed our Chief Executive Officer to obtain a better understanding of factors contributing to the Chief Executive Officer's compensation. With the exception of these

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executive sessions of our Compensation Committee, as a rule, our Chief Executive Officer participated in all deliberations of the Compensation Committee relating to executive compensation. However, our Compensation Committee also asked our Chief Executive Officer to be excused for certain deliberations with respect to the compensation recommended for Margaret Cotter, the sister of our Chief Executive Officer.

In conjunction with the year-end annual compensation review, or as soon as practicable after the year-end, our Chief Executive Officer will recommend to our Compensation Committee our objectives and other criteria to be utilized for purposes of determining cash bonuses for certain senior executive officers. Our Compensation Committee, in its discretion, may revise the Chief Executive Officer's recommendations. At the end of the year, our Compensation Committee, in consultation with our Chief Executive Officer, will review each performance goal and determine the extent to which the officer achieved such goals. In establishing performance goals, our Compensation Committee expects to consider whether the goals could possibly result in an incentive for any executives to take unwarranted risks in our Company's business and intend to seek to avoid creating any such incentives.

Base Salaries

Our Compensation Committee reviewed the executive pay assessment prepared by Willis Towers Watson and other factors and engaged in extensive deliberation and then recommended the following 2016 base salaries (the 2015 base salaries are shown for comparison purposes) for the following officers. Our Board approved the recommendations of our Compensation Committee on March 10, 2016 for the President and Chief Executive Officer, Chief Financial Officer and our named executive officers, other than William D. Ellis and our prior Chief Executive Officers James J. Cotter, Sr. and James Cotter, Jr.

Name	Title	2015 Base Salary	2016 Base Salary
Ellen Cotter [1]	President and Chief Executive Officer	$402,000	$450,000
Dev Ghose [2]	EVP, Chief Financial Officer, Treasurer and Corporate Secretary	400,000	400,000
Andrzej J. Matyczynski [3]	EVP-Global Operations	324,000	336,000
Robert F. Smerling	President, US Cinemas	350,000	375,000
Wayne Smith[4]	Managing Director, Australia and New Zealand	274,897[4]	282,491[4]

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(1) Ellen M. Cotter was appointed Interim President and Chief Executive Officer on June 12, 2015 and President and Chief Executive Officer on January 8, 2016.

(2) Dev Ghose was appointed Chief Financial Officer and Treasurer on May 11, 2015. For 2015, Mr. Ghose earned a prorated base salary of $257,692.

(3) Andrzej J. Matyczynski was the Company's Chief Financial Officer and Treasurer until May 11, 2015 and thereafter he acted as Strategic Corporate Advisor to the Company. He was appointed EVP-Global Operations on March 10, 2016.

(4) Mr. Smith was paid in Australian dollars in the amount of AUD$365,360 (shown in U.S. Dollars in the table above, using the conversion rate of 0.7524). In 2016, Mr. Smith will be paid in Australian dollars in the amount of AUD$370,000 (shown abovein U.S. Dollars using the exchange rate of 0.76349).

Short Term Incentives

The Short Term Incentives authorized by our Compensation Committee and our Board provides our executive officers and other management team members, who are selected to participate, with an opportunity to earn an annual cash bonus based upon the achievement of certain company financial goals, division goals and individual goals, established by our Chief Executive Officer and approved by our Compensation Committee and our Board (in future

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years, under the Compensation Committee Charter approved by our Board on March 10, 2016, our Compensation Committee will have full authority to approve these matters). Specifically, a participant in the short-term incentive plan will be advised of his or her annual potential target bonus expressed as a percentage of the participant's base salary and by dollar amount. The participant will be eligible for a short-term incentive bonus once the participant achieves goals identified at the beginning of the year for a threshold target, the potential target or potential maximum target bonus opportunity. The bonus will vary depending upon the achievements made by the individual participants, the division and the corporation. Corporate goals for 2016 will include levels of earnings before interest, depreciation, taxes and amortization ("non-GAAP Operating Income") and property development milestones. Division goals for 2016 will include levels of division cash flow and division milestones and individual goals will include specific unique performance goals specific to the individual's position with us. Each of the corporate, division and individual goals carries a different percentage weight in determining the officer's or other team member's bonus for the year.

Ms. Ellen M. Cotter, our President and Chief Executive Officer, has a potential target bonus opportunity of 95% of Base Salary, or $427,500 at target based on Ms. Cotter's achievement of her performance goals and over achievement of corporate goals discussed above. Of that potential target bonus opportunity, a threshold bonus of $213,750 may be achieved based upon Ms. Cotter's achievement of certain performance goals and our achievement of certain corporate goals, and a potential maximum target of $641,250 is based on achieving additional performance goals. Ms. Cotter's aggregate annual bonus opportunity can range from $0 to $641,250. Mr. Dev Ghose, our EVP, Chief Financial Officer, Treasurer and Corporate Secretary, has a potential target bonus opportunity of 50% of Base Salary, or $200,000 at target, which is based on achievement of his performance goals and our achievement of corporate goals, as discussed above. Mr. Ghose's aggregate annual bonus opportunity can range from $0 to $300,000 (the maximum potential target if additional performance goals are met by Mr. Ghose). Mr. Andrzej J. Matyczynski, our EVP - Global Operations, has a target bonus opportunity of 50% of Base Salary, or $168,000 at target, which is based on achievement of his performance goals, our achievement of corporate goals and certain divisional goals. Mr. Matyczynski's aggregate annual bonus opportunity can range from $0 to $252,000 (the maximum potential target if additional performance goals are met by Mr. Matyczynski). Mr. Robert Smerling, President, US Cinemas, has a target bonus opportunity of 30% of base pay, or $112,500 at target, which is based on achievement of his performance goals, our achievement of corporate goals and certain divisional goals. Mr. Smerling's aggregate annual bonus opportunity can range from $0 to $168,750 (the maximum potential target if additional performance goals are met by Mr. Smerling). Mr. Wayne Smith, Managing Director, Australia and New Zealand, has a target bonus opportunity of 40% of Base Salary, or A$148,000 at target, which is based on achievement of his performance goals, our achievement of corporate goals and certain divisional goals. Mr. Smith's aggregate annual bonus opportunity can range from A$0 to A$222,000 (the maximum potential target if additional performance goals are met by Mr. Smith). The positions of other management team members have target bonus opportunities ranging from 20% to 30% of Base Salary based on achievement certain goals. The highest level of achievement, participants may be eligible to receive up to a maximum of 150% of his or her target bonus amount.

Long-Term Incentives

Long-Term incentives will utilize the equity-based plan under our 2010 Incentive Stock Plan, as amended (the "2010 Plan"). For 2016, executive and management team participants will receive awards in the following forms: 50% time-based restricted stock units and 50% non-statutory stock options. The grants of restricted stock units and options will vest ratably over a four (4) year period with 1/4th vesting on each anniversary date of the grant date.

On March 10, 2016, the following grants were made:

Name	Title	Dollar Amount of Restricted Stock Units	Dollar Amount of Non-Statutory Stock Options[1]
Ellen M. Cotter	President and Chief Executive Officer	$150,000	$150,000
Dev Ghose [2]	EVP, Chief Financial Officer, Treasurer and Corporate Secretary	0	0
Andrzej J. Matyczynski	EVP Global Operations	37,500	37,500

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Robert F. Smerling	President, US Cinemas		50,000	50,000
Wayne Smith	Managing Director, Australia and New Zealand	27,000 (3)		27,000 (3)

(1) The number of shares of stock to be issued will be calculated using the Black Scholes pricing model as of the date of grant of the award.

(2) Mr. Dev Ghose was awarded 100,000 non-statutory stock options vesting over a 4-year period on commencing on Mr. Ghose's first day of employment or May 11, 2015.

(3) Although Mr. Smith was paid 50% of $75,000 in Australian Dollars, the amount shown above is quoted in U.S. Dollars.

All long-term incentive awards will be subject to other terms and conditions set forth in the 2010 Plan and award grant.

Other Elements of Compensation

Retirement Plans

We maintain a 401(k) retirement savings plan that allows eligible employees to defer a portion of their compensation, within limits prescribed by the Internal Revenue Code, on a pre-tax basis through contributions to the plan. Our named executive officers other than Mr. Smith, who is a non-resident of the U.S., are eligible to participate in the 401(k) plan on the same terms as other full-time employees generally. Currently, we match contributions made by participants in the 401(k) plan up to a specified percentage, and these matching contributions are fully vested as of the date on which the contribution is made. We believe that providing a vehicle for tax-deferred retirement savings though our 401(k) plan, and making fully vested matching contributions, adds to the overall desirability of our executive compensation package and further incentivizes our employees, including our named executive officers, in accordance with our compensation policies.

Other Retirement Plans

During 2012, Mr. Matyczynski was granted an unfunded, nonqualified deferred compensation plan ("DCP") that was partially vested and was to vest further so long as he remained in our continuous employ. The DCP allowed Mr. Matyczynski to defer part of the cash portion of his compensation, subject to annual limits set forth in the DCP. The funds held pursuant to the DCP are not segregated and do not accrue interest or other earnings. If Mr. Matyczynski were to be terminated for cause, then the total vested amount would be reduced to zero. The incremental amount vested each year was made subject to review and approval by our Board. Please see the "*Nonqualified Deferred Compensation*" table for additional information. In addition, Mr. Matyczynski is entitled to a lump-sum severance payment of $50,000, provided there has been no termination for cause and subject to certain offsets, upon his retirement.

Upon the termination of Mr. Matyczynski's employment, he will also be entitled under the DCP agreement to payment of the vested benefits under his DCP in annual installments following the later of (a) 30 days following Mr. Matyczynski's 65th birthday or (b) six months after his separation from service for reasons other than his death or termination for cause. The DCP was to vest over seven years and with full vesting to occur in 2019 at $1,000,000 in deferred compensation. However, in connection with his changed employment to EVP - Global Operations, the Company and Mr. Matyczynski agreed that the Company would cease making contributions to the DCP on April 15, 2016 and that the final contributions by the Company to the DCP would be $150,000 for 2015, and $21,875 for 2016, satisfying the Company's total contribution obligations under the DCP at an amount of $621,875.

The DCP is an unfunded contractual obligation of the Company. DCP benefits are paid from the general assets of the Company. However, the Company reserves the right to establish a grantor trust from which DCP benefits may be paid.

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In March 2016, the Compensation Committee approved a one-time retirement benefit for Robert Smerling, President, Cinema Operations, due to his significant long term service to the Company. The retirement benefit an amount equal to the average of the two highest total cash compensation (base salary plus cash bonus) years paid to Mr. Smerling in the then most recently completed five year period.

We currently maintain no other retirement plan for our named executive officers.

Key Person Insurance

We maintain life insurance on certain individuals who we believe to be key to our management. In 2015, these individuals included James Cotter, Jr. (through September 13, 2015), Ellen M. Cotter, Margaret Cotter, William Ellis, Dev Ghose, Andrzej Matyczynski, Robert Smerling, Craig Tompkins and Wayne Smith. If such individual ceases to be our employee, Director or independent contractor, as the case may be, she or he is permitted, by assuming responsibility for all future premium payments, to replace our Company as the beneficiary under such policy. These policies allow each such individual to purchase up to an equal amount of insurance for such individual's own benefit. In the case of our employees, the premium for both the insurance as to which we are the beneficiary and the insurance as to which our employee is the beneficiary, is paid by us. In the case of named executive officers, the premium paid by us for the benefit of such individual is reflected in the Compensation Table in the column captioned "All Other Compensation."

Employee Benefits and Perquisites

Our named executive officers are eligible to participate in our health and welfare plans to the same extent as all full-time employees generally. We do not generally provide our named executive officers with perquisites or other personal benefits. Historically, many of our other named executive officers also received an automobile allowance. The table below shows car allowances granted to certain officers under their employment agreements or arrangements. From time to time, we may provide other perquisites to one or more of our other named executive officers.

Officer	Annual Allowance ($)
Dev Ghose	12,000
William Ellis [1]	15,000
Andrzej J. Matyczynski	12,000
Ellen M. Cotter	13,800
James Cotter, Jr. [1]	15,000
Robert F. Smerling	18,000

(1) Mr. Ellis and Mr. Cotter, Jr. are no longer employees of the Company.

Tax and Accounting Considerations

Deductibility of Executive Compensation

Subject to an exception for "performance-based compensation," Section 162(m) of the Internal Revenue Code generally prohibits publicly held corporations from deducting for federal income tax purposes annual compensation paid to any senior executive officer to the extent that such annual compensation exceeds $1.0 million. Our Compensation Committee and our Board consider the limits on deductibility under Section 162(m) in establishing executive compensation, but retain the discretion to authorize the payment of compensation that exceeds the limit on deductibility under this Section.

Nonqualified Deferred Compensation

We believe we are operating, where applicable, in compliance with the tax rules applicable to nonqualified deferred compensation arrangements.

Say on Pay

At our Annual Meeting of Stockholders held on May 15, 2014, we held an advisory vote on executive compensation. Our stockholders voted in favor of our Company's executive compensation. The Compensation

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Committee reviewed the results of the advisory vote on executive compensation in 2014 and did not make any changes to our compensation based on the results of the vote. We expect that our next advisory vote of our stockholders on executive compensation will be at our 2017 Annual Meeting of Stockholders.

Compensation Committee Interlocks and Insider Participation

Our Compensation Committee is currently composed of Mr. Kane, who serves as Chair, Dr. Codding, and Mr. McEachern. Mr. Storey, who served on our Board until October 11, 2015, served on our Compensation Committee until that date. Mr. Adams served until May 14, 2016, and was succeeded by Mr. McEachern. None of the members of the Compensation Committee was an officer or employee of the Company at any time during 2015. None of our executive officers serves as a member of the board of directors or compensation committee of any entity that has or had one or more executive officers serving as a member of our Boardor Compensation Committee.

REPORT OF THE COMPENSATION COMMITTEE

The Compensation Committee has reviewed and discussed with management the "Compensation Discussion and Analysis" required by Item 401(b) of Regulation S-K and, based on such review and discussions, has recommended to our Board that the foregoing "Compensation Discussion and Analysis" be included in this Proxy Statement.

Respectfully submitted,

Edward L. Kane, Chair
Guy W. Adams
Judy Codding

Executive Compensation

This section discusses the material components of the compensation program for our executive officers named in the 2015 Summary Compensation Table below. In 2015, our named executive officers and their positions were as follows:

- Ellen M. Cotter, Chair of the Board, President and Chief Executive Officer, interim President and Chief Executive Officer, Chief Operating Officer – Domestic Cinemas and Chief Executive Officer of Consolidated Entertainment, LLC.
- Dev Ghose, Chief Financial Officer and Treasurer.
- William D. Ellis, General Counsel and Corporate Secretary
- Robert F. Smerling, President – Domestic Cinema Operations.
- Wayne Smith, Managing Director – Australia and New Zealand.
- James Cotter, Jr., former Vice Chair, President and Chief Executive Officer.
- Andrzej J. Matyczynski, former Chief Financial Officer, Treasurer and Corporate Secretary.

Summary Compensation Table

The following table shows the compensation paid or accrued during the last three fiscal years ended December 31, 2015 to (i) Mr. James Cotter, Jr., who served as our principal executive officer until June 12, 2015, (ii) Ellen M. Cotter, who served as our interim principal executive officer from June 12, 2015 through December 31, 2015, (iii) Mr. Andrzej J. Matyczynski, who served as our Chief Financial Officer and Treasurer until May 11, 2015, and (iv) Mr. Dev Ghose, who served as our Chief Financial Officer starting May 11, 2015, and (v) the other three most highly compensated persons who served as executive officers in 2015. The following executives are herein referred to as our "named executive officers."

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	Year	Salary ($)	Bonus ($)	Stock Awards ($)(1)	Option Awards ($)(1)	Change in Pension Value and Nonqualified Deferred Compensation Earning ($)	All Other Compensation ($)	Total ($)
Ellen M. Cotter [2] Interim President and Chief Executive Officer, Chief Operating Officer - Domestic Cinemas	2015	402,000	250,000	--	--	--	25,465 [3]	677,465
	2014	335,000	--	--	--	--	75,190 [3][4]	410,190
	2013	335,000	--	--	--	--	24,915 [3]	359,915
James Cotter, Jr. [5] [9] Former President and Chief Executive Officer	2015	195,417	--	--	50,027- -	--	16,161 [3]	261,605
	2014	335,000	--	--	50,027- -	--	26,051 [3]	411,078
	2013	195,417	--	--	29,182- -	--	9,346 [3]	233,945
Dev Ghose [6] Chief Financial Officer and Treasurer	2015	257,692	75,000		382,334	--	15,730 [3]	407,005
	2014	--	--	--	--	--	--	--
	2013	--	--	--	--	--	--	--
Andrzej J. Matyczynski [7] Former Chief Financial Officer and Treasurer	2015	324,000			33,010	150,000 (8)	27,140 [3]	534,150
	2014	308,640			33,010	150,000 (8)	26,380 [3]	518,030
	2013	308,640	35,000	--	33,010	50,000 (8)	25,755 [3]	452,405
William Ellis General Counsel [10]	2015	350,000	60,000		57,194		28,330 [3]	495,524
	2014	71,795	10,000		9,532		2,500 [3]	93,827
	2013	--	--	--	--	--	--	--
Robert F. Smerling President – Domestic Cinema Operations	2015	350,000	75,000	--	--	--	22,899 [3]	447,899
	2014	350,000	65,000	--	--	--	22,421 [3]	437,421
	2013	350,000	25,000	--	--	--	21,981 [3]	396,981
Wayne Smith [11] Managing Director -Australia and New Zealand	2015	274,897	71,478	--	--	--	2,600 [3]	348,975
	2014	324,295	72,216	--	--	--	2,340 [3]	398,851
	2013	340,393	48,420	--	--	--	2,075 [3]	390,888

(1) Amounts represent the aggregate grant date fair value of awards computed in accordance with ASC Topic 718, excluding the effects of any estimated forfeitures. The assumptions used in the valuation of these awards are discussed in the Notes to our consolidated financial statements. Amounts do not include the value of restricted stock units that will not vest within 60 days following the date of which this information is provided.

(2) Ms. Ellen M. Cotter was appointed our interim President and Chief Executive Officer on June 12, 2015.

(3) Includes our matching employer contributions under our 401(k) plan, the imputed tax of key person insurance, and any automobile allowances. Aside from the car allowances only the employer contributions for the 401(k) plan exceeded $10,000, see table below. See the table in the section entitled "*Employee Benefits and Perquisites*" for the

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amount of each individual's car allowance.

Name	Employer Contribution for 401(k) Plan 2015	2014	2013
Ellen M. Cotter	$10,600	$10,400	$10,200
James Cotter, Jr.	6,700	10,400	0
Dev Ghose	4,000	0	0
Andrzej J. Matyczynski	10,600	10,400	10,200
William Ellis	10,500	0	0
Robert F. Smerling	0	0	0
Wayne Smith	0	0	0

(4) Includes a $50,000 tax gross-up for taxes incurred as a result of the exercise of nonqualified stock options that were intended to be issued as incentive stock options.

(5) Mr. Cotter, Jr., served as our Chief Executive Officer until June 12, 2015. In the case of Mr. Cotter Jr., the "All Other Compensation" column includes $43,750 in severance payments paid pursuant to Mr. Cotter Jr.'s employment agreement. Of this amount, the Company has a claim against Mr. Cotter Jr. for approximately $18,000, which, if the Company is successful in this claim, may be recovered from Mr. Cotter Jr.

(6) Mr. Ghose became Chief Financial Officer and Treasurer on May 11, 2015, as such, he was paid a prorated amount of his $400,000 salary for 2015.

(7) Mr. Matyczynski resigned as our Chief Financial Officer and Treasurer on May 11, 2015, and acted as our Strategic Corporate Advisor until March 10, 2016.

(8) Represents the increase in the vested benefit of the DCP for Mr. Matyczynski. Payment of the vested benefit under his DCP will be made in accordance with the terms of the DCP.

(9) Mr. Cotter, Jr. had an annual base salary of $335,000 for 2015. As his employment ended in June 2015, Mr. Cotter, Jr. earned a prorated base salary of $195,417 for 2015, which includes his severance payment paid through the end of July 2015.

(10) Mr. Ellis became General Counsel and Corporate Secretary on October 20, 2014 as such he was paid a prorated amount of his $350,000 salary in 2014. Mr. Ellis submitted his resignation on February 18, 2016.

(11) Mr. Smith is paid in Australian Dollars. Amounts in the table above are shown in U.S. Dollars, using the conversion rates of 0.9684 for 2013, 0.9027 for 2014 and 0.7524 for 2015.

Grants of Plan-Based Awards

The following table contains information concerning the stock grants made to our named executive officers for the year ended December 31, 2015:

		Estimated Future Payouts Under Non-Equity Incentive Plan Awards			Estimated Futures Payouts Under Equity Incentive Plan Awards			All Other Stock Awards:	All Other Option Awards:		
Name	Grant Date	Threshold ($)	Target ($)	Maximum ($)	Threshold (#)	Target (#)	Maximum (#)	Number of Shares of Stock or Units (#) (1)	Number of Securities Underlying Options (#)(2)	Exercise or Base Price of Option Award ($/share) (3)	Grant Date Fair Value of Stock and Option Awards ($) (4)
Ellen M. Cotter	-	-	-	--	-	-	-	-	-	-	
James Cotter, Jr.	-	-		--	-	-	-	-	-	-	

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Dev Ghose	5-11-2015	-	-	--	-	-	-	100,000	13.42	$382,334	
Andrzej J. Matyczynski	-	-	-	--	-	-	-	-	-	-	
William Ellis	-	-	-	--	-	-	-	-	-	-	
Robert F. Smerling	-	-	-	---	-	-	-	-	-	-	
Wayne Smith (1)	7-16-2015	-	-	-	-	-	6,000	-	-	$84,000	

(1) Mr. Wayne Smith was issued an award of restricted Class A Common Stock, which vests in equal installments on May 13, 2015 and May 13, 2016. The closing price per share for the Class A Common Stock on the date of grant was $14.00. The awards issued to Mr. Wayne Smith are related to his prior-year performance.

(2) Mr. Dev Ghose was issued an option to purchase 100,000 shares of Class A Common Stock at the commencement of his employment, which award vests in four equal installments.

(3) Options are granted with an exercise price equal to the closing price per share on the date of grant.

(4) Represents the total option value estimated as per ASC 718.

Nonqualified Deferred Compensation

Name	Executive contributions in 2015 ($)	Registrant contributions in 2015 ($)	Aggregate earnings in 2015 ($)	Aggregate withdrawals/distributions ($)	Aggregate balance at December 31, 2015 ($)
Andrzej J. Matyczynski	0	150,000	0	0	600,000

See "*Potential Payments upon Termination of Employment or Change in Control*".

On May 13, 2010, our stockholders approved the Plan at the annual meeting of stockholders in accordance with the recommendation of the Board of the Company. The Plan provides for awards of stock options, restricted stock, bonus stock, and stock appreciation rights to eligible employees, Directors, and consultants. The Board approved an amendment to the Plan to permit the award of restricted stock units on March 10, 2016. The Plan permits issuance of a maximum of 1,250,000 shares of Class A Stock. The Plan expires automatically on March 11, 2020.

Equity incentive bonuses may be awarded to align our executives' long-term compensation to appreciation in stockholder value over time and, so long as such grants are within the parameters of the Plan, historically were entirely discretionary on the part of Mr. Cotter, Sr. Other stock grants are subject to Board approval. Equity awards may include stock options, restricted stock, bonus stock, or stock appreciation rights.

If awarded, it is generally our policy to value stock options and restricted stock at the closing price of our common stock as reported on the NASDAQ Stock Market on the date the award is approved or on the date of hire, if the stock is granted as a recruitment incentive. When stock is granted as bonus compensation for a particular transaction, the award may be based on the market price on a date calculated from the closing date of the relevant transaction. Awards may also be subject to vesting and limitations on voting or other rights.

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Outstanding Equity Awards

The following table sets forth outstanding equity awards held by our named executive officers as of December 31, 2015 under the Plan:

Outstanding Equity Awards at Year Ended December 31, 2015

	Option Awards					Stock Awards	
	Class	Number of Shares Underlying Unexercised Options Exercisable	Number of Shares Underlying Unexercised Options Unexercisable	Option Exercise Price ($)	Option Expiration Date	Number of Shares or Units of Stock that Have Not Vested	Market Value of Shares or Units that Have Not Vested ($)
James Cotter, Jr. [1]	A	25,000	20,000	6.31	06/02/2018	0	0
Ellen M. Cotter	A	20,000	--	5.55	03/06/2018	0	0
William Ellis[2]	A	8,815	40,000	8.94	12/31/2016	0	0
Dev Ghose	A	25,000[3]	75,000	13.42	05/10/2020	0	0
Andrzej J. Matyczynski	A	25,000	--	6.02	08/22/2022	0	0
Robert F. Smerling	A	43,750	--	10.24	05/08/2017	0	0
Wayne Smith	A	--	--	--	--	3,000[4]	42,000

(1) Mr. Cotter, Jr. has stated that he has unvested options to acquire 50,000 shares of Class A Stock at an exercise price of $6.31 per share, expiring February 6, 2018, of an original stock option grant of 100,000 Class A Stock. Mr. Cotter, Jr. exercised 50,000 stock options in June 2015. The Company's position is that all unvested options expired upon the termination of Mr. Cotter, Jr.'s employment. The matter is under review by the Compensation Committee.

(2) Mr. Ellis submitted his resignation on February 18, 2016, effective March 11, 2016. As part of his separation agreement, 20,000 of the 40,000 remaining unvested shares will vest on October 20, 2016. Thereafter, no additional options will vest.

(3) 25,000 of Mr. Ghose's options vested on May 11, 2016.

(4) Mr. Smith was granted 6,000 restricted shares of Class A stock on July 16, 2015, which vest over two years in annual installments.

Option Exercises and Stock Vested

The following table contains information for our named executive officers concerning the option awards that were exercised and stock awards that vested during the year ended December 31, 2015:

		Option Awards		Stock Awards	
Name	Class	Number of Shares Acquired on Exercise	Value Realized on Exercise ($)	Number of Shares Acquired on Vesting	Value Realized on Vesting ($)
James J. Cotter, Sr.	B	100,000	1,024,000	--	--
James Cotter, Jr. [1]	A	50,000	315,500	--	--
James Cotter, Jr.	A	12,500	48,375	--	--
James Cotter, Jr.	A	10,000	83,500	--	--
Ellen M. Cotter	B	50,000	512,000	--	--

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Andrzej J. Matyczynski	A	35,100	180,063	--	--

(1) Mr. Cotter, Jr. has stated that he has unvested options to acquire 50,000 shares of Class A Stock at an exercise price of $6.31 per share, expiring February 6, 2018, of an original stock option grant of 100,000 Class A Stock. Mr. Cotter, Jr. exercised 50,000 stock options in June 2015. The Company's position is that all unvested options expired upon the termination of Mr. Cotter, Jr.'s employment. The matter is under review by the Compensation Committee.

Equity Compensation Plan Information

The following table sets forth, as of December 31, 2015, a summary of certain information related to our equity incentive plans under which our equity securities are authorized for issuance:

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders [1]	486,565 (2)	$ 8.68	551,800
Equity compensation plans not approved by security holders			
Total	486,565		

(1) These plans are the Company's 1999 Stock Option Plan and 2010 Stock Incentive Plan.

(2) Represents outstanding options only.

Pension Benefits

The following table contains information concerning pension plans for each of the named executive officers for the year ended December 31, 2015:

Name	Plan Name	Number of Years of Credited Service	Present Value of Accumulated Benefit as of 12/31/2015 ($)	Payments During Last Fiscal Year ($)
Andrzej J. Matyczynski	DCP	6	600,000	$ --

Potential Payments upon Termination of Employment or Change in Control

The following paragraphs provide information regarding potential payments to each of our named executive officers in connection with certain termination events, including a termination related to a change of control of the Company, as of December 31, 2015:

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Mr. Dev Ghose – Termination without Cause. Under his employment agreement, we may terminate Mr. Ghose's employment with or without cause (as defined) at any time. If we terminate his employment without cause or fail to renew his employment agreement upon expiration without cause, Mr. Ghose will be entitled to receive severance in an amount equal to the salary and benefits he was receiving for a period of 12 months following such termination or non-renewal. If the termination is in connection with a "change of control" (as defined), Mr. Ghose would be entitled to severance in an amount equal to the compensation he would have received for a period two years from such termination.

Mr. William Ellis – Termination without Cause. Mr. Ellis resigned his employment effective March 11, 2016. We have entered into a separation agreement with Mr. Ellis which provides, among other things, that, in consideration of the payment to Mr. Ellis of $205,010 (to be paid in 19 equal semi-monthly installments of $10,790) and the vesting of options to acquire 20,000 shares of our Class A Common Stock on October 15, 2016, Mr. Ellis has agreed to be available to advise us on matters on which he previously worked until December 31, 2016. Mr. Ellis' employment agreement contained a noncompetition clause that did not extend beyond his termination.

Mr. Wayne Smith — Termination of Employment for Failing to Meet Performance Standards. If Mr. Smith's employment is terminated by the Board for failing to meet the standards of his anticipated performance, Mr. Smith will be entitled to a severance payment of six months' base salary.

Mr. Andrzej J. Matyczynski – Deferred Compensation Benefits. During 2012, Mr. Matyczynski was granted an unfunded, nonqualified deferred compensation plan ("DCP") that was partially vested and was to vest further so long as he remained in our continuous employ. If Mr. Matyczynski were to be terminated for cause, then the total vested amount would be reduced to zero. The incremental amount vested each year was made subject to review and approval by our Board. Please see the "*Nonqualified Deferred Compensation*" table for additional information.

Upon the termination of Mr. Matyczynski's employment, he will be entitled under the DCP agreement to payment of the vested benefits under his DCP in annual installments following the later of (a) 30 days following Mr. Matyczynski's 65th birthday or (b) six months after his separation from service for reasons other than his death or termination for cause. The DCP was to vest over seven years and with full vesting to occur in 2019 at $1,000,000 in deferred compensation. However, in connection with his employment as EVP Global Operations, the Company and Mr. Matyczynski agreed that the Company would cease making contributions to the DCP on April 15, 2016 and that the final contributions by the Company to the DCP would be $150,000 for 2015 and $21,875 for 2016, satisfying the Company's obligations under the DCP. Mr. Matyczynski's agreement contains nonsolicitation provisions that extend for one year after his retirement.

Under Mr. Matyczynski's agreement, on his retirement date and provided there has not been a termination for cause, Mr. Matyczynski will be entitled to a lump sum severance payment in an amount equal to $50,000, less certain offsets.

Robert F. Smerling – Retirement Benefit. In March 2016, the Compensation Committee approved a one-time retirement benefit for Robert Smerling, President, Cinema Operations, due to his significant long-term service to the Company. The retirement benefit is the average of the two highest total cash compensation (base salary plus cash bonus) years paid to Mr. Smerling in the then most recently completed five year period.

No other named executive officers currently have employment agreements or other arrangements providing benefits upon termination or a change of control. The table below shows the maximum benefits that would be payable to each person listed above in the event of such person's termination without cause or termination in connection with a change in control, if such events had occurred on December 31, 2015, at price equal to the closing price of the Class A stock on that date, which was of $13.11.

Mr. Ellis' agreement terminated when his employment ended as of March 11, 2016. As such, his information is excluded from the table below.

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	Payable on upon Termination without Cause ($)			Payable upon Termination in Connection with a Change in Control ($)			Payable upon Retirement ($)
	Severance Payments	*Value of Vested Stock Options*	*Value of Health Benefits*	*Severance Payments*	*Value of Vested Stock Options*	*Value of Unvested Stock Options Accelerated*	*Benefits Payable under Retirement Plans or the DCP*
Ellen Cotter	0	151,200	0	0	151,200	0	0
Dev Ghose	400,000	0	23,040	800,000	0	0	0
Wayne Smith	175,000	39,330[1]	0	0	39,330[1]	39,330[1]	0
Andrzej J. Matyczynski	50,000[2]	177,250	0	0	177,250	0	600,000
Robert F. Smerling	0	125,562	0	0	125,562	0	415,000[3]

(1) Represents value of restricted stock award rather than stock option.

(2) Mr. Matyczynski's severance payment is payable upon his retirement, and is subject to certain offsets as set forth in his agreement, and is subject to certain offsets.

(3) Mr. Smerling's one-time retirement benefit is based on the average of the two highest total cash compensation years paid to Mr. Smerling in the most recently completed five-year period. The figure quoted in the table represents the average of total compensation paid for years 2015 and 2014.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

The members of our Audit Committee are Douglas McEachern, who serves as Chair, Edward Kane, and Michael Wrotniak. Management presents all potential related party transactions to the Audit Committee for review. Our Audit Committee reviews whether a given related party transaction is beneficial to our Company, and approves or bars the transaction after a thorough analysis. Only Committee members disinterested in the transaction in question participate in the determination of whether the transaction may proceed. See the discussion entitled "*Review, Approval or Ratification of Transactions with Related Persons*" for additional information regarding the review process.

Sutton Hill Capital

In 2001, we entered into a transaction with Sutton Hill Capital, LLC ("SHC") regarding the master leasing, with an option to purchase, of certain cinemas located in Manhattan including our Village East and Cinemas 1, 2, 3 theaters. In connection with that transaction, we also agreed (i) to lend certain amounts to SHC, to provide liquidity in its investment, pending our determination whether or not to exercise our option to purchase and (ii) to manage the 86th Street Cinema on a fee basis. SHC is a limited liability company owned in equal shares by the Cotter Estate and/or the Cotter Trust and a third party.

As previously reported, over the years, two of the cinemas subject to the master leasing agreement have been redeveloped and one (the Cinemas 1, 2, 3 discussed below) has been acquired. The Village East is the only cinema that remains subject to this master lease. We paid an annual rent of $590,000 for this cinema to SHC in each of 2015, 2014, and 2013. During this same period, we received management fees from the 86th Street Cinema of $151,000, $123,000 and $183,000.

In 2005, we acquired (i) from a third party the fee interest underlying the Cinemas 1, 2, 3, and (ii) from SHC its interest in the ground lease estate underlying and the improvements constituting the Cinemas 1, 2, 3. The ground lease estate and the improvements acquired from SHC were originally a part of the master lease transaction, discussed above.

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In connection with that transaction, we granted to SHC an option to acquire at cost a 25% interest in the special purpose entity (Sutton Hill Properties, LLC ("SHP") formed to acquire these fee, leasehold and improvements interests. On June 28, 2007, SHC exercised this option, paying $3.0 million and assuming a proportionate share of SHP's liabilities. At the time of the option exercise and the closing of the acquisition of the 25% interest, SHP had debt of $26.9 million, including a $2.9 million, non-interest bearing intercompany loan from the Company. As of December 31, 2015, SHP had debt of $19.4 million (again, including the intercompany loan). Since the acquisition by SHC of its 25% interest, SHP has covered its operating costs and debt service through cash flow from the Cinemas 1, 2, 3, (ii) borrowings from third parties, and (iii) pro-rata contributions from the members. We receive an annual management fee equal to 5% of SHP's gross income for managing the cinema and the property, amounting to $153,000, $123,000 and $183,000 in 2015, 2014, and 2013, respectively. This management fee was modified in 2015, as discussed below, retroactive to December 1, 2014.

On June 29, 2010, we agreed to extend our existing lease from SHC of the Village East Cinema by 10 years, with a new termination date of June 30, 2020. This amendment was reviewed and approved by our Audit Committee. The Village East lease includes a sub-lease of the ground underlying the cinema that is subject to a longer-term ground lease between SHC and an unrelated third party that expires in June 2031 (the "cinema ground lease"). The extended lease provides for a call option pursuant to which Reading may purchase the cinema ground lease for $5.9 million at the end of the lease term. Additionally, the lease has a put option pursuant to which SHC may require Reading to purchase all or a portion of SHC's interest in the existing cinema lease and the cinema ground lease at any time between July 1, 2013 and December 4, 2019. SHC's put option may be exercised on one or more occasions in increments of not less than $100,000 each. We recorded the Village East Cinema building as a property asset of $4.7 million on our balance sheet based on the cost carry-over basis from an entity under common control with a corresponding capital lease liability of $5.9 million.

In February 2015, SHP and we entered into an amendment to the management agreement dated as of June 27, 2007 between SHP and us. The amendment, which was retroactive to December 1, 2014, memorialized our undertaking to SHP with respect to $750,000 (the "Renovation Funding Amount") of renovations to Cinemas 1, 2, 3 funded or to be funded by us. In consideration of our funding of the renovations, our annual management fee under the management agreement was increased commencing January 1, 2015 by an amount equivalent to 100% of any incremental positive cash flow of Cinemas 1, 2, 3 over the average annual positive cash flow of the Cinemas 1, 2, 3 over the three-year period ended December 31, 2014 (not to exceed a cumulative aggregate amount equal to the Renovation Funding Amount), plus a 15% annual cash-on-cash return on the balance outstanding from time to time of the Renovation Funding Amount, payable at the time of the payment of the annual management fee. Under the amended management agreement, we are entitled to retain ownership of (and any right to depreciate) any furniture, fixtures and equipment purchased by us in connection with such renovation and have the right (but not the obligation) to remove all such furniture, fixtures and equipment (at our own cost and expense) from the Cinemas upon the termination of the management agreement. The amendment also provides that, during the term of the management agreement, SHP will be responsible for the cost of repair and maintenance of the renovations. In 2015, we received a management fee of $153,000. This amendment was approved by SHC and by the Audit Committee of our Board.

OBI Management Agreement

Pursuant to a Theater Management Agreement (the "Management Agreement"), our live theater operations were, until recently, managed by Off-Broadway Investments, LLC ("OBI Management"), which is wholly owned by Ms. Margaret Cotter, the daughter of the late Mr. James J. Cotter, Sr., the sister of Ellen M. Cotter and James Cotter, Jr., and a member of our Board. The Management Agreement was terminated effective March 10, 2016 in connection with the retention by our Company of Margaret Cotter as a full time employee. The Theater Management Agreement generally provided for the payment of a combination of fixed and incentive fees for the management of our four live theaters. Historically, these fees have equated to approximately 21% of the net cash flow generated by these properties. OBI was paid $589,000 with respect to 2015. This includes $389,000 for theater management services performed in 2015 and $200,000 for property development services with respect to our Company's Union Square and Cinemas 1,2,3 properties, some of which property development services were provided in periods prior to 2015 and during the period ended March 10, 2016. We paid $397,000 and $401,000 in fees for theater management services with respect to 2014, and 2013, respectively. No fees were paid in these periods for property development services. We also reimbursed OBI for certain travel expenses, shared the cost of an administrative assistant, and provided office space at our New York offices. The fees payable to OBI for the period January 1, 2016 through and including March 9, 2016, will be prorated.

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OBI Management historically conducted its operations from our office facilities on a rent-free basis, and we shared the cost of one administrative employee of OBI Management. We reimbursed travel related expenses for OBI Management personnel with respect to travel between New York City and Chicago in connection with the management of the Royal George complex. Other than these expenses, OBI Management was responsible for all of its costs and expenses related to the performance of its management functions. The Management Agreement renewed automatically each year unless either party gave at least six months' prior notice of its determination to allow the Management Agreement to expire. In addition, we could terminate the Management Agreement at any time for cause.

Effective March 10, 2016, Margaret Cotter became a full time employee of the Company and the Management Agreement was terminated. As Executive Vice-President Real Estate Management and Development - NYC, Ms. Cotter will continue to be responsible for the management of our live theater assets, will continue her role heading up the pre-redevelopment of our New York properties and will be our senior executive responsible for the actual redevelopment of our New York properties. Pursuant to the termination agreement, Ms. Cotter has given up any right she might otherwise have, through OBI, to income from STOMP.

Ms. Cotter's compensation as Executive Vice-President was set as part of an extensive executive compensation process. For 2016, Ms. Cotter's base salary will be $350,000, she will have a short term incentive target bonus opportunity of $105,000 (30% of her base salary), and she was granted a long term incentive of a stock option for 19,921 shares of Class A common stock and 4,184 restricted stock units under the Company's 2010 Stock Incentive Plan, as amended, which long term incentives vest over a four year period.

Live Theater Play Investment

From time to time, our officers and Directors may invest in plays that lease our live theaters. The play STOMP has been playing in our Orpheum Theatre since prior to the time we acquired the theater in 2001. The Cotter Estate and/or the Cotter Trust and Mr. Michael Forman own an approximately 5% interest in that play, an interest that they have held since prior to our acquisition of the theater.

Shadow View Land and Farming, LLC

Director Guy Adams has performed consulting services for James J. Cotter, Sr., with respect to certain holdings that are now controlled by the Cotter Estate and/or the Cotter Trust (collectively the "Cotter Interests"). These holdings include a 50% non-controlling membership interest in Shadow View Land and Farming, LLC (the "Shadow View Investment" and "Shadow View" respectively), certain agricultural interests in Northern California (the "Cotter Farms"), and certain land interests in Texas (the "Texas Properties"). In addition, Mr. Adams is the CFO of certain captive insurance entities, owned by a certain trust for the benefit of Ellen M. Cotter, James Cotter, Jr., and Margaret Cotter (the "captive insurance entities").

Shadow View is a consolidated subsidiary of the Company. The Company has from time to time made capital contributions to Shadow View. The Company has also, from time to time, as the managing member, funded on an interim basis certain costs incurred by Shadow View, ultimately billing such costs through to the two members. The Company has never paid any remuneration to Shadow View. Mr. Adams' consulting fees with respect to the Shadow View Interest were to have been measured by the profit, if any, derived by the Cotter Interests from the Shadow View Investment. He has no beneficial interest in Shadow View or the Shadow View Investment. His consulting fees with respect to Shadow View were equal to 5% of the profit, if any, derived by the Cotter Interests from the Shadow View Investment after recoupment of its investment plus a return of 100%. To date, no profits have been generated by Shadow View and Mr. Adams has never received any compensation with respect to these consulting services. His consulting fee would have been calculated only after the Cotter Interests had received back their costs and expenses and two times their investment in Shadow View. Mr. Adams' consulting fees would have been 2.5% of the then-profit, if any, recognized by Shadow View, considered as a whole.

The Company and its subsidiaries (i) do not have any interest in, (ii) have never conducted any business with, and (iii) have not made any payments to, the Cotter Family Farms, the Texas Properties and/or the captive insurance entities.

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Document Storage Agreement

In consideration of the payment of $100 per month, our Company has agreed to allow Ellen M. Cotter and Margaret Cotter to keep certain files related to the Cotter Estate and/or the Cotter Trust at our Los Angeles Corporate Headquarters. This arrangement, however, has not been implemented.

Review, Approval or Ratification of Transactions with Related Persons

The Audit Committee has adopted a written charter, which includes responsibility for approval of "Related Party Transactions." Under its charter, the Audit Committee performs the functions of the "Conflicts Committee" of the Board and is delegated responsibility and authority by the Board to review, consider and negotiate, and to approve or disapprove on behalf of the Company the terms and conditions of any and all Related Party Transactions (defined below) with the same effect as though such actions had been taken by the full Board. Any such matter requires no further action by the Board in order to be binding upon the Company, except in the case of matters that, under applicable Nevada Law, cannot be delegated to a committee of the Board and must be determined by the full Board. In those cases where the authority of the Board cannot be delegated, the Audit Committee nevertheless provides its recommendation to the full Board.

As used in the Audit Committee's Charter, the term "Related Party Transaction" means any transaction or arrangement between the Company on one hand, and on the other hand (i) any one or more directors, executive officers or stockholders holding more than 10% of the voting power of the Company (or any spouse, parent, sibling or heir of any such individual), or (ii) any one or more entities under common control with any one of such persons, or (iii) any entity in which one or more such persons holds more than a 10% interest. Related Party Transactions do not include matters related to employment or employee compensation related issues.

The charter provides that the Audit Committee reviews transactions subject to the policy and determines whether or not to approve or ratify those transactions. In doing so, the Audit Committee takes into account, among other factors it deems appropriate:

- the approximate dollar value of the amount involved in the transaction and whether the transaction is material to us;
- whether the terms are fair to us, have resulted from arm's length negotiations and are on terms at least as favorable as would apply if the transaction did not involve a Related Person;
- the purpose of, and the potential benefits to us of, the transaction;
- whether the transaction was undertaken in our ordinary course of business;
- the Related Person's interest in the transaction, including the approximate dollar value of the amount of the Related Person's interest in the transaction without regard to the amount of any profit or loss;
- required public disclosure, if any; and
- any other information regarding the transaction or the Related Person in the context of the proposed transaction that would be material to investors in light of the circumstances of the particular transaction.

INDEPENDENT PUBLIC ACCOUNTANTS

Summary of Principal Accounting Fees for Professional Services Rendered

Our independent public accountants, Grant Thornton LLP, have audited our financial statements for the fiscal year ended December 31, 2015, and are expected to have a representative present at the Annual Meeting, who will have the opportunity to make a statement if he or she desires to do so and is expected to be available to respond to appropriate questions.

Audit Fees

The aggregate fees for professional services for the audit of our financial statements, audit of internal controls related to the Sarbanes-Oxley Act, and the reviews of the financial statements included in our Forms 10-K and 10-Q provided by Grant Thornton LLP for 2015 and 2014 were approximately $931,500 and $661,700, respectively.

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Audit-Related Fees

Grant Thornton LLP did not provide us any audit related services for 2015 or 2014.

Tax Fees

Grant Thornton LLP did not provide us any products or any services for tax compliance, tax advice, or tax planning for 2015 or 2014.

All Other Fees

Grant Thornton LLP did not provide us any services for 2015 or 2014, other than as set forth above.

Pre-Approval Policies and Procedures

Our Audit Committee must pre-approve, to the extent required by applicable law, all audit services and permissible non-audit services provided by our independent registered public accounting firm, except for any *de minimis* non-audit services. Non-audit services are considered *de minimis* if (i) the aggregate amount of all such non-audit services constitutes less than 5% of the total amount of revenues we paid to our independent registered public accounting firm during the fiscal year in which they are provided; (ii) we did not recognize such services at the time of the engagement to be non-audit services; and (iii) such services are promptly submitted to our Audit Committee for approval prior to the completion of the audit by our Audit Committee or any of its members who has authority to give such approval. Our Audit Committee pre-approved all services provided to us by Grant Thornton LLP for 2015 and 2014.

STOCKHOLDER COMMUNICATIONS

Annual Report

A copy of our Annual Report on Form 10-K for the fiscal year ended December 31, 2015 is being provided with this Proxy Statement.

Stockholder Communications with Directors

It is the policy of our Board that any communications sent to the attention of any one or more of our Directors in care of our executive offices will be promptly forwarded to such Directors. Such communications will not be opened or reviewed by any of our officers or employees, or by any other Director, unless they are requested to do so by the addressee of any such communication. Likewise, the content of any telephone messages left for any one or more of our Directors (including call-back number, if any) will be promptly forwarded to that Director.

Stockholder Proposals and Director Nominations

Any stockholder who, in accordance with and subject to the provisions of the proxy rules of the SEC, wishes to submit a proposal for inclusion in our Proxy Statement for our 2017 Annual Meeting of Stockholders, must deliver such proposal in writing to the Annual Meeting Secretary at the address of our Company's principal executive offices at 6100 Center Drive, Suite 900, Los Angeles, California 90045. Unless we change the date of our 2017 annual meeting by more than 30 days from the anniversary of the prior year's meeting, such written proposal must be delivered to us no later than December 23, 2016 to be considered timely. If our 2017 Annual Meeting is not held within 30 days of the anniversary of our 2016 Annual Meeting, to be considered timely, stockholder proposals must be received no later than ten days after the earlier of (a) the date on which notice of the 2017 Annual Meeting is mailed, or (b) the date on which the Company publicly discloses the date of the 2017 Annual Meeting, including disclosure in an SEC filing or through a press release. If we do not receive notice of a stockholder proposal on or before March 8, 2017, the proxies that we hold may confer discretionary authority to vote against such stockholder proposal, even though such proposal is not discussed in our Proxy Statement for that meeting.

Our Boards will consider written nominations for Directors from stockholders. Nominations for the election of Directors made by our stockholders must be made by written notice delivered to our Secretary at our principal executive offices not less than 120 days prior to the first anniversary of the date that this Proxy Statement is first sent to stockholders. Such written notice must set forth the name, age, address, and principal occupation or employment of such

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nominee, the number of shares of our Company's common stock that is beneficially owned by such nominee and such other information required by the proxy rules of the SEC with respect to a nominee of the Board.

Under our governing documents and applicable Nevada law, our stockholders may also directly nominate candidates from the floor at any meeting of our stockholders held at which Directors are to be elected.

OTHER MATTERS

We do not know of any other matters to be presented for consideration other than the proposals described above, but if any matters are properly presented, it is the intention of the persons named in the accompanying proxy to vote on such matters in accordance with their judgment.

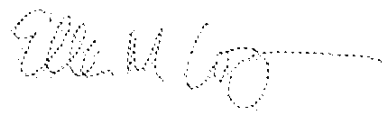
DELIVERY OF PROXY MATERIALS TO HOUSEHOLDS

As permitted by the Securities Exchange Act of 1934, only one copy of the proxy materials are being delivered to our stockholders residing at the same address, unless such stockholders have notified us of their desire to receive multiple copies of the proxy materials.

We will promptly deliver without charge, upon oral or written request, a separate copy of the proxy materials to any stockholder residing at an address to which only one copy was mailed. Requests for additional copies should be directed to our Corporate Secretary by telephone at (213) 235-2240 or by mail to Corporate Secretary, Reading International, Inc., 6100 Center Drive, Suite 900, Los Angeles, California 90045.

Stockholders residing at the same address and currently receiving only one copy of the proxy materials may contact the Corporate Secretary as described above to request multiple copies of the proxy materials in the future.

By Order of the Board of Directors,



Ellen M. Cotter
Chair of the Board

May 19, 2016

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PROXY VOTING INSTRUCTIONS

YOUR VOTE IS IMPORTANT. PLEASE VOTE TODAY.
We encourage you to take advantage of Internet or telephone voting.
Both are available 24 hours a day, 7 days a week.
Internet and telephone voting is available through 11:59 p.m., PT, on June 1, 2016.

VOTE BY INTERNET	WWW.FCRVOTE.COM/RDI

Use the Internet to transmit your voting instructions and for electronic delivery of information up until 11:59 p.m., PT, on June 1, 2016. Have your proxy card in hand when you access the web site and follow the instructions to obtain your records and to create an electronic voting instruction form.

OR

VOTE BY TELEPHONE	1-800-353-7885

Use any touch-tone telephone to transmit your voting instructions up until 11:59 p.m., PT, on June 1, 2016. Have your proxy card in hand when you call and then follow the instructions.

OR

VOTE BY MAIL

Mark, sign and date your proxy card and return it in the postage-paid envelope we have provided to: First Coast Results, Inc., P.O. Box 3672, Ponte Vedra Beach, FL 32004-9911.

If you vote your proxy by Internet or by telephone, you do NOT need to mail back your proxy card. Your Internet or telephone vote authorizes the named proxies to vote your shares in the same manner as if you marked, signed and returned your proxy card.

CONTROL NUMBER

△ If submitting a proxy by mail, please sign and date the card below and fold and detach card at perforation before mailing. ↙

READING INTERNATIONAL ANNUAL MEETING PROXY CARD

BOARD OF DIRECTORS - The Board of Directors recommends a vote FOR all nominees listed.

Proposal 1

(01) Ellen M. Cotter (02) Guy W. Adams (03) Judy Codding (04) James J. Cotter, Jr. (05) Margaret Cotter
(06) William D. Gould (07) Edward L. Kane (08) Douglas J. McEachern (09) Michael Wrotniak

☐ FOR ALL ☐ WITHHOLD ALL ☐ FOR ALL EXCEPT

To withhold your vote for any individual nominee(s), mark "For All Except" box and write the number(s) of the nominees(s) on the line below.

Proposal 2, Other Business. In their discretion, the proxies are authorized to vote upon such other business as may properly come before the meeting and at and with respect to any and all adjournments or postponements thereof. The Board of Directors at present knows of no other business to be presented by or on behalf of the Company or the Board of Directors at the meeting.

THIS PROXY CARD IS VALID ONLY WHEN SIGNED AND DATED.

Signature

Signature (Capacity)

Date

NOTE: Please sign exactly as your name appears hereon. Joint owners should each sign. When signing as attorney, executor, administrator, trustee or guardian, please give full title as such. If shareholder is a corporation, please sign full corporate name by authorized officer, giving full title as such. If a partnership, please sign in partnership name by authorized person, giving full title as such.

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SIGN, DATE AND MAIL YOUR PROXY TODAY,
UNLESS YOU HAVE VOTED BY INTERNET OR TELEPHONE.

IF YOU HAVE NOT VOTED BY INTERNET OR TELEPHONE, PLEASE DATE, MARK, SIGN AND RETURN THIS PROXY PROMPTLY. YOUR VOTE, WHETHER BY INTERNET, TELEPHONE OR MAIL, MUST BE RECEIVED NO LATER THAN 11:59 P.M. PACIFIC TIME, JUNE 1, 2016.
TO BE INCLUDED IN THE VOTING RESULTS, ALL VALID PROXIES RECEIVED PRIOR TO 11:59 P.M. PACIFIC TIME, JUNE 1, 2016 WILL BE VOTED.

SEE REVERSE SIDE

△ If submitting a proxy by mail, please sign and date the card on reverse and fold and detach card at perforation before mailing. △

READING INTERNATIONAL

ANNUAL MEETING OF STOCKHOLDERS

June 2, 2016, 11:00 a.m.

THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS

The undersigned hereby appoints Ellen M. Cotter and Andrzej Matyczynski, and each of them, the attorneys, agents, and proxies of the undersigned, with full powers of substitution to each, to attend and act as proxy or proxies of the undersigned at the Annual Meeting of Stockholders of Reading International, Inc. to be held at the Courtyard by Marriott Los Angeles Westside, located at 6333 Bristol Parkway, Culver City, California 90230 on Thursday, June 2, 2016 at 11:00 a.m., local time, and at and with respect to any and all adjournments or postponements thereof, and to vote as specified herein the number of shares which the undersigned, if personally present, would be entitled to vote.

The undersigned hereby ratifies and confirms all that the attorneys and proxies, or any of them, or their substitutes, shall lawfully do or cause to be done by virtue hereof, and hereby revokes any and all proxies heretofore given by the undersigned to vote at the Annual Meeting. The undersigned acknowledges receipt of the Notice of Annual Meeting and the Proxy Statement accompanying such notice.

THE PROXY, WHEN PROPERLY EXECUTED AND RETURNED PRIOR TO THE ANNUAL MEETING, WILL BE VOTED AS DIRECTED. IF NO DIRECTION IS GIVEN, IT WILL BE VOTED "FOR" PROPOSAL 1, AND IN THE PROXY HOLDERS' DISCRETION AS TO ANY OTHER MATTER THAT MAY PROPERLY COME BEFORE THE ANNUAL MEETING OR ANY POSTPONEMENT OR ADJOURNMENT THEREOF.

SEE REVERSE SIDE

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EXHIBIT 13

Reading International, Inc.
Minutes of the Board of Directors Meeting
January 14, 2014

A special duly noticed meeting of the Board of Directors (the "Board) of Reading International, Inc. (the "Company") was held on Tuesday, January 14, 2014 at approximately 11:30 a.m. Los Angeles local time, via telephone conference.

Present at the meeting were James J. Cotter, Sr., Chairman of the Board (the "CEO"), and Board members James J. Cotter, Jr., Vice Chairman, Ellen Cotter, Margaret Cotter, William D. Gould, Edward L. Kane, Douglas J. McEachern, Timothy Storey and Alfred Villasenor, Jr. In attendance at the invitation of the Board was S. Craig Tompkins, Legal Counsel to the Company, who served as secretary for the meeting.

Call to Order

Mr. Cotter took the roll of the attendees and called the meeting to order at approximately 11:30 a.m. local time.

Mr. Cotter advised that there were two orders of business for the special meeting:

(i) consideration of the amendment of the Company's By-laws to increase the size of the Board from nine (9) to ten (10) members, and to fill the resultant vacancy by the election of Guy W. Adams to the Board, to serve until the next annual meeting of the shareholders of the Company or such time as a successor was elected; and

(ii) to receive and consider the verbal report and recommendation of the Compensation and Stock Options Committee (the "Committee"), regarding the CEO's 2013 Bonus.

Proposed New Director, Guy W. Adams

Mr. Cotter noted that on September 25, 2013, he had made a recommendation to the Board for the nomination of Mr. Adams to serve as a Board member and had distributed a copy of Mr. Adam's resume, attached hereto as Exhibit A and Exhibit B.

Following a brief discussion, it was moved and seconded that (i) the Company's By-laws be amended to increase the size of the Board of Directors from nine (9) to ten (10) members and (ii) Mr. Adams be elected to fill such vacancy until the next annual meeting of shareholders of

the company or such time as his successor was elected. The following resolution was thereafter unanimously passed:

> **WHEREAS**, the Chairman of the Board has advised that he recommends an increase in the size of the Board of Directors from nine to ten members and the election of Mr. Guy W. Adams to fill such
> newly created vacancy;
>
> **WHEREAS,** the Directors believe that such action would be in the best interests of the Corporation and its shareholders;
>
> **IT IS HEREBY RESOLVED**, that the Article II, Section 2 of the Corporation's Bylaws be amended to read as follows:
>
> > The number of directors, which shall constitute the whole board, shall be ten (10). Thereafter the number of directors may from time to time be increased or decreased to not less than one nor more than eleven (11) by action of the Board of Directors. The directors shall be elected by the holders of shares entitled to vote thereon at the annual meeting of the stockholders and, except as provided in Section 4 of this Article, each director elected shall hold office until his successor is elected and qualified. Directors need not be stockholders.
>
> **IT IS FURTHER RESOLVED**, that Mr. Guy W. Adams be hereby elected to fill the vacancy created by the above amendment to the Corporation's Bylaws.

Mr. Tompkins noted that it was usual and customary for new directors to be granted an immediately vesting five (5) year non-qualified stock option to acquire 20,000 shares of the Company's Class A Non-Voting Common Stock. The members of the Committee, after discussion, unanimously voted to award to Mr. Adams an immediately vesting non-qualified five (5) year option to acquire 20,000 shares of the Company's Class A Non-Voting Common Stock at an exercise price of $7.40 per share.

2013 CEO Bonus

Mr. Cotter then turned the meeting over to Mr. Kane, the Chairman of the Committee, to give the report and recommendation of the Committee regarding the 2013 CEO Bonus. Mr. Kane reported that while no formal meeting of the Committee had been held, there had been a number of conversations between the members of the Committee regarding such bonus. Mr. Kane also noted that prior to the meeting, the Towers Watson Chief Executive Officer

Competitive Compensation Assessment dated December 21, 2012 (on which the Committee relied in fixing the CEO's 2013 compensation package and the Resolutions implementing that compensation package) had been circulated to the Board.

Mr. Kane noted that the CEO's bonus compensation package for 2013 was comprised of two components;

1. a $500,000 bonus based on the Committee's evaluation of the CEO's overall performance (the "General Bonus"); and
2. an additional $500,000 bonus based on the accomplishment of certain specified criteria (the "Special Bonus").

Mr. Kane stated that based on, among other things, the growth in the Company's share price from $6.01 on December 31, 2012, to $7.49 per shares as of December 31, 2013, and the overall performance and operating results of the Company, the Committee had determined, and was recommending to the Board, that the full $500,000 General Bonus be paid.

Mr. Cotter was during 2013 the driving force in the sale of the Company's Moonee Ponds property for AUS$23 million (payable on or before April 16, 2015). Mr. Kane noted that a memo had been previously prepared by Mr. Cotter and circulated to the Board Members setting forth the background of the Moonee Ponds transaction and why Mr. Cotter felt that he had earned the full amount of the Special Bonus as a result of that transaction. Mr. Kane advised the Board that based on the Moonee Ponds sale the Committee had determined, and was recommending to the Board that the full $500,000 Special Bonus be paid.

There followed discussion in which Mr. Kane and the other members of the Committee responded to the questions from the Board. Thereafter, on motion made and seconded, the Board, unanimously (with Directors James J. Cotter, Sr., James J. Cotter, Jr., Ellen M. Cotter and Margaret Cotter abstaining) accepted the recommendations of the Committee and approved the following resolution:

WHEREAS, the Compensation and Stock Options Committee (the "Committee") recommends that the Board approve the following compensation to be paid to the Chief Executive Officer, James J. Cotter (the "CEO"), for the year 2013, as recommended by the Committee on January 14, 2014:

General Bonus:	$500,000
Special Bonus:	$500,000

THEREFORE, BE IT RESOLVED, that the Board hereby approve the CEO 2013 bonus compensation as described above and authorize and direct the Company's management to pay the bonuses in accordance with this resolution.

Adjournment

There being no further business, the meeting was adjourned at 12:15 p.m.

James J. Cotter, Sr., Chairman

S. Craig Tompkins, Acting Secretary

READING
INTERNATIONAL

Exhibit A

September 25, 2013

The Board of Directors
Reading International, Inc.

Re: Guy Adams

Ladies and Gentlemen:

I'm attaching a resume of a gentleman most of you know already and I'm recommending him to you for eligibility to the Reading International Board of Directors. I want to discuss his candidacy with every one of you individually and will be fully proposing him some time by the end of year.

As you can see from his resume, Guy has been well seasoned for our board and would not only be an asset to the company, but also would be very well received by our active shareholder base and he certainly meets our new age profile.

Again, let me have your comments either in writing or verbally over the next couple of months.

Sincerely,

Jim

Reading International, Inc.
6100 Center Drive, Suite 900
Los Angeles, California 0045

t: 213.235.2255

Exhibit B

GUY W. ADAMS

PROFESSIONAL EXPERIENCE

GWA Capital Partners, LLC, Los Angeles, CA **2001 – Present**

Managing Member. A registered investment adviser managing GWA Investments, LLC. The funds invest in publicly traded securities. Mr. Adams has been actively involved in several investments:

Vitesse Semiconductors (VTSS) (2007)
This Board assignment was a friendly engagement for the company after the removal of the CEO and CFO for fraud. The Board and Management were reorganized for the shareholders. Mr. Adams served on the Compensation and Audit Committees. He also served as Chair of the Strategic Committee to explore "strategic alternatives."

Exar Corporation (EXAR) (2005)
Mr. Adams was successful in this proxy contest, gaining all three Board seats resulting in removing the Chairman and CEO from the Board. His nomination was support by ISS and many state pension funds and institutional shareholders. He served as Chair of Audit Committee and the Board's Financial Expert. He also served on the Compensation Committee.

Mercer International (MERCS) (2003)
Mr. Adams was the nominee of David Einhorn's fund, Greenlight Capital, which resulted in his election to the board. His nomination was successfully endorsed by many of the institutional shareholders and fund managers. He has served on the Compensation and Audit Committees. He resigned from the Board after 10 years of service.

Lone Star Steakhouse & Saloon (STAR) (2001)
Mr. Adams successfully unseated the CEO and Chairman of the Board in 2001 in a hotly contested election. Mr. Adams was publicly endorsed as a candidate for the Lone Star Board by Institutional Shareholder Services ("ISS"), the Council of Institutional Investors, and the California Public Employees' Retirement System (CalPERS). He served as a director on the Lone Star Board from July 2001 until May 2002. During the time Mr. Adams announced his candidacy and the date of his resignation as a director, the price of Lone Star shares increased 139%.

Mr. Adams has been profiled in the NY Times, Fortune Magazine, The Wall Street Journal, Smart Money Magazine, Institutional Investor Magazine, Money Magazine, Business Week, and many other publications. He has also appeared on TV with CNN and was a keynote speaker at the Council of Institutional Investor conference. During his career he has developed an in-depth knowledge of matters involving corporate governance, proxy contests, strategic mergers and acquisitions, and corporate restructurings.

GWA Advisors, LLC, Los Angeles, CA **2001 – Present**

Managing Member. An investment consultant to various parties and family offices in Los Angeles.

GWA CAPITAL, Los Angeles, CA **1996 – 2001**

President. A privately owned entity that invest Mr. Adams' own capital in public and private equity transactions, and a business consultant to wealthy families and entities seeking refinancing or recapitalization.

DECURION CORPORATION, Los Angeles, CA **1989 – 1995**

Investment Manager. A holding company for a family that was rated among Forbes' 400 Richest People in America with assets in excess of $750 million in Movie Theaters, Real Estate and Investment Portfolio. *Chairman* of the Investment Committee and *Chairman* of the Decurion Employees Retirement Plan. Advised on viable investment opportunities in the public and private equity markets such as:

Del Webb	Homebuilder	Sales of $175 million	9.9% ownership
Stater Brothers	Retail Grocery Chain	Sales of $1.6 billion	50% ownership
Fidelity Federal	Savings & Loan	Assets of $4.5 billion	9% ownership

PETRO INVESTMENTS, Los Angeles, CA **1986 – 1989**

President / Founder. A private investment banking company advising on mergers and acquisitions in the oil and gas industry. During this period Mr. Adams was involved in transactions totaling over $250 million.

TOOBY FAMILY PARTNERSHIP, Los Angeles, CA **1984 – 1986**

President. A private family holding company, with operations in timber, farming, land development, and oil and gas.

SONAT OFFSHORE, Houston, TX (Later to become Tansocean) **1978 – 1982**

Area Manager Of Operations. Responsible for offshore drilling activities in the Far East, Middle East and Europe. Profit and loss responsibility for revenues of $68 million, $150 million of assets and 427 employees.

General Manager. Managed joint venture with Amoco Oil Company. Became the youngest division manager on record within Sonat. Responsible for the day to day drilling operations conducted in Brazil, Trinidad, Portugal, Spain, Italy, Ivory Coast, Africa. Extensive experience planning and negotiating with various host Governments concerning taxation, currency exchange, import permits, work permits and corporate registration.

Division Engineer. For the drillship Discoverer Seven Seas designed to drill for oil in ultra-deep water, establishing 2 world records. Responsible for operations conducted offshore Egypt, Spain, Republic of the Congo, Singapore, Taiwan, Burma.

EDUCATION

Harvard Graduate School Of Business Administration, Boston, MA
Masters of Business Administration

Louisiana State University, Baton Rouge, LA
Bachelor of Science degree in Petroleum Engineering

BACKGROUND

Extensive foreign travel. Ran six marathons.

EXHIBIT 14

Confidential – Filed Under Seal

EXHIBIT 15

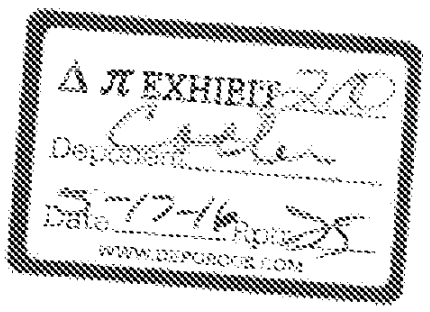
Confidential – Filed Under Seal

EXHIBIT 16

Confidential – Filed Under Seal

EXHIBIT 17

READING INTERNATIONAL



Minutes of the Meeting of the Board of Directors of Reading International, Inc.

May 29, 2015

A duly noticed meeting of the Board of Directors (the "Board") of Reading International, Inc. (the "Company") was held in the Company's Los Angeles office on May 21, 2015 and ultimately adjourned to May 29, 2010 at 11:00 a.m. (Los Angeles time).

Present were Ellen M. Cotter, Chairperson of the Board, and Board members Margaret Cotter, Vice Chairperson, James J. Cotter, Jr., William D. Gould, Edward L. Kane, Doug McEachern, Tim Storey and Guy Adams. In attendance at the invitation of the directors was William D. Ellis, Corporation Secretary and General Counsel.

Prior to the meeting, Neal Brockmeyer, counsel for the independent directors, reported to each of the independent directors as to a telephone conversation he had on May 28, 2015 with Mr. Mark Krum of Lewis Roca Rothgerber, counsel for Mr. James Cotter, Jr. Mr. Brockmeyer reported that in his conversation, Mr. Krum asserted that Mr. Guy Adams was not a disinterested director and was disqualified from voting on any matter addressing Mr. Cotter's continued employment by the Company as Chief Executive Officer and President. He also asked Mr. Brockmeyer if Mr. Brockmeyer was authorized to accept service of process on behalf of the independent directors of the Company and asked Mr. Brockmeyer to respond by 10:00 am. on May 29, 2015. The substance of Mr. Brockmeyer's report was also shared with William Ellis, General Counsel of the Company.

Call to Order

Ms. Ellen Cotter, Chairperson of the Board, called the meeting to order at approximately 11:00 a.m. (Los Angeles time) and did a roll call of the attendees. Mr. William Ellis acted as recording secretary for the meeting and took these minutes.

Status of President and Chief Executive Officer

The Board continued its discussion of Mr. James Cotter, Jr.'s performance as Chief Executive Officer and President of the Company. Prior to adjournment on May 21, 2015, the Board discussed having Mr. Cotter continue as President of the Company and to immediately commence a search for a new Chief Executive Officer. At that time, Mr. Cotter twice informed the other directors that he found that arrangement to be unacceptable. Mr. Cotter informed

the Board that he had given further thought to a role as President and that he would not agree to remain employed as President of the Company under the leadership of a new Chief Executive Officer.

Mr. Adams explained his lack of confidence in Mr. Cotter's ability to "move the Company forward", principally based on Mr. Cotter's lack of leadership skills, understanding of the Company's business, temperament, managerial skills, decision-making and other attributes in the role of Chief Executive Officer and President.

Mr. Adams' then made the following Motion:

> *I move to remove James Cotter, Jr. from his position as President and Chief Executive Officer and all other positions he holds with the Company, its subsidiaries and affiliates. Mr. Cotter's employment agreement provides that if he is terminated without cause he is entitled to severance pay. While I personally believe we may have cause in this situation, it is my proposal that we take this action to remove him "without cause" under the terms of his contract, which will provide him the benefit of the contractual severance pay, assuming there is no further breach of the agreement.*

The above Motion was seconded by Mr. McEachern.

Before Ms. Ellen Cotter opened the floor to discussion on this Motion, she read the Board the following statement:

> *I want to disclose for the record, and as all of you know, Margaret Cotter and I have an interest in litigation that has been filed in California and we are now parties to a lawsuit filed in Nevada by our brother concerning shares of stock and options formerly held by our father. Our brother is also interested in this litigation.*

Ms. Margaret Cotter confirmed for the Board that this statement also applied to her as well.

Mr. Cotter began the discussion by questioning the independence of Mr. Adams to vote on the Motion. Mr. Ellis told the Board that he had reviewed with the Company's regular Nevada counsel the substance of Mr. Brockmeyer' s report on his conversation with Mr. Krum, including the stated reasons that Mr. Adams was allegedly not disinterested and disqualified from voting on the matter before the Board. He reported to the Board that counsel had advised him that, based on the facts outlined by Mr. Krum (which were the same as those asserted by Mr. Cotter at the meeting), Mr. Adams did not have a conflict that would prevent him from voting on the above motion.

Mr. Cotter further reiterated that it was the intention of his father, the former Chairman and CEO of the Company, that he run the Company and that the Board should observe his wishes.

The Board had a lengthy discussion of Mr. Cotter's performance as Chief Executive Officer and President of the Company. Mr. Cotter disputed these characterizations of his performance and stated his belief that he was competent to continue to run the Company.

The Board then discussed various options regarding how the Company's senior management team should be structured, including terminating Mr. Cotter and appointing an interim Chief Executive Officer to run the Company until Mr. Cotter's successor could be appointed, continuing Mr. Cotter in the role as President and commencing a search for a new Chief Executive Officer (which Mr. Cotter had on three different occasions rejected), and deferring any decision with respect to Mr. Cotter's status as an officer of the Company and maintaining the "status quo" until the pending litigation between the members of the Cotter family is resolved, recognizing that the litigation could impact the control of the Company. Directors Storey and Gould urged Mr. Cotter, Ms. Ellen Cotter and Ms. Margaret Cotter to attempt to negotiate a universal settlement that would resolve issues relating to the control of the Company and provide certainty to management and stockholders alike.

Ms. Ellen Cotter then informed the Board that legal counsel for Ms. Ellen Cotter and Ms. Margaret Cotter had contacted Mr. Cotter's counsel during the last week and proposed a settlement of the litigation existing between the three of them and related trusts and estates. It was noted that settlement of the litigation could be beneficial to the Company and its shareholders because it would remove any questions regarding the voting of the Company's common stock held by the trust and estate of Mr. James Cotter, Sr., which represents a control position in the Company and may reduce or eliminate the tension and obstacles to working collaboratively as a team that currently exists among the three litigants.

Ms. Ellen Cotter then reviewed the terms of the proposal made by her and Ms. Margaret Cotter's counsel to Mr. Cotter's counsel to resolve their litigation matters. It was noted that, to the extent the proposal addressed the terms of any settlement of litigation between the family members and their related trusts and estates, it was a matter personal to the Cotter family and not a matter on which the Board would have a view. To the extent that the proposal addressed the structure of the senior management of the Company, that was a matter for the Board of Directors and could not be dictated by the terms of any settlement. However, recognizing the potential benefits to the Company and its stockholders of a settlement of the existing litigation among the Cotter family members and their related trusts and estates, the meeting went into recess at approximately 2:00 p.m. to permit Mr. Cotter and Madams Ellen Cotter and Margaret Cotter to continue their discussion of settlement terms.

The Board meeting reconvened at approximately 6:00 p.m. at the Los Angeles offices of the Company. Present in the Los Angeles office of the Corporation were Ellen M. Cotter, Chairperson of the Board, and Board members Margaret Cotter, Vice Chairperson, James J.

Cotter, Jr. and Guy Adams. Present telephonically were William D. Gould, Edward L. Kane, Doug McEachern and Tim Storey. In attendance telephonically at the invitation of the directors was William D. Ellis, Company Secretary. Each of the persons in attendance confirmed that they could hear one another.

Ms. Ellen Cotter reported that she, Ms. Margaret Cotter and Mr. James Cotter, Jr. had reached an "agreement-in-principle" regarding their various disputed issues. Ms. Ellen Cotter then proceeded to read the "agreement-in-principle" to the Board. The agreement in principle addressed the terms of the settlement of the litigation matters existing between the three Cotters and related trusts and estates and also addressed Mr. Cotter's continued role as an officer of the Company. Ms. Ellen Cotter acknowledged that she and Ms. Margaret Cotter had no authority to bind the Company or the Board as to matters related to the Company's management structure that were part of the settlement, and the Cotter parties could only agree to vote for the settlement of those issues if the Board indeed approved such matters. She further noted that the "agreement-in-principle" still had to be reviewed by counsel and documented to the Cotters' mutual satisfaction.

Adjournment

It was then determined to adjourn the meeting and to permit the Cotters to move forward to document their settlement. No action was taken by the board with respect to the motion made earlier in the meeting and no action was taken on any element of the agreement in principle arrived at between the Cotter family members and related trusts and estates.

William D. Ellis, Recording Secretary

EXHIBIT 18

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EXHIBIT 19

Confidential – Filed Under Seal

EXHIBIT 20

Confidential – Filed Under Seal

EXHIBIT 21

Confidential – Filed Under Seal

EXHIBIT 22

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EXHIBIT 23

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EXHIBIT 24

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EXHIBIT 25

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Attorneys for Plaintiff
James J. Cotter, Jr.

DISTRICT COURT

CLARK COUNTY, NEVADA

JAMES J. COTTER, JR., derivatively on behalf of Reading International, Inc., Plaintiff, vs. MARGARET COTTER, ELLEN COTTER, GUY ADAMS, EDWARD KANE, DOUGLAS McEACHERN, TIMOTHY STOREY, WILLIAM GOULD, and DOES 1 through 100, inclusive, Defendants. and READING INTERNATIONAL, INC., a Nevada corporation, Nominal Defendant.	CASE NO.: A-15-719860-B DEPT. NO. XI Coordinated with: Case No. P-14-082942-E Dept. No. XI Case No. A-16-735305-B Dept. No. XI Jointly Administered **Business Court**
T2 PARTNERS MANAGEMENT, LP, a Delaware limited partnership, doing business as KASE CAPITAL MANAGEMENT, et al., Plaintiffs, vs. MARGARET COTTER, ELLEN COTTER, GUY ADAMS, EDWARD KANE, DOUGLAS McEACHERN, WILLIAM GOULD, JUDY CODDING, MICHAEL WROTNIAK, CRAIG TOMPKINS, and DOES 1 through 100, inclusive, Defendants.	**JAMES J. COTTER, JR.'S AMENDED RESPONSES TO EDWARD KANE'S FIRST SET OF REQUESTS FOR ADMISSION**

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and

READING INTERNATIONAL, INC., a Nevada corporation,

Nominal Defendant.

COMES NOW, James J. Cotter, Jr. ("Plaintiff" or "Responding Party") and hereby serves his responses to Edward Kane's ("Defendant" or "Propounding Party") First Set of Requests for Admission (the "Requests").

GENERAL OBJECTIONS

Responding Party incorporates the following general objections into each specific response and objection set forth below:

(1) Responding Party objects to the Requests to the extent they seek documents or information which is protected by (or which cannot be provided without disclosing) attorney client privilege, the attorney-work product doctrine and/or otherwise is privileged or protected from disclosure, including in particular communications of counsel of record for Plaintiff in this action, which communications will not be produced or logged;

(2) Responding Party objects to the Requests to the extent they seek documents or information the production or disclosure of which violates any person or entity's right to privacy;

(3) Responding Party objects to the Requests to the extent they seek documents or information not in Responding Party's possession, custody, or control;

(4) Responding Party objects to the Requests to the extent they seek documents or information within the possession or control of the Propounding Party, or seeks documents or information which is publicly available and/or which otherwise is uniquely or equally available to the Propounding Party;

(5) Responding Party objects to the Requests to the extent they seek information or documents that constitute or disclose confidential,

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proprietary, or developmental commercial or business information or research, or seeks documents or information otherwise protected from disclosure;

(6) Responding Party objects to the Requests to the extent they attempt or purport to impose obligations exceeding those authorized or imposed by the Nevada Rules of Civil Procedure;

(7) Responding Party objects to the Requests insofar as they seek documents or information beyond the time and scope of matters at issue in the captioned action and/or which are neither relevant nor reasonably calculated to lead to the discovery of admissible evidence; and

(8) Responding Party objects to the Requests because they generally are unlimited as to time, meaning that they generally provide no time frame or date range to limit the scope of documents or information requested.

(9) Responding Party is conducting discovery and an ongoing investigation of the facts and law relating to this action, including certain of the Requests. Responding Party's objections and responses are based on the present knowledge, information and belief of Responding Party, as well as the documents in Responding Party's possession, custody or control. For these reasons, among others, the objections and responses provided are made without prejudice to Responding Party's right to produce evidence of subsequently discovered facts or to supplement, modify or otherwise change or amend the objections and responses or to rely on additional evidence in pretrial proceedings and trial. Responding Party expressly reserves the right to amend, supplement, or modify these objections and responses.

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REQUESTS FOR ADMISSION

REQUEST NO. 1

Admit that, prior to June 12, 2015, you referred to Edward Kane as "Uncle Ed" on one or more occasions.

RESPONSE TO REQUEST NO. 1

Responding Party admits that, over the course of his life prior to June 12, 2015, he addressed Edward Kane as "Uncle Ed" on one or more occasions in interactions between Edward Kane and Responding Party.

REQUEST NO. 2

Admit that, on or about May 15, 2014, you agreed as a member of RDI's Board of Directors to put Edward Kane on the Board's Executive Committee.

RESPONSE TO REQUEST NO. 2

Responding Party has made reasonable inquiry and the information known or readily obtainable by Responding Party, including purported minutes of a May 15, 2014 RDI Board of Directors meeting, does not refresh Responding Party's memory regarding whether he agreed as a member of RDI's Board of Directors to put Edward Kane on the Board's Executive Committee, and Responding Party therefore lacks information sufficient to admit or deny Request No. 2, and on that basis denies Request No. 2.

REQUEST NO. 3

Admit that, on or about May 15, 2014, you agreed as a member of RDI's Board of Directors to put Edward Kane on the Board's Audit and Conflicts Committee.

RESPONSE TO REQUEST NO. 3

Responding Party has made reasonable inquiry and the information known or readily obtainable by Responding Party, including purported minutes of a May 15, 2014 RDI Board of Directors meeting, does not refresh Responding Party's memory regarding whether he agreed as a member of RDI's Board of Directors to put Edward Kane on the Board's Audit and Conflicts Committee, and Responding Party therefore lacks information sufficient to admit or deny Request No. 3, and on that basis denies Request No. 3.

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REQUEST NO. 4

Admit that, on or about May 15, 2014, you agreed as a member of RDI's Board of Directors to put Edward Kane on the Board's Compensation and Stock Options Committee.

RESPONSE TO REQUEST NO. 4

Responding Party has made reasonable inquiry and the information known or readily obtainable by Responding Party, including purported minutes of a May 15, 2014 RDI Board of Directors meeting, does not refresh Responding Party's memory regarding whether he agreed as a member of RDI's Board of Directors to put Edward Kane on the Board's Compensation and Stock Options Committee, and Responding Party therefore lacks information sufficient to admit or deny Request No. 4, and on that basis denies Request No. 4.

REQUEST NO. 5

Admit that, on or about May 15, 2014, you agreed as a member of RDI's Board of Directors to put Edward Kane on the Board's Tax Oversight Committee.

RESPONSE TO REQUEST NO. 5

Responding Party has made reasonable inquiry and the information known or readily obtainable by Responding Party, including purported minutes of a May 15, 2014 RDI Board of Directors meeting, does not refresh Responding Party's memory regarding whether he agreed as a member of RDI's Board of Directors to put Edward Kane on the Board's Tax Oversight Committee, and Responding Party therefore lacks information sufficient to admit or deny Request No. 5, and on that basis denies Request No. 5.

REQUEST NO. 6

Admit that, on about May 15, 2014, you agreed as a member of RDI's Board of Directors to put Guy Adams on the Board's Executive Committee.

RESPONSE TO REQUEST NO. 6

Responding Party has made reasonable inquiry and the information known or readily obtainable by Responding Party, including purported minutes of a May 15, 2014 RDI Board of Directors meeting, does not refresh Responding Party's memory regarding whether he agreed as a member of RDI's Board of Directors to put Guy Adams on the Board's Executive Committee, and

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Responding Party therefore lacks information sufficient to admit or deny Request No. 6, and on that basis denies Request No. 6.

REQUEST NO. 7

Admit that, on or about May 15, 2014, you agreed as a member of RDI's Board of Directors to put Guy Adams on the Board's Compensation and Stock Options Committee.

RESPONSE TO REQUEST NO. 7

Responding Party has made reasonable inquiry and the information known or readily obtainable by Responding Party, including purported minutes of a May 15, 2014 RDI Board of Directors meeting, does not refresh Responding Party's memory regarding whether he agreed as a member of RDI's Board of Directors to put Guy Adams on the Board's Compensation and Stock Options Committee, and Responding Party therefore lacks information sufficient to admit or deny Request No. 7, and on that basis denies Request No. 7.

REQUEST NO. 8

Admit that, on or about May 15, 2014, you agreed as a member of RDI's Board of Directors to put Douglas McEachern on the Board's Audit and Conflicts Committee.

RESPONSE TO REQUEST NO. 8

Responding Party has made reasonable inquiry and the information known or readily obtainable by Responding Party, including purported minutes of a May 15, 2014 RDI Board of Directors meeting, does not refresh Responding Party's memory regarding whether he agreed as a member of RDI's Board of Directors to put Douglas McEachern on the Board's Audit and Conflicts Committee, and Responding Party therefore lacks information sufficient to admit or deny Request No. 8, and on that basis denies Request No. 8.

REQUEST NO. 9

Admit that, prior to your termination as CEO of RDI, you served as Chairman of the Executive Committee of RDI's Board of Directors.

RESPONSE TO REQUEST NO. 9

Responding Party admits that he "served" as Chairman of the Executive Committee only in that he was appointed by the Board as Chairman of the Executive Committee of RDI's Board of

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Directors, but not that he took any action in any capacity, including Chairman, as a member of such committee, which took no action.

REQUEST NO. 10

Admit that, as a member of RDI's Board of Directors, you did not vote against the $50,000 "bonus" to Ellen Cotter referenced in paragraph 40 of your FAC.

RESPONSE TO REQUEST NO. 10

Responding Party admits that he abstained from voting on the $50,000 "bonus" to Ellen Cotter at the Board meeting at which it was approved, and admits that he otherwise did not vote against the $50,000 "bonus" to Ellen Cotter referenced in paragraph 40 of the FAC.

REQUEST NO. 11

Admit that, as a member of RDI's Board of Directors, on or about November 13, 2014 you approved a 20% base salary increase for Ellen Cotter effective January 1, 2015.

RESPONSE TO REQUEST NO. 11

Responding Party has made reasonable inquiry and the information known or readily obtainable by Responding Party, including purported Board minutes, does not refresh Responding Party's memory regarding whether on or about November 13, 2014 he approved a 20% base salary increase for Ellen Cotter effective January 1, 2015, and Responding Party therefore lacks information sufficient to admit or deny Request No. 11, and on that basis denies Request No. 11.

REQUEST NO. 12

Admit that, as a member of RDI's Board of Directors, you voted in favor of the increased director compensation referenced in paragraph 42 of your FAC.

RESPONSE TO REQUEST NO. 12

Responding Party admits that he voted in favor of the increased director compensation.

REQUEST NO. 13

Admit that, as a member of RDI's Board of Directors, you did not oppose a resolution in January 2015 that you could not be "terminated [as CEO] without the approval of the majority of the independent directors."

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RESPONSE TO REQUEST NO. 13

Responding Party admits that he abstained on voting on such resolution and that he did not otherwise oppose it.

REQUEST NO. 14

Admit that the term "independent directors," as used in the January 2015 Board resolution regarding termination of Cotter family members, referred to Edward Kane, Guy Adams, Douglas McEachern, Tim Storey, and Bill Gould.

RESPONSE TO REQUEST NO. 14

Responding Party admits Request No. 14.

REQUEST NO. 15

Admit that RDI's full Board of Directors discussed the possibility of your termination on May 21, 2015.

RESPONSE TO REQUEST NO. 15

Responding Party admits that his termination was discussed on May 21, 2015 in the presence (in person and/or telephonic) of all members of the RDI Board of Directors.

REQUEST NO. 16

Admit that RDI's full Board of Directors discussed the possibility of your termination on May 29, 2015.

RESPONSE TO REQUEST NO. 16

Responding Party admits that his termination was discussed on May 29, 2015 in the presence (in person and/or telephonic) of all members of the RDI Board of Directors.

REQUEST NO. 17

Admit that RDI's full Board of Directors discussed the possibility of your termination on June 12, 2015.

RESPONSE TO REQUEST NO. 17

Responding Party admits that his termination was discussed on June 12, 2015 in the presence (in person and/or telephonic) of all members of the RDI Board of Directors.

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REQUEST NO. 18

Admit that, on or about December 9, 2015, you requested at a meeting of the RDI's Board of Directors that the recorded Board minutes contain less detail going forward than had generally been contained in previous sets of minutes.

RESPONSE TO REQUEST NO. 18

Responding Party admits that, in response to Ellen and Craig Tompkins' stated unwillingness to add his suggested comments to RDI's Board minutes which included certain statements made at board meetings by certain directors, he stated that RDI's board minutes should then not contain statements made by other directors if such statements included in the minutes were selectively used to support a particular point of view of the drafter of the minutes to support certain actions taken by the Board.

REQUEST NO. 19

Admit that, as a member of RDI's Board of Directors, on or about October 5, 2015, you voted in favor of approving First Coast Results as the Inspector of Elections for the 2015 Annual Shareholder's Meeting.

RESPONSE TO REQUEST NO. 19

Responding Party admits that he voted in favor of approving First Coast Results as the Inspector of Elections for the 2015 Annual Shareholder's Meeting.

REQUEST NO. 20

Admit that, prior to your termination as CEO of RDI, you did not state an objection at any meeting of the Board of Directors regarding any purported delay in circulation of minutes of Board meetings.

RESPONSE TO REQUEST NO. 20

Responding Party denies Request No. 20.

REQUEST NO. 21

Admit that, prior to May 21, 2015, you never stated at any Board of Directors meeting that you believed Edward Kane lacked sufficient disinterestedness to serve on RDI's Board.

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RESPONSE TO REQUEST NO. 21

Responding Party admits Request No. 21.

REQUEST NO. 22

Admit that, prior to May 21, 2015, you never stated at any Board of Directors meeting that you believed Guy Adams lacked sufficient disinterestedness to serve on RDI's Board.

RESPONSE TO REQUEST NO. 22

Responding Party admits Request No. 22.

REQUEST NO. 23

Admit that, prior to May 21, 2015, you never stated at any Board of Directors meeting that you believed Douglas McEachern lacked sufficient disinterestedness to serve on RDI's Board.

RESPONSE TO REQUEST NO. 23

Responding Party admits Request No. 23.

REQUEST NO. 24

Admit that you authorized RDI's May 11, 2015, 10-K/A filing to be submitted to the Securities and Exchange Commission bearing your signature.

RESPONSE TO REQUEST NO. 24

Responding Party admits that he authorized RDI's May 11, 2015, 10-K/A filing to be submitted to the Securities and Exchange Commission bearing his signature in the form that he last reviewed and approved on May 8, 2015.

REQUEST NO. 25

Admit that, on or about May 8, 2015, you authorized your signature be appended to a certification pursuant to the Sarbanes-Oxley Act of 2002 stating the following with respect to RDI's Form 10-K/A: "Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report."

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RESPONSE TO REQUEST NO. 25

Responding Party admits that on May 8, 2015, with respect to the 10-K/A filing in the form that he last reviewed and approved on May 8, 2015, he authorized his signature to be appended to a certification pursuant to the Sarbanes-Oxley Act of 2002 stating the following with respect to RDI's Form 10-K/A: "Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report."

REQUEST NO. 26

Admit that, on or about May 8, 2015, you authorized your signature be appended to a certification that certified pursuant to the Sarbanes-Oxley Act of 2002 that you reviewed the Annual Report on Form 10-K/A of RDI.

RESPONSE TO REQUEST NO. 26

Responding Party admits that on May 8, 2015, with respect to the 10-K/A filing in the form that he last reviewed and approved on May 8, 2015, he authorized his signature to be appended to a certification that certified pursuant to the Sarbanes-Oxley Act of 2002 that he reviewed the 10-K/A Annual Report on Form.

REQUEST NO. 27

Admit that the document attached hereto as Exhibit 1, bates stamped GA00005636 through GA 00005666, is a true and correct copy of the 10-K/A filing made by RDI with the Securities and Exchange Commission on or about May 11, 2015.

RESPONSE TO REQUEST NO. 27

Responding Party has made reasonable inquiry and the information known or readily obtainable by Responding Party, including Exhibit 1, bates stamped GA00005636 through GA 00005666, is insufficient to enable Responding Party to admit or deny this request. Responding Party therefore presently lacks information sufficient to admit or deny Request No. 27, and on that basis denies request No. 27.

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REQUEST NO. 28

Admit that, upon learning that you were potentially going to be terminated as CEO of RDI, you caused numerous emails relating to RDI to be sent from the RDI servers to your personal email account for litigation purposes.

RESPONSE TO REQUEST NO. 28

Responding Party has made reasonable inquiry and the information known or readily obtainable by Responding Party, including emails, is insufficient to enable Responding Party to admit or deny this request. Responding Party therefore lacks information sufficient to admit or deny Request No. 28, and on that basis denies request No. 28.

REQUEST NO. 29

Admit that it is not in the best interests of RDI's stockholders to reinstate you as CEO of RDI.

RESPONSE TO REQUEST NO. 29

Responding Party denies Request No. 29.

DATED this 27th day of July, 2016.

LEWIS ROCA ROTHGERBER CHRISTIE LLP

/s/ Mark G. Krum
Mark G. Krum (Nevada Bar No. 10913)
3993 Howard Hughes Pkwy, Suite 600
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Attorneys for Plaintiff James J. Cotter, Jr.

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CERTIFICATE OF SERVICE

I hereby certify that on this 27th day of July, 2016, I caused a true and correct copy of the foregoing **JAMES J. COTTER, JR.'S AMENDED RESPONSES TO EDWARD KANE'S FIRST SET OF REQUESTS FOR ADMISSION** was electronically served to all parties of record via this Court's electronic filing system to all parties listed on the E-Service Master List.

DATED this 27th day of July, 2016.

/s/ Jessie M. Helm
An employee of Lewis Roca Rothgerber Christie LLP

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RDI-A02296

EXHIBIT 26

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CLERK OF THE COURT

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Attorneys for Defendants Margaret Cotter,
Ellen Cotter, Douglas McEachern, Guy Adams,
Edward Kane, Judy Codding, and Michael Wrotniak

EIGHTH JUDICIAL DISTRICT COURT

CLARK COUNTY, NEVADA

JAMES J. COTTER, JR. individually and derivatively on behalf of Reading International, Inc.,

Plaintiffs,

v.

MARGARET COTTER, ELLEN COTTER, GUY ADAMS, EDWARD KANE, DOUGLAS McEACHERN, WILLIAM GOULD, JUDY CODDING, MICHAEL WROTNIAK, and DOES 1 through 100, inclusive,

Defendants.

AND

READING INTERNATIONAL, INC., a Nevada corporation,

Nominal Defendant.

Case No.: A-15-719860-B
Dept. No.: XI

Case No.: P-14-082942-E
Dept. No.: XI

Related and Coordinated Cases

BUSINESS COURT

INDIVIDUAL DEFENDANTS' MOTION FOR PARTIAL SUMMARY JUDGMENT (NO. 3) ON PLAINTIFF'S CLAIMS RELATED TO THE PURPORTED UNSOLICITED OFFER

Judge: Hon. Elizabeth Gonzalez
Date of Hearing:
Time of Hearing:

TO ALL PARTIES, COUNSEL, AND THE COURT:

Pursuant to Nevada Rule of Civil Procedure 56, Defendants Margaret Cotter, Ellen Cotter, Guy Adams, Edward Kane, Douglas McEachern, Judy Codding, and Michael Wrotniak (collectively, the "Individual Defendants"), by and through their counsel of record, Cohen|Johnson|Parker|Edwards and Quinn Emanuel Urquhart & Sullivan, LLP, hereby submit this Motion for Partial Summary Judgment (No. 3) as to the First, Second, Third, and Fourth Causes of Action in Plaintiff's Second Amended Complaint ("SAC"), to the extent that they assert claims and damages related to the purported unsolicited offer.

This Motion is based upon the following Memorandum of Points and Authorities, the accompanying Declaration of Noah S. Helpern and exhibits thereto, the accompanying Declaration of Ellen Cotter and exhibits thereto, the pleadings and papers on file, and any oral argument at the time of a hearing on this motion.

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Dated: September 23, 2016

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NOTICE OF MOTION

TO: **TO ALL PARTIES, COUNSEL, AND THE COURT:**

PLEASE TAKE NOTICE that the above Motion will be heard on 10-25-16, 2016 at 8:30A in Department XXVII of the above designated Court or as soon thereafter as counsel can be heard.

Dated: September 23, 2016

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MEMORANDUM OF POINTS AND AUTHORITIES

I. INTRODUCTION

In his Second Amended Complaint, Plaintiff James Cotter, Jr. ("Plaintiff") claims that the Board of Directors (the "Board") of Reading International, Inc. ("RDI" or the "Company") breached its fiduciary duties because it did not pursue a transaction—proposed in an unsolicited and non-binding letter from a previously unknown party—for the acquisition of all of the stock of the Company (the "Indication of Interest").

As a threshold matter, summary judgment is appropriate because, by its own terms, the Indication of Interest was not an offer capable of acceptance. To the contrary, the Indication of Interest was contingent upon the negotiation of a definitive written agreement and due diligence. As a matter of law, in the absence of a binding offer to purchase the stock of the Company, Plaintiff cannot prove injury—a deficiency fatal to his breach of fiduciary duty claims.

To the extent Plaintiff can even claim a breach of fiduciary duty by the Board's decision, the decision whether or not to sell a company is one that the law commits to the sound discretion of a board of directors. Here, it is undisputed that the Board met to discuss the Indication of Interest; the Board considered a presentation by RDI's management about the value of the Company; and, after deliberation, the Board determined that RDI would be better served by not pursuing the transaction proposed in the Indication of Interest.

Under the business judgment rule, a board may not be held liable for its decision-making with regard to a potential acquisition—even if its decision is wrong—except under very limited circumstances. None of those circumstances are present here.

First, the Board of Directors simply chose not to pursue a transaction; it did not take any defensive measures, such as poison pill provisions, or changes to corporate charters, that might call for heightened Court scrutiny. Plaintiff speculates that the Board was motivated by an improper purpose because two of the Board members—Ellen and Margaret Cotter—wished to retain their positions in management of the Company. But, as a matter of law, the Cotters' choice to stick with a long-term strategy at the expense of short-term personal financial gain actually indicates that those directors acted contrary to their own self-interest.

Second, in coming to its conclusions, the Board indisputably informed itself with information available to the Company, as well as with the directors' own knowledge of RDI, and thus engaged in appropriate decision-making. Plaintiff alleges that each member of the Board should have engaged an attorney and an investment banker when considering the Indication of Interest. Nevada law imposes no such costly and potentially wasteful requirement, requiring only that a board of directors not act with gross negligence by making uninformed decisions.

Moreover, Nevada law provides an additional protection to directors. Under Nevada Revised Statute § 78.138(7), a director cannot be personally liable for breach of fiduciary duty unless "the breach of those duties involved intentional misconduct, fraud or a knowing violation of law." Nev. Rev. Stat. § 78.138(7). Here, Plaintiff has no evidence to support an allegation of an actionable breach of duty by any director.

II. FACTUAL BACKGROUND

A. Ellen Cotter Receives an Unsolicited Indication of Interest on May 31, 2016

[redacted]

[1] (*See* Attached Declaration of Ellen Cotter ("E. Cotter Decl.") ¶ 3; [redacted] The documentary and testimonial evidence supporting this Motion is attached to the Declarations of Noah S. Helpern and Ellen Cotter.

[redacted]

[redacted]

B. The Board Discusses the Unsolicited Indication of Interest at the Board Meeting on June 2, 1016

[redacted]

[redacted][3] All nine members of the Board – *i.e.*, Ellen Cotter (Chair), Margaret Cotter, Guy Adams, Edward Kane, Douglas McEachern, Judy Codding, Michael Wrotniak, William Gould, and James Cotter, Jr. – participated in the Board meeting.[4] [redacted]

[redacted][6]

At the Board meeting, Ellen Cotter advised the Board that she had received an unsolicited Indication of Interest to acquire 100% of the outstanding shares of the Company in an all-cash transaction at $17 per share.[7] Following discussion, the majority of the Board resolved, among other things, that (1) [redacted]

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[2] [redacted]

[3] (E. Cotter Decl. ¶ 4; E. Cotter Decl. Ex. 2 at JCOTTER017254-JCOTTER017257 (June 2, 2016 Draft Minutes of the Meeting of the RDI Board of Directors).) In his purported edits to the to draft minutes from Board meetings held on June 2, 2016 and June 23, 2016, Plaintiff did not dispute the portions of the minutes cited in this memorandum. (*See* Attached Declaration of Noah S. Helpern ("HD") Ex. 1.)

[4] (E. Cotter Decl. ¶ 4; E. Cotter Decl. Ex. 2 at JCOTTER017254 (June 2, 2016 Draft Minutes of the Meeting of the RDI Board of Directors).)

[5] (E. Cotter Decl. ¶ 4; E. Cotter Decl. Ex. 2 at JCOTTER017255 (June 2, 2016 Draft Minutes of the Meeting of the RDI Board of Directors).)

[6] (E. Cotter Decl. ¶ 5.)

[7] (E. Cotter Decl. ¶ 5; E. Cotter Decl. Ex. 2 at JCOTTER017255 (June 2, 2016 Draft Minutes of the Meeting of the RDI Board of Directors).)

[redacted] (2) it would not be cost effective at that point in time for the Company to incur the cost and expense of retaining outside financial advisors such as investment bankers or valuation experts; and (3) management should, for the time being, look to information readily available to management at the Company.[8]

[redacted][9]

C. The Board Further Discusses the Unsolicited Indication of Interest at the Board Meeting on June 23, 2016

[redacted][10] All nine members of the Board participated in the Board meeting.[11] Additionally, members of the Company's management – Dev Ghose (Executive Vice President, Chief Financial Officer, Treasurer and Corporate Secretary), Andrzej Matyczynski (Executive Vice President - Global Operations), and Gilbert Avanes (Vice President: Financing, Planning and Analysis) – participated in the meeting at the request of Chair Ellen Cotter.[12]

1. Management Presents Its View That the Price Proposed in the Indication of Interest Was Inadequate

During the meeting, Ellen Cotter presented management's view that $17 per share was an inadequate price for the Company.[13] Ellen Cotter stated that, given the price proposed in the

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[8] (E. Cotter Decl. ¶ 5; E. Cotter Decl. Ex. 2 at JCOTTER017257 (June 2, 2016 Draft Minutes of the Meeting of the RDI Board of Directors).)

[9] (E. Cotter Decl. ¶ 6.)

[10] (E. Cotter Decl. ¶ 7; E. Cotter Decl. Ex. 3 at RDI0058029 (June 23, 2016 Draft Minutes of the Meeting of the RDI Board of Directors).)

[11] (E. Cotter Decl. ¶ 7; E. Cotter Decl. Ex. 3 at RDI0058029 (June 23, 2016 Draft Minutes of the Meeting of the RDI Board of Directors).)

[12] (E. Cotter Decl. ¶ 7; E. Cotter Decl. Ex. 3 at RDI0058029 (June 23, 2016 Draft Minutes of the Meeting of the RDI Board of Directors).)

[13] (E. Cotter Decl. ¶ 8; E. Cotter Decl. Ex. 3 at RDI0058031 (June 23, 2016 Draft Minutes of the Meeting of the RDI Board of Directors).)

Indication of Interest, management did not believe that it was appropriate to spend the Company's resources (both financial and personnel) on a more detailed evaluation of the Indication of Interest.[14]

In addition, with the assistance of Mr. Ghose (Executive Vice President, Chief Financial Officer, Treasurer and Corporate Secretary), Mr. Matycynski (Executive Vice President - Global Operations), and Mr. Avanes (Vice President: Financing, Planning and Analysis), Ellen Cotter presented an overview of the Company's cinema and real estate assets and operations.[15] [redacted]

[redacted]

[18] She noted, however, that the appraised value did not take into account that (1) some of the appraisals were dated; and (2) some of the appraisals were obtained for bank financing purposes and were therefore likely at the low end of what could be achieved if the properties were well-marketed.[19] Ms. Cotter also noted that the appraised value does not reflect

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[14] (E. Cotter Decl. ¶ 8; E. Cotter Decl. Ex. 3 at RDI0058032 (June 23, 2016 Draft Minutes of the Meeting of the RDI Board of Directors).)

[15] (E. Cotter Decl. ¶ 9; E. Cotter Decl. Ex. 3 at RDI0058034 (June 23, 2016 Draft Minutes of the Meeting of the RDI Board of Directors).)

[16] (E. Cotter Decl. ¶ 9; E. Cotter Decl. Ex. 3 at RDI0058035 (June 23, 2016 Draft Minutes of the Meeting of the RDI Board of Directors).)

[17] (E. Cotter Decl. ¶ 9; E. Cotter Decl. Ex. 3 at RDI0058035 (June 23, 2016 Draft Minutes of the Meeting of the RDI Board of Directors).)

[18] (E. Cotter Decl. ¶ 10; E. Cotter Decl. Ex. 3 at RDI0058037 (June 23, 2016 Draft Minutes of the Meeting of the RDI Board of Directors).)

[19] (E. Cotter Decl. ¶ 10; E. Cotter Decl. Ex. 3 at RDI0058037 (June 23, 2016 Draft Minutes of the Meeting of the RDI Board of Directors).)

development profit from Union Square, Cinemas 1 2 3, or development projects in Australia and New Zealand.[20]

[redacted]

[redacted][22] Accordingly, the price proposed in the Indication of Interest was inadequate.[23] Ms. Cotter further concluded that, in management's view, the interests of the Company and its stockholders would best be served by continuing with the implementation of the Company's business plan as an independent company.[24]

Ellen Cotter asked that the Board consider and select as between two alternative approaches: (1) instruct management that the Company will continue to pursue its strategy as an independent company; or (2) instruct management to spend more time and come back to the Board with a more formal presentation regarding the fair market value of the Company, the value creation opportunities embedded in the Company's business plan, and the potential for long-term shareholder value creation.[25]

2. <u>The Directors Deliberate And Decide Not To Pursue A Transaction</u>

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[20] (E. Cotter Decl. ¶ 10; E. Cotter Decl. Ex. 3 at RDI0058037 (June 23, 2016 Draft Minutes of the Meeting of the RDI Board of Directors).)

[21] (E. Cotter Decl. ¶ 12; E. Cotter Decl. Ex. 3 RDI0058038-RDI0058039 (June 23, 2016 Draft Minutes of the Meeting of the RDI Board of Directors).)

[22] [redacted]

[23] (E. Cotter Decl. ¶ 12; E. Cotter Decl. Ex. 3 at RDI0058039 (June 23, 2016 Draft Minutes of the Meeting of the RDI Board of Directors).)

[24] (E. Cotter Decl. ¶ 12; E. Cotter Decl. Ex. 3 at RDI0058039 (June 23, 2016 Draft Minutes of the Meeting of the RDI Board of Directors).)

[25] (E. Cotter Decl. ¶ 16; E. Cotter Decl. Ex. 3 at RDI0058040-RDI0058041 (June 23, 2016 Draft Minutes of the Meeting of the RDI Board of Directors).)

In considering how to respond to the Indication of Interest, the Board discussed, among other things: the benefits of the Company's two-pronged approach of entertainment and real estate; the strong financial position of the Company; the Company's ability to generate its own growth capital to implement its business plan; the benefits of focusing management on the execution of the current business plan and the likelihood that the successful implementation of that plan would bring far greater benefits to the Company and its stockholders than a sale at the present time; the disruption to the Company of the pursuit of a change of control transaction and the uncertainty and potentially adverse impact on morale; the non-binding and contingent nature of the Indication of Interest; and the price specified in the Indication of Interest.[26]

Following discussion, Guy Adams proposed a resolution that was seconded by Edward Kane.[27] The resolution recited that "the Board of Directors believes, based on Management's presentation, its own familiarity with the Company, its assets, operations, and opportunities and considering the various factors set forth in NRS 78-138.4,[28] that interests of the Company and its stockholders would be best served by the continued independence of the Company[.]"[29] The resolution provided that "the Board of Directors hereby determines that the interests of the Company and its stockholders would be best served by the continued independence of the Company, that the value proposed for the Company in the Indication of Interest was woefully inadequate, and that the transaction described in the Indication of Interest is not in the best

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[26] (E. Cotter Decl. ¶ 15; E. Cotter Decl. Ex. 3 at RDI0058040 (June 23, 2016 Draft Minutes of the Meeting of the RDI Board of Directors).)

[27] (E. Cotter Decl. ¶ 17; E. Cotter Decl. Ex. 3 at RDI0058041 (June 23, 2016 Draft Minutes of the Meeting of the RDI Board of Directors).)

[28] Nevada Revised Statute § 78.138(4) provides: "Directors and officers, in exercising their respective powers with a view to the interests of the corporation, may consider: (a) The interests of the corporation's employees, suppliers, creditors and customers; (b) The economy of the State and Nation; (c) The interests of the community and of society; and (d) The long-term as well as short-term interests of the corporation and its stockholders, including the possibility that these interests may be best served by the continued independence of the corporation." Nev. Rev. Stat. § 78.138(4).

[29] (E. Cotter Decl. ¶ 17; E. Cotter Decl. Ex. 3 at RDI0058041 (June 23, 2016 Draft Minutes of the Meeting of the RDI Board of Directors).)

interests of the Company or its stockholders."[30] With only the exception of James Cotter, Jr., who abstained, each of the other eight directors voted in favor of the resolution.[31]

On August 3, 2016, James Cotter, Jr. moved to amend his complaint a second time to add, among other things, claims based on the unsolicited indication of interest. (*See* SAC ¶¶ 16, 24-25, 101, 154-163, 168, 172, 177, 183.)

III. LEGAL STANDARD

Summary judgment is warranted under Nevada Rule of Civil Procedure 56 whenever the "pleadings, depositions, answers to interrogatories, admissions, and affidavits, if any, that are properly before the court demonstrate that no genuine issue of material fact exists, and the moving party is entitled to judgment as a matter of law." *Wood v. Safeway, Inc.*, 121 Nev. 724, 731 (2005). "The substantive law controls which factual disputes are material and will preclude summary judgment; other factual disputes are irrelevant." *Id.*; *see also Anderson v. Liberty Lobby, Inc.*, 477 U.S. 242, 248 (1986) ("Factual disputes that are irrelevant or unnecessary will not be counted."). A factual dispute is "genuine" only "when the evidence is such that a rational trier of fact could return a verdict for the nonmoving party." *Holcomb v. Ga. Pac., LLC*, 289 P.3d 188, 192 (Nev. 2012) (citation omitted).

While the pleadings and other proof are "construed in the light most favorable to the nonmoving party," *LaMantia v. Redisi*, 118 Nev. 27, 29 (2002), that party "bears the burden to more than simply show that there is some metaphysical doubt as to the operative facts in order to avoid summary judgment." *Wood*, 121 Nev. at 732 (citation and internal quotation marks omitted) (rejecting the "slightest doubt" standard). The nonmoving party "is not entitled to build a case on the gossamer threads of whimsy, speculation, and conjecture," *id.* (citation omitted), but instead must identify "admissible evidence" showing "a genuine issue for trial." *Posadas v. City of Reno*, 109 Nev. 448, 452 (1993); *Shuck v. Signature Flight Support of Nev., Inc.*, 126

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[30] (E. Cotter Decl. ¶ 17; E. Cotter Decl. Ex. 3 at RDI0058041 (June 23, 2016 Draft Minutes of the Meeting of the RDI Board of Directors).)

[31] (E. Cotter Decl. ¶ 17; E. Cotter Decl. Ex. 3 at RDI0058042 (June 23, 2016 Draft Minutes of the Meeting of the RDI Board of Directors).)

Nev. 434, 436 (2010) ("bald allegations without supporting facts" are insufficient); *LaMantia*, 118 Nev. at 29 (nonmovant must "show specific facts, rather than general allegations and conclusions"). A nonmoving party that fails to make this showing will "have summary judgment entered against him." *Wood*, 121 Nev. at 732 (citation omitted).

IV. ARGUMENT

A. There Are No Damages, As a Matter of Law, from a Decision Not to Pursue a Non-Binding Expression of Interest

As a threshold matter, summary judgment is appropriate because, as a matter of law, Plaintiff cannot demonstrate any injury from the decision not to pursue the non-binding expression of interest. To avoid summary judgment, Plaintiff must produce cognizable evidence showing damages, an essential element of a breach of fiduciary duty claim. *See Brown v. Kinross Gold U.S.A., Inc.*, 531 F. Supp. 2d 1234, 1245 (D. Nev. 2008) (A claim for breach of fiduciary duty requires a plaintiff to demonstrate "the existence of a fiduciary duty, the breach of that duty, and that the breach proximately caused the damages.") (applying Nevada law).

Where a company receives a non-binding proposal subject to conditions, such as due diligence and the execution of definitive agreements, that does not "constitute[] [an] offer[] the acceptance of which would bind the offeror to acquire [the company,]" a plaintiff cannot demonstrate an injury. *See Cooke v. Oolie*, No. CIV. A. 11134, 2000 WL 710199, at *13 n. 38 (Del. Ch. May 24, 2000). In *Cooke*, the Court noted that the proposals considered by the board "represented non-binding offers subject to a number of conditions" including "the completion of due diligence and the execution of definitive agreements" and concluded that "none of the proposals which the board considered . . . constituted offers the acceptance of which would bind the offeror to acquire [the company]." *Id.* In the absence of a binding offer, the Court concluded that plaintiffs could not demonstrate an injury. *Id.* ("The plaintiffs, therefore, could not demonstrate an injury-that they lost the value between another superior deal and the allegedly inferior USA deal-because they could not demonstrate that [the company] would have consummated any other deal whatsoever.").

Here, as in *Cooke*, Plaintiff cannot demonstrate any damages from the Board's decision not to pursue the Indication of Interest. [redacted][33] Thus, because the Indication of Interest was non-binding, Plaintiff cannot demonstrate injury—a deficiency fatal to all claims to the extent they are based on the unsolicited Indication of Interest.[34]

B. Individual Defendants Are Protected by the Business Judgment Rule

As an independent ground, summary judgment is also appropriate because the Individual Defendants are protected by the business judgment rule. The business judgment rule is a "presumption that in making a business decision the directors of a corporation acted on an informed basis, in good faith and in the honest belief that the action taken was in the best interests of the company." *Shoen v. SAC Holding Corp.*, 122 Nev. 621, 632 (2006) (citation omitted); *see also* NRS 78.138(3) (codifying the rule under Nevada law). "The business judgment rule postulates that if directors' actions can arguably be taken to have been done for the benefit of the corporation, then the directors are presumed to have been exercising their sound

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[32] [redacted]

[33] [redacted]

[34] *See also Dieterich v. Harrer*, 857 A.2d 1017, 1024 (Del. Ch. 2004) (where defendants had argued that "any damages must be speculative because . . . [two prospective buyers] had only made expressions of interests, not actual offers[,]" noting that "[t]he California Superior Court, applying Delaware law, dismissed that prior complaint, finding, inter alia, that any claim presented was derivative and any damages would be speculative because neither [prospective buyer] had made an actual offer before Borland's $24 million bid.").

business judgment rather than to have been responding to self-interest motivation." *Horwitz v. Sw. Forest Indus., Inc.*, 604 F. Supp. 1130, 1135 (D. Nev. 1985). "[T]he business judgment rule shields directors from personal liability if, upon review, the court concludes the directors' decision can be attributed to any rational business purpose." *Unitrin, Inc. v. Am. Gen. Corp.*, 651 A.2d 1361, 1373 (Del. 1995). "[E]ven a bad decision is generally protected by the business judgment rule." *Shoen*, 122 Nev. at 636. "An application of the traditional business judgment rule places the burden on the 'party challenging the [board's] decision to establish facts rebutting the presumption.'" *Unitrin, Inc.*, 651 A.2d at 1373 (citing *Aronson v. Lewis,* 473 A.2d 805, 812 (Del. 1984)).

1. The Board Properly Exercised Its Prerogative to Decide Not to Pursue the Unsolicited Indication of Interest

Plaintiff claims that the Board should have done more to explore the purchase transaction suggested in the Indication of Interest. But in deciding not to pursue the unsolicited Indication of Interest, the Board exercised a recognized prerogative. "A board of directors' decision to oppose or welcome a takeover attempt involves the exercise of directorial judgment inherent in their role in corporate governance." *Panter v. Marshall Field & Co.*, 646 F.2d 271, 288 (7th Cir. 1981); *see also Horwitz*, 604 F. Supp. at 1134 ("Traditionally, the board's managerial function includes making the decision whether to welcome or oppose a proposed merger or takeover."). As the Delaware Supreme Court has stated, "the refusal to entertain an offer may comport with a valid exercise of a board's business judgment." *Paramount Commc'ns, Inc. v. Time Inc.*, 571 A.2d 1140, 1152 (Del. 1989).

In the context of a change or potential change in control of a corporation, Nevada has adopted the *Unocal* standard of enhanced judicial scrutiny through Nev. Rev. Stat. § 78.139(2), which provides:

> If directors or officers take action to resist a change or potential change in control of a corporation, which action impedes the exercise of the right of stockholders to vote for or remove directors: (a) The directors must have reasonable grounds to believe that a threat to corporate policy and effectiveness exists; and (b) The

> action taken which impedes the exercise of the stockholders' rights must be reasonable in relation to that threat. If those facts are found, the directors and officers have the benefit of the presumption established by subsection 3 of NRS 78.138.

Compare Nev. Rev. Stat. § 78.139(2) with *Paramount Commc'ns, Inc.*, 571 A.2d at 1152 ("In *Unocal,* we held that before the business judgment rule is applied to a board's adoption of a defensive measure, the burden will lie with the board to prove (a) reasonable grounds for believing that a danger to corporate policy and effectiveness existed; and (b) that the defensive measure adopted was reasonable in relation to the threat posed.").

Where, as here, a board receives a takeover proposal, "[b]efore a board of directors' action is subject to the *Unocal* standard of enhanced judicial scrutiny, the court must determine whether the particular conduct was defensive." *Unitrin, Inc.*, 651 A.2d at 1372. "*Unocal* applies when a board takes defensive action in response to a threat to its control." *Kahn v. MSB Bancorp, Inc.*, No. CIV. A. 14712-NC, 1998 WL 409355, at *3 (Del. Ch. July 16, 1998), *aff'd*, 734 A.2d 158 (Del. 1999). In *Kahn*, the Court concluded that "there was no defensive action" where "[t]he board merely voted not to negotiate the merger offer." *Id.* (granting defendants' motion for summary judgment because plaintiffs failed to rebut the business judgment presumption).

[redacted]

[redacted][35] This is indisputably a rational business purpose. Pursuant to the applicable Nevada statute:

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[35] (*See* E. Cotter Decl. ¶ 17; E. Cotter Decl. Ex. 3 at RDI0058041 (June 23, 2016 Draft Minutes of the Meeting of the RDI Board of Directors reflecting that the resolution provided that "the Board of Directors hereby determines that the interests of the Company and its stockholders would be best served by the continued independence of the Company, that the value proposed for the Company in the Indication of Interest was woefully inadequate, and that the transaction

> Directors and officers, in exercising their respective powers with a view to the interests of the corporation, may consider: . . . (d) The long-term as well as short-term interests of the corporation and its stockholders, including the possibility that these interests may be best served by the continued independence of the corporation.

Nev. Rev. Stat. § 78.138(4). Further, Nevada Revised Statute § 78.120(3) provides that "[t]he selection of a period for the achievement of corporate goals is the responsibility of the directors." "The desire to build value within the company, and the belief that such value might be diminished by a given offer is a rational business purpose." *Panter*, 646 F.2d at 296; *see also Horwitz*, 604 F. Supp. at 1135 ("The decision to build the value of a company from within, rather than through merger or takeover may be a rational exercise of business judgment.")

2. Plaintiff's Entrenchment Argument Is Insufficient as a Matter of Law

Because he cannot show any defensive actions taken by the Board of Directors, Plaintiff has suggested that Ellen Cotter and Margaret Cotter's motive for voting not to pursue the unsolicited Indication of Interest was "entrenchment,"[36] that is, to retain their positions in management of the Company. But Plaintiff's bare speculation about motive is insufficient. Speculation is not a basis to defeat summary judgment. *Wood*, 121 Nev. at 730-31 ("This court has often stated that the nonmoving party may not defeat a motion for summary judgment by relying on the gossamer threads of whimsy, speculation and conjecture.") (internal quotation marks omitted). Moreover, Plaintiff's speculation that Margaret and Ellen Cotter were trying to

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described in the Indication of Interest is not in the best interests of the Company or its stockholders.").)

[36] *See, e.g.*, Plaintiff's Motion to Permit Certain Discovery Concerning the Recent "Offer" at 8 ("Here, Plaintiff believes the documents, communications and testimony surrounding the Offer, and the individual director defendants' respective actions (and/or inaction) in response to it, will evidence the **entrenchment motives** and actionable conduct of [Ellen Cotter] and [Margaret Cotter], as well as the wholesale fiduciary breaches by each of the other individual director defendants.") (emphasis added); Report of Myron Steele at 32 ("If a finder of fact determines that [Ellen Cotter] and [Margaret Cotter] were **interested in entrenching themselves in their management positions** . . . , then the Board's decision not to respond to the Offer would not be considered a good-faith informed under Delaware law.") (emphasis added).

keep their jobs with the Company actually runs contrary to the undisputed facts about the Cotters' financial interests. Ellen Cotter's base salary is $450,000, with a potential target bonus opportunity of $427,500. (*See* HD Ex. 2 (May 18, 2016 DEF 14A) at 34-35.) Margaret Cotter's base salary is $350,000, with a short term incentive target bonus opportunity of $105,000. (HD Ex. 2 (May 18, 2016 DEF 14A) at 47.) Ellen Cotter and Margaret Cotter's executive compensation pales in comparison with the amount they would have netted, assuming that the non-binding Indication of Interest resulted in a sale of all RDI shares at $17 per share. Ellen Cotter directly owns 799,765 shares of RDI's Class A stock and 50,000 shares of RDI's voting stock, and Margaret Cotter directly owns 804,173 shares of RDI's Class A stock and 35,100 shares of RDI's voting stock. (HD Ex. 2 (May 18, 2016 DEF 14A) at 7.) Accordingly, they would have made almost $29 million from a sale of 100% of RDI stock. As a matter of law, by casting votes of confidence in RDI's long-term strategy, rather than seeking to cash-in on a short-term windfall, Ellen Cotter and Margaret Cotter and the directors who voted with them demonstrated a lack of self-interest. "The choice to remain with a long-term strategy at the expense of short-term personal gain indicates, if anything, a lack of self-interest on the part of the directors." *Kahn*, 1998 WL 409355, at *3 (noting that "the directors collectively own about 11% of [the company's] stock and would have profited handsomely from the rejected offers[]" and granting defendants' motion for summary judgment because plaintiffs failed to rebut the business judgment presumption).

Further, even if Plaintiff could somehow support his speculation about Ellen and Margaret's supposed "entrenchment" motives, he offers nothing more than speculation to suggest that the other Directors on RDI's Board did not properly exercise their business judgment with respect to the Indication of Interest. [37] As set forth in the Motion for Partial Summary Judgment (No. 2) on the Issue of Director Independence, there is no evidence that the

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[37] Plaintiff's SAC alleges, on information and belief, that "each of the non-Cotter directors, in determining whether and, if so, how to respond to the Offer, made their respective decisions largely if not entirely on their understanding of what they understood [Ellen Cotter] and [Margaret Cotter] (as supposedly controlling shareholders) wanted to do or not do in response to the Offer." (SAC ¶ 160.)

other Director Defendants were somehow so beholden that they would place the purported interests of Ellen and Margaret Cotter in keeping their management positions over the interests of the Company's stockholders. Accordingly, Plaintiff's speculative and conclusory "entrenchment" argument fails as a matter of both law and undisputed fact.

3. In the Absence of Gross Negligence, Defendants Did Not Lose the Protections of the Business Judgment Rule

The Nevada Supreme Court has stated that, "[w]ith regard to the duty of care, the business judgment rule does not protect the gross negligence of uninformed directors and officers[.]" *Shoen*, 122 Nev. at 640. Gross negligence is the "'reckless indifference to or a deliberate disregard of the whole body of stockholders' or actions which are 'without the bounds of reason'." *Kahn v. Roberts*, No. C.A. 12324, 1995 WL 745056, at *4, 8, 9 (Del. Ch. Dec. 6, 1995) (finding "no evidence from which any reasonable person could infer Defendants were grossly negligent" and granting defendants' motion for summary judgment dismissing plaintiff's claims for breach of the duty of care and breach of duty of candor) (citations omitted), *aff'd sub nom. Kahn on Behalf of DeKalb Genetics Corp. v. Roberts*, 679 A.2d 460 (Del. 1996).

Here, there is no evidence of "reckless indifference to or a deliberate disregard of the whole body of stockholders" on the part of the Individual Defendants. *Id.* at *4. Rather, the record reflects that the best interests of stockholders were discussed *repeatedly* by the Board. At the Board meeting on June 2, 2016, the Board resolved that management should prepare background information in preparation for a Board meeting at which the Board could consider in greater detail whether it would be in the best interests of the Company and its stockholders to continue with its current business plan as an independent company or to consider a process that could include negotiations regarding the unsolicited Indication of Interest.[38] At the Board meeting on June 23, 2016, the Board discussed the likelihood that the successful implementation of that plan would bring far greater benefits to the Company and its stockholders than a sale at

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[38] (E. Cotter Decl. ¶ 5; E. Cotter Decl. Ex. 2 at JCOTTER017257 (June 2, 2016 Draft Minutes of the Meeting of the RDI Board of Directors).)

the present time.[39] Furthermore, the resolution for which the Individual Defendants voted provided that "the Board of Directors hereby determines that the interests of the Company and its stockholders would be best served by the continued independence of the Company . . . and that the transaction described in the Indication of Interest is not in the best interests of the Company or its stockholders."[40]

Nor is there evidence of actions that were "without the bounds of reason[.]" *Kahn v. Roberts*, 1995 WL 745056, at *4. As demonstrated above, the Board's decision not to pursue the Indication of Interest is attributable to a rational business purpose— *i.e.*, building the value of the Company from within. Stated differently, Plaintiff cannot produce cognizable evidence that the Individual Defendants' actions were so egregious as to be grossly negligent. *See McMillan v. Intercargo Corp.*, 768 A.2d 492, 505 (Del. Ch. 2000) (stating that a plaintiff is "obligat[ed] to set forth facts from which one could infer that the defendants' lack of care was so egregious as to meet Delaware's onerous gross negligence standard[]" and granting directors' motion for judgment on the pleadings).

Plaintiff repeatedly complains that the Board did not consult independent financial advisors, (SAC ¶¶ 16, 159, 161, 183(f)), but the absence of investment bankers or other financial advisors was neither egregious nor outside the bounds of reason. But "directors knowledgeable about the corporation have no legal obligation to obtain fairness opinions by independent bankers." *Estate of Detwiler v. Offenbecher*, 728 F. Supp. 103, 152 (S.D.N.Y. 1989). In *Detwiler*, the court held that "[i]n light of their extensive knowledge of [the company], [two defendants] had no obligation to obtain an independent valuation of the Company." *Id.* at 151, 153.[41]

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[39] (E. Cotter Decl. ¶ 15; E. Cotter Decl. Ex. 3 at RDI0058040 (June 23, 2016 Draft Minutes of the Meeting of the RDI Board of Directors).)

[40] (E. Cotter Decl. ¶ 17; E. Cotter Decl. Ex. 3 at RDI0058041-RDI0058042 (June 23, 2016 Draft Minutes of the Meeting of the RDI Board of Directors.)

[41] In so doing, *Detwiler* distinguished *Smith v. Van Gorkom*, 488 A.2d 858, 876 (Del. 1985) *overruled on other grounds by Gantler v. Stephens*, 965 A.2d 695 (Del. 2009), in which the Delaware Supreme Court had refused to apply the business judgment rule, and noted that *Smith* had also observed that: "We do not imply that an outside

Here, the Individual Defendants likewise had no obligation to obtain an independent valuation of RDI from investment bankers or other financial advisors, and they were fully protected in relying upon their own knowledge of the Company and on management's presentation on the valuation of RDI at the June 23, 2016 Board meeting. The Board reasonably determined that it would not be cost effective for the Company to incur the cost of retaining outside financial advisors such as investment bankers or valuation experts.[42] Plaintiff's "effort to graft a requirement of retaining an independent financial advisor as a prerequisite to invoking the business judgment rule is an unwarranted extension of the law." *See Cottle v. Storer Commc'n, Inc.*, 849 F.2d 570, 578-79 (11th Cir. 1988) (where directors retained a financial advisor, stating that, under *Smith v. Van Gorkom*, the "board need not necessarily have retained" any "outsider as an advisor[,]" concluding that the directors were "entitled to the presumption that they acted properly[,]" and affirming summary judgment in favor of directors).[43] Thus, Plaintiff cannot meet the gross negligence showing required to strip the Individual Defendants of the protections of the business judgment rule.

C. In the Absence of Intentional Misconduct, Fraud, or a Knowing Violation of the Law, The Individual Defendants Are Not Liable as a Matter of Law

Even if Individual Defendants had breached some fiduciary duty by deciding not to pursue the unsolicited Indication of Interest (they did not), another independent reason to grant Individual Defendants' motion is that they are statutorily immune to individual liability where, like here, the breach did not involve intentional misconduct, fraud, or a knowing violation of law. Nevada Revised Statute § 78.138(7) provides, in relevant part:

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valuation study is essential to support an informed business judgment…. Often insiders familiar with the business of a going concern are in a better position than are outsiders to gather relevant information; and under appropriate circumstances, such directors may be fully protected in relying in good faith upon the valuation reports of their management." *Estate of Detwiler*, 728 F. Supp. at 151-52.

[42] (*See* E. Cotter Decl. ¶ 5; E. Cotter Decl. Ex. 2 at JCOTTER017257 (June 2, 2016 Draft Minutes of the Meeting of the RDI Board of Directors).)

[43] Indeed, Plaintiff, the former CEO and a member of the Board of Directors did not engage any such outside professionals, presumably choosing to rely on his own knowledge and experience with RDI.

> [A] director or officer is not individually liable to the corporation or its stockholders or creditors for any damages as a result of any act or failure to act in his or her capacity as a director or officer unless it is proven that: . . . (b) The breach of those duties involved intentional misconduct, fraud or a knowing violation of law.

In other words, "directors and officers may only be found personally liable for breaching their fiduciary duty of loyalty if that breach involves intentional misconduct, fraud, or a knowing violation of the law." *Shoen*, 122 Nev. at 640 (citing Nev. Rev. Stat. § 78.138(7)); *In re AgFeed USA, LLC*, 546 B.R. 318, 330-31 (Bankr. D. Del. 2016) (citing *Shoen* and concluding that "the second cause of action fail[ed] to state a claim for breach of the duty of loyalty because the complaint [fell] well short of alleging intentional misconduct, fraud, or a knowing violation of the law."); *see also Stewart v. Kroeker*, No. CV04-2130L, 2006 WL 167938, at *1, 2, 6-7 (W.D. Wash. Jan. 23, 2006) (stating that "plaintiffs are required to show not only that defendants' actions or omissions constituted a breach of their fiduciary duties, but also that the 'breach of those duties involved intentional misconduct, fraud or a knowing violation of law[,]'" applying NRS § 78.138(7)(b) to multiple claims, and granting motion for summary judgment).

Thus, in order for Plaintiff to avoid summary judgment, Plaintiff must show either that (1) each Defendant engaged in misconduct or a violation of law, knowing that the conduct was wrongful; or (2) each Defendant engaged in fraud.

Here, Plaintiff cannot produce cognizable evidence to support any such claims.[44] On the contrary, the evidence shows that "the Board of Directors believe[d], based on Management's

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[44] Plaintiff alleges that "the Company issued a press release regarding the offer" that "was materially misleading if not false because, among other things, no 'independent, standalone strategic business plan' has been delivered by management to the Individual Director Defendants, either in connection with the offer or otherwise." (SAC ¶ 101(i).) Plaintiff, however, cannot show fraud through because the press release was issued subsequent to the supposed breaches of fiduciary duty at issue. Moreover, the press release is neither misleading nor false in stating that "the Board of Directors determined that [RDI's] stockholders would be better served by pursuing [RDI's] independent, stand-alone strategic business plan." (HD Ex. 3 (July 18, 2016) It is undisputed that the Directors discussed the preference for RDI to remain an independent, stand-alone company, and it is undisputed that RDI has a business plan, as

presentation, its own familiarity with the Company, its assets, operations, and opportunities and considering the various factors set forth in NRS 78-138.4, that interests of the Company and its stockholders would be best served by the continued independence of the Company[.]"[45]

V. CONCLUSION

For the foregoing reasons, the Individual Defendants respectfully request that the Court grant them summary judgment as to the First, Second, Third, and Fourth Causes of Action set forth in Plaintiff's SAC, to the extent that they assert claims and damages based on a purported unsolicited offer to buy all of the outstanding stock of RDI.

Dated: September 23, 2016

COHEN|JOHNSON|PARKER|EDWARDS

By: /s/ H. Stan Johnson

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evidenced, for example, by management's "Mission, Vision & Strategy" presentation at the Board meeting on February 18, 2016. (*See* HD Ex. 4 (February 18, 2016 Draft Minutes of the Meeting of the RDI Board of Directors) at JCOTTER017268 ("Chair Cotter stated that the first order of business would be a Management presentation of Management's Mission Vision & Strategy Presentation . . . Chair Cotter and Mr. Ghose presented the Presentation . . . ."); HD Ex. 5 ("MISSION, VISION, & STRATEGY" Presentation); *see also* HD Ex. 6 (Presentation at 17th Annual B. Riley & Co. Investor Conference on May 26, 2016); HD Ex. 7 (Presentation at the Gabelli & Company 8th Annual Movie & Entertainment Conference on June 9, 2016).)

[45] (E. Cotter Decl. ¶ 17; E. Cotter Decl. Ex. 3 at RDI0058041 (June 23, 2016 Draft Minutes of the Meeting of the RDI Board of Directors).)

Attorneys for Defendants Margaret Cotter, Ellen Cotter, Douglas McEachern, Guy Adams, Edward Kane, Judy Codding, and Michael Wrotniak

DECLARATION OF COUNSEL NOAH S. HELPERN IN SUPPORT OF THE INDIVIDUAL DEFENDANTS' MOTION FOR PARTIAL SUMMARY JUDGMENT (NO. 3) ON PLAINTIFF'S CLAIMS RELATED TO THE PURPORTED UNSOLICITED OFFER

I, Noah Helpern, state and declare as follows:

1. I am a member of the Bar of the State of California, and am an attorney with the law firm of Quinn Emanuel Urquhart & Sullivan, LLP ("Quinn Emanuel"), attorneys for Defendants Margaret Cotter, Ellen Cotter, Guy Adams, Edward Kane, Douglas McEachern, Judy Codding, and Michael Wrotniak. I make this declaration based upon personal, firsthand knowledge, except where stated to be on information and belief, and as to that information, I believe it to be true. If called upon to testify as to the contents of this Declaration, I am legally competent to testify to its contents in a court of law.

2. Attached hereto as Exhibit 1 is a true and correct copy of an email from Plaintiff attaching purported edits to draft minutes from meetings of the Board of Directors of Reading International, Inc. ("RDI") held on June 2, 2016 and June 23, 2016.

3. Attached hereto as Exhibit 2 is a true and correct copy of a Form DEF 14A filed by RDI on May 18, 2016.

4. Attached hereto as Exhibit 3 is a true and correct copy of a press release issued by RDI on July 18, 2016.

5. Attached hereto as Exhibit 4 is a true and correct copy of draft minutes from the meeting of RDI's Board of Directors held on February 18, 2016.

6. Attached hereto as Exhibit 5 is a true and correct copy of a presentation titled "MISSION, VISION, & STRATEGY" and dated February 18, 2016.

7. Attached hereto as Exhibit 6 is a true and correct copy of RDI's presentation from the 17th Annual B. Riley & Co. Investor Conference on May 26, 2016.

8. Attached hereto as Exhibit 7 is a true and correct copy of RDI's presentation from the Gabelli & Company 8th Annual Movie & Entertainment Conference on June 9, 2016.This declaration is made in good faith and not for the purpose of delay.

I declare under penalty of perjury under the laws of the State of Nevada that the foregoing is true and correct.

Executed on the 23rd day of September, 2016, in Los Angeles, California.

/s/ *Noah Helpern*
Noah Helpern

CERTIFICATE OF SERVICE

I hereby certify that, on September 23, 2016, I caused a true and correct copy of the foregoing **INDIVIDUAL DEFENDANTS' MOTION FOR PARTIAL SUMMARY JUDGMENT (NO. 3) ON PLAINTIFF'S CLAIMS RELATED TO THE PURPORTED UNSOLICITED OFFER** to be served on all interested parties, as registered with the Court's E-Filing and E-Service System.

/s/ *C.J. Barnabi*
An employee of Cohen|Johnson|Parker|Edwards

EXHIBIT 1

Confidential – Filed Under Seal

EXHIBIT 2

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FORM DEF 14A

READING INTERNATIONAL INC - RDI

Filed: May 18, 2016 (period: May 18, 2016)

Official notification to shareholders of matters to be brought to a vote (Proxy)

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the Securities Exchange Act of 1934

Filed by the Registrant ☑
Filed by a party other than the Registrant ☐

Check the appropriate box:
- ☐ Preliminary Proxy Statement
- ☐ Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- ☑ Definitive Proxy Statement
- ☐ Definitive Additional Materials
- ☐ Soliciting Material under Sec. 240.14a-12

READING INTERNATIONAL, INC.
(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

☑ No fee required

☐ Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11
- (1) Title of each class of securities to which transaction applies: _____
- (2) Aggregate number of securities to which transaction applies: _____
- (3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined): _____
- (4) Proposed maximum aggregate value of transaction: _____
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☐ Fee paid previously with preliminary materials.

☐ Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.
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6100 Center Drive, Suite 900
Los Angeles, California 90045

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS
TO BE HELD ON Thursday, June 2, 2016

TO THE STOCKHOLDERS:

The 2016 Annual Meeting of Stockholders (the "Annual Meeting") of Reading International, Inc., a Nevada corporation, will be held at Courtyard by Marriott Los Angeles Westside, located at 6333 Bristol Parkway, Culver City, California 90230, on Thursday, June 2, 2016, at 11:00 a.m., Local Time, for the following purposes:

1. To elect nine Directors to serve until the Company's 2017 Annual Meeting of Stockholders and thereafter until their successors are duly elected and qualified; and

2. To transact such other business as may properly come before the Annual Meeting and any adjournment or postponement thereof.

A copy of our Annual Report on Form 10-K for the fiscal year ended December 31, 2015 is enclosed (the "Annual Report"). Only holders of record of our Class B Voting Common Stock at the close of business on April 22, 2016, are entitled to notice of and to vote at the Annual Meeting and any adjournment or postponement thereof.

Whether or not you plan on attending the Annual Meeting, we ask that you take the time to vote by following the Internet or telephone voting instructions provided on the proxy card or by completing and mailing the enclosed proxy card as promptly as possible. We have enclosed a self-addressed, postage-paid envelope for your convenience. If you later decide to attend the Annual Meeting, you may vote your shares even if you have already submitted a proxy card.

By Order of the Board of Directors,

Ellen M. Cotter
Chair of the Board

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RDI-A02743

May 19, 2016

READING INTERNATIONAL, INC.
6100 Center Drive, Suite 900
Los Angeles, California 90045

PROXY STATEMENT

Annual Meeting of Stockholders
Thursday, June 2, 2016

INTRODUCTION

This Proxy Statement is furnished in connection with the solicitation by the Board of Directors of Reading International, Inc. (the "Company," "Reading," "we," "us," or "our") of proxies for use at our 2016 Annual Meeting of Stockholders (the "Annual Meeting") to be held on Thursday, June 2, 2016, at 11:00 a.m., local time, at Courtyard by Marriott Los Angeles Westside, located at 6333 Bristol Parkway, Culver City, California 90230, and at any adjournment or postponement thereof. This Proxy Statement and form of proxy are first being sent or given to stockholders on or about May 19, 2016.

At our Annual Meeting, you will be asked to (1) elect nine Directors to our Board of Directors (the "Board") to serve until the 2017 Annual Meeting of Stockholders, and (2) act on any other business that may properly come before the Annual Meeting or any adjournment or postponement of the Annual Meeting.

As of April 22, 2016, the record date for the Annual Meeting (the "Record Date"), there were 1,680,590 shares of our Class B Voting Common Stock ("Class B Stock") outstanding.

When proxies are properly executed and received, the shares represented thereby will be voted at the Annual Meeting in accordance with the directions noted thereon. If no direction is indicated, the shares will be voted: FOR each of the nine nominees named in this Proxy Statement for election to the Board under Proposal 1.

ABOUT THE ANNUAL MEETING AND VOTING

Why am I receiving these proxy materials?

This Proxy Statement is being sent to all of our stockholders of record as of the close of business on April 22, 2016, by Reading's Board to solicit the proxy of holders of our Class B Stock to be voted at Reading's 2016 Annual Meeting, which will be held on Thursday, June 2, 2016, at 11:00 a.m. local time, at Courtyard by Marriott Los Angeles Westside, located at 6333 Bristol Parkway, Culver City, California 90230.

What items of business will be voted on at the Annual Meeting?

There is one item of business scheduled to be voted on at the 2016 Annual Meeting:

- PROPOSAL 1: Election of nine Directors to the Board.

We will also consider any other business that may properly come before the Annual Meeting or any adjournments or postponements thereof, including approving any such adjournment, if necessary. Please note that at this time we are not aware of any such business.

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RDI-A02744

How does the Board of Directors recommend that I vote?

Our Board recommends that you vote:

- On PROPOSAL 1: "FOR" the election of its nominees to the Board.

What happens if additional matters are presented at the Annual Meeting?

Other than the item of business described in this Proxy Statement, we are not aware of any other business to be acted upon at the Annual Meeting. If you grant a proxy, the persons named as proxies will have the discretion to vote your shares on any additional matters properly presented for a vote at the Annual Meeting.

Am I eligible to vote?

You may vote your shares of Class B Stock at the Annual Meeting if you were a holder of record of Class B Stock at the close of business on April 22, 2016. Your shares of Class B Stock are entitled to one vote per share. At that time, there were 1,680,590 shares of Class B Stock outstanding, and approximately 350 holders of record. Each share of Class B Stock is entitled to one vote on each matter properly brought before the Annual Meeting.

What if I own Class A Nonvoting Common Stock?

If you do not own any Class B Stock, then you have received this Proxy Statement only for your information. You and other holders of our Class A Nonvoting Common Stock ("Class A Stock") have no voting rights with respect to the matters to be voted on at the Annual Meeting.

What should I do if I receive more than one copy of the proxy materials?

You may receive more than one copy of this Proxy Statement and multiple proxy cards or voting instruction cards. For example, if you hold your shares in more than one brokerage account, you may receive a separate notice or a separate voting instruction card for each brokerage account in which you hold shares. If you are a stockholder of record and your shares are registered in more than one name, you may receive more than one copy of this Proxy Statement or more than one proxy card.

To vote all of your shares of Class B Stock by proxy card, you must either (i) complete, date, sign and return each proxy card and voting instruction card that you receive or (ii) vote over the Internet or by telephone the shares represented by each notice that you receive.

What is the difference between holding shares as a stockholder of record and as a beneficial owner?

Many stockholders of our Company hold their shares through a broker, bank or other nominee rather than directly in their own name. As summarized below, there are some differences in how stockholders of record and beneficial owners are treated.

Stockholders of Record. If your shares of Class B Stock are registered directly in your name with our Transfer Agent, you are considered the stockholder of record with respect to those shares and the proxy materials are being sent directly to you by Reading. As the stockholder of record of Class B Stock, you have the right to vote in person at the meeting. If you choose to do so, you can vote using the ballot provided at the Annual Meeting. Even if you plan to attend the Annual Meeting, we recommend that you vote your shares in advance as described below so that your vote will be counted if you decide later not to attend the Annual Meeting.

Beneficial Owner. If you hold your shares of Class B Stock through a broker, bank or other nominee rather than directly in your own name, you are considered the beneficial owner of shares held in street name and the proxy materials are being forwarded to you by your broker, bank or other nominee, who is considered the stockholder of record with respect to those shares. As the beneficial owner, you are also invited to attend the Annual Meeting. Because a beneficial owner is not the stockholder of record, you may not vote these shares in person at the Annual Meeting, unless you obtain a proxy from the broker, trustee or nominee that holds your shares, giving you the right to vote the shares at the meeting. You will need to contact your broker, trustee or nominee to obtain a proxy, and you will need to bring it to the Annual Meeting in order to vote in person.

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How do I vote?

Proxies are solicited to give all holders of our Class B Stock who are entitled to vote on the matters that come before the Annual Meeting the opportunity to vote their shares, whether or not they attend the Annual Meeting in person. If you are a holder of record of shares of our Class B Stock, you have the right to vote in person at the Annual Meeting. If you choose to do so, you can vote using the ballot provided at the Annual Meeting. Even if you plan to attend the Annual Meeting, we recommend that you vote your shares in advance as described below so that your vote will be counted if you decide later not to attend the Annual Meeting. You can vote by one of the following manners:

- By Internet — Holders of record of our Class B Stock may submit proxies over the Internet by following the instructions on the proxy card. Holders of our Class B Stock who are beneficial owners may vote by Internet by following the instructions on the voting instruction card sent to them by their bank, broker, trustee or nominee. Proxies submitted by the Internet must be received by 11:59 p.m., local time, on June 1, 2016 (the day before the Annual Meeting).

- By Telephone — Holders of record of our Class B Stock who live in the United States or Canada may submit proxies by telephone by calling the toll-free number on the proxy card and following the instructions. Holders of record of our Class B Stock will need to have the control number that appears on their proxy card available when voting. In addition, holders of our Class B Stock who are beneficial owners of shares living in the United States or Canada and who have received a voting instruction card by mail from their bank, broker, trustee or nominee may vote by phone by calling the number specified on the voting instruction card. Those stockholders should check the voting instruction card for telephone voting availability. Proxies submitted by telephone must be received by 11:59 p.m., local time, on June 1, 2016 (the day before the Annual Meeting).

- By Mail — Holders of record of our Class B Stock who have received a paper copy of a proxy card by mail may submit proxies by completing, signing and dating their proxy card and mailing it in the accompanying pre-addressed envelope. Holders of our Class B Stock who are beneficial owners who have received a voting instruction card from their bank, broker or nominee may return the voting instruction card by mail as set forth on the card. Proxies submitted by mail must be received by the Inspector of Elections before the polls are closed at the Annual Meeting.

- In Person — Holders of record of our Class B Stock may vote shares held in their name in person at the Annual Meeting. You also may be represented by another person at the Annual Meeting by executing a proxy designating that person. Shares of Class B Stock for which a stockholder is the beneficial owner, but not the stockholder of record, may be voted in person at the Annual Meeting only if such stockholder obtains a proxy from the bank, broker or nominee that holds the stockholder's shares, indicating that the stockholder was the beneficial owner as of the record date and the number of shares for which the stockholder was the beneficial owner on the record date.

Holders of our Class B Stock are encouraged to vote their proxies by Internet, telephone or by completing, signing, dating and returning a proxy card or voting instruction card, but not by more than one method. If you vote by more than one method, or vote multiple times using the same method, only the last-dated vote that is timely received by the Inspector of Elections will be counted, and each previous vote will be disregarded. If you vote in person at the Annual Meeting, you will revoke any prior proxy that you may have given. You will need to bring a valid form of identification (such as a driver's license or passport) to the Annual Meeting to vote shares held of record by you in person.

What if my shares are held of record by an entity such as a corporation, limited liability company, general partnership, limited partnership or trust (an "Entity"), or in the name of more than one person, or I am voting in a representative or fiduciary capacity?

Shares held of record by an Entity. In order to vote shares on behalf of an Entity, you need to provide evidence (such as a sealed resolution) of your authority to vote such shares, unless you are listed as a record holder of such shares.

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Shares held of record by a trust. The trustee of a trust is entitled to vote the shares held by the trust, either by proxy or by attending and voting in person at the Annual Meeting. If you are voting as a trustee, and are not identified as a record owner of the shares, then you must provide suitable evidence of your status as a trustee of the record trust owner. If the record owner is a trust and there are multiple trustees, then if only one trustee votes, that trustee's vote applies to all of the shares held of record by the trust. If more than one trustee votes, the votes of the majority of the voting trustees apply to all of the shares held of record by the trust. If more than one trustee votes and the votes are split evenly on any particular Proposal, each trustee may vote proportionally the shares held of record by the trust.

Shares held of record in the name of more than one person. If only one individual votes, that individual's vote applies to all of the shares so held of record. If more than one person votes, the votes of the majority of the voting individuals apply to all of such shares. If more than one individual votes and the votes are split evenly on any particular Proposal, each individual may vote such shares proportionally.

What is a broker non-vote?

Applicable rules permit brokers to vote shares held in street name on routine matters. Shares that are not voted on non-routine matters, such as the election of Directors or any proposed amendment of our Articles or Bylaws, are called broker non-votes. Broker non-votes will have no effect on the vote for the election of Directors, but could affect the outcome of any matter requiring the approval of the holders of an absolute majority of the Class B Stock. We are not currently aware of any matter to be presented to the Annual Meeting that would require the approval of the holders of an absolute majority of the Class B Stock.

What routine matters will be voted on at the annual meeting?

None.

What non-routine matters will be voted on at the annual meeting?

The election of nine Directors to the Board is the only non-routine matter included among the Board's proposals on which brokers may not vote, unless they have received specific voting instructions from beneficial owners of our Class B Stock.

How are abstentions and broker non-votes counted?

Abstentions and broker non-votes are included in determining whether a quorum is present. In tabulating the voting results for the items to be voted on at the 2016 Annual Meeting, shares that constitute abstentions and broker non-votes are not considered entitled to vote and will not affect the outcome of any matter being voted on at the meeting, unless the matter requires the approval of the holders of a majority of the outstanding shares of Class B Stock.

How can I change my vote after I submit a proxy?

If you are a stockholder of record, there are three ways you can change your vote or revoke your proxy after you have submitted your proxy:

- First, you may send a written notice to Reading International, Inc., postage or other delivery charges pre-paid, 6100 Center Drive, Suite 900, Los Angeles, CA, 90045, c/o Annual Meeting Secretary, stating that you revoke your proxy. To be effective, the Inspector of Elections must receive your written notice prior to the closing of the polls at the Annual Meeting.

- Second, you may complete and submit a new proxy in one of the manners described above under the caption, "How do I vote?" Any earlier proxies will be revoked automatically.

- Third, you may attend the Annual Meeting and vote in person. Any earlier proxy will be revoked. However, attending the Annual Meeting without voting in person will not revoke your proxy.

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How will you solicit proxies and who will pay the costs?

We will pay the costs of the solicitation of proxies. We may reimburse brokerage firms and other persons representing beneficial owners of shares for expenses incurred in forwarding the voting materials to their customers who are beneficial owners and obtaining their voting instructions. In addition to soliciting proxies by mail, our board members, officers and employees may solicit proxies on our behalf, without additional compensation, personally or by telephone.

Is there a list of stockholders entitled to vote at the Annual Meeting?

The names of stockholders of record entitled to vote at the Annual Meeting will be available at the Annual Meeting and for ten days prior to the Annual Meeting, at our corporate offices, 6100 Center Drive, Suite 900, Los Angeles, CA, 90045 between the hours of 9:00 a.m. and 5:00 p.m., local time, for any purpose relevant to the Annual Meeting. To arrange to view this list during the times specified above, please contact the Secretary of the Company.

What constitutes a quorum?

The presence in person or by proxy of the holders of record of a majority of our outstanding shares of Class B Stock entitled to vote will constitute a quorum at the Annual Meeting. Each share of our Class B Stock entitles the holder of record to one vote on all matters to come before the Annual Meeting.

How are votes counted and who will certify the results?

First Coast Results, Inc. will act as the independent Inspector of Elections and will count the votes, determine whether a quorum is present, evaluate the validity of proxies and ballots, and certify the results. A representative of First Coast Results, Inc. will be present at the Annual Meeting. The final voting results will be reported by us on a Current Report on Form 8-K to be filed with the SEC within four business days following the Annual Meeting.

What is the vote required for a Proposal to pass?

The nine nominees for election as Directors at the Annual Meeting who receive the highest number of "FOR" votes will be elected as Directors. This is called plurality voting. Unless you indicate otherwise, the persons named as your proxies will vote your shares FOR all the nominees for Directors named in Proposal 1. If your shares are held by a broker or other nominee and you would like to vote your shares for the election of Directors in Proposal 1, you must instruct the broker or nominee to vote "FOR" for each of the candidates for whom you would like to vote. If you give no instructions to your broker or nominee, then your shares will not be voted. If you instruct your broker or nominee to "WITHHOLD," then your vote will not be counted in determining the election.

Only votes "FOR" Proposal 1 at the Annual Meeting will be counted as votes cast and abstentions; votes withheld and broker non-votes will not be counted for voting purposes.

Is my vote kept confidential?

Proxies, ballots and voting tabulations identifying stockholders are kept confidential and will not be disclosed to third parties, except as may be necessary to meet legal requirements.

How will the Annual Meeting be conducted?

In accordance with our Bylaws, Ellen M. Cotter, as the Chair of the Board, will be the Presiding Officer of the Annual Meeting. Craig Tompkins has been designated by the Board to serve as Secretary for the Annual Meeting.

Ms. Cotter and other members of management will address attendees following the Annual Meeting. Stockholders desiring to pose questions to our management are encouraged to send their questions to us, care of the Annual Meeting Secretary, in advance of the Annual Meeting, so as to assist our management in preparing appropriate responses and to facilitate compliance with applicable securities laws.

The Presiding Officer has broad authority to conduct the Annual Meeting in an orderly and timely manner. This authority includes establishing rules for stockholders who wish to address the meeting or bring matters before the

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Annual Meeting. The Presiding Officer may also exercise broad discretion in recognizing stockholders who wish to speak and in determining the extent of discussion on each item of business. In light of the need to conclude the Annual Meeting within a reasonable period of time, there can be no assurance that every stockholder who wishes to speak will be able to do so. The Presiding Officer has authority, in her discretion, to at any time recess or adjourn the Annual Meeting. Only stockholders are entitled to attend and address the Annual Meeting. Any questions or disputes as to who may or may not attend and address the Annual Meeting will be determined by the Presiding Officer.

Only such business as shall have been properly brought before the Annual Meeting shall be conducted. Pursuant to our governing documents and applicable Nevada law, in order to be properly brought before the Annual Meeting, such business must be brought by or at the direction of (1) the Chair, (2) our Board, or (3) holders of record of our Class B Stock. At the appropriate time, any stockholder who wishes to address the Annual Meeting should do so only upon being recognized by the Presiding Officer.

CORPORATE GOVERNANCE

Director Leadership Structure

Ellen M. Cotter is our current Chair, President and Chief Executive Officer. Ellen M. Cotter has been with our Company for more than 18 years, focusing principally on the cinema operations aspects of our business. During this time period, we have grown our Domestic Cinema Operations from 42 to 248 screens and our cinema revenues have grown from US $15.5 million to US $132.9 million. Historically, we have combined the roles of the Chair and the Chief Executive Officer, except for the period from August 2014 until June 12, 2015, when the roles of Chair and Chief Executive Officer were held by two executives of the Company following the resignation for health reasons of our founder, James J. Cotter, Sr. At the present time, we believe that the combined roles (i) allow for consistent leadership, (ii) continue the tradition of having a Chair and Chief Executive Officer, who is also a controlling stockholder of the Company, and also (iii) reflect our status as a "controlled company" under relevant NASDAQ Listing Rules

Margaret Cotter is our current Vice-Chair and she also serves as our Executive Vice President – Real Estate Management and Development - NYC. Margaret Cotter has been responsible for the operation of our live theaters for more than 17 years and has for more than the past five years been actively involved in the re-development of our New York properties. On March 10, 2016, our Board appointed Margaret Cotter as Executive Vice President-Real Estate Management and Development-NYC.

Ellen M. Cotter has a substantial stake in our business, owning directly 799,765 shares of Class A Stock and 50,000 shares of Class B Stock. Margaret Cotter likewise has a substantial stake in our business, owning directly 804,173 shares of Class A Stock and 35,100 shares of Class B Stock. Ellen M. Cotter and Margaret Cotter are the Co-Executors of their father's (James J. Cotter, Sr.) estate (the "Cotter Estate") and Co-Trustees of a trust (the "Cotter Trust") established for the benefit of his heirs. Together, they have shared voting control over an aggregate of 1,208,988 shares or 71.9% of our Class B Stock. Ellen M. Cotter and Margaret Cotter have informed the Board that they intend to vote the shares beneficially held by them for each of the nine nominees named in this Proxy Statement for election to the Board under Proposal 1.

James Cotter, Jr. alleges that he has the right to vote the shares held by the Cotter Trust. The Company believes that, under applicable Nevada Law, where there are multiple trustees of a trust that is a record owner of voting shares of a Nevada corporation, and more than one trustee votes, the votes of the majority of the voting trustees apply to all of the shares held of record by the trust. If more than one trustee votes and the votes are split evenly on any particular proposal, each trustee may vote proportionally the shares held of record by the trust. Ellen M. Cotter and Margaret Cotter, who collectively constitute a majority of the Co-Trustees of the Cotter Trust, have informed the Board that they intend to vote the shares held by the Cotter Trust for each of the nine nominees named in this Proxy Statement for election to the Board under Proposal 1. Accordingly, the Company believes that Ellen M. Cotter and Margaret Cotter collectively have the power and authority to vote all of the shares of Class B Stock held of record by the Cotter Trust, which, when added to the other shares they report as being beneficially owned by them, will constitute 71.9% of the shares of Class B Stock entitled to vote for Directors at the Annual Meeting.

The Company has elected to take the "controlled company" exemption under applicable listing rules of The NASDAQ Capital Stock Market (the "NASDAQ Listing Rules"). Accordingly, the Company is exempted from the requirement to have an independent nominating committee and to have a board composed of at least a majority of

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independent directors, as that term is defined in the NASDAQ Listing Rules ("Independent Directors"). We are nevertheless nominating a majority of Independent Directors for election to our Board. We currently have an Audit and Conflicts Committee (the "Audit Committee") and a Compensation and Stock Options Committee ("Compensation Committee") composed entirely of Independent Directors. We currently have a four member Executive Committee composed of our Chair and Vice-Chair and Messrs. Guy W. Adams and Edward L. Kane. Due to this structure, the concurrence of at least one non-management member of the Executive Committee is required in order for the Executive Committee to take action.

We believe that our Directors bring a broad range of leadership experience to our Company and regularly contribute to the thoughtful discussion involved in effectively overseeing the business and affairs of the Company. We believe that all Board members are well engaged in their responsibilities and that all Board members express their views and consider the opinions expressed by other Directors. A majority of our Board is independent under the NASDAQ Listing Rules and SEC rules, and William D. Gould serves as the Lead Independent Director among our Independent Directors ("Lead Independent Director"). In that capacity, Mr. Gould chairs meetings of the Independent Directors and acts as liaison between our Chair, President and Chief Executive Officer and our Independent Directors. Our Independent Directors are involved in the leadership structure of our Board by serving on our Audit Committee and the Compensation Committee, each of which has a separate independent Chair. Nominations to our Board for the Annual Meeting were made by our entire Board, consisting of a majority of Independent Directors.

Since our last Annual Meeting of Stockholders, we have (i) adopted a best practices Charter for our Compensation Committee, (ii) adopted a new best practices Charter for our Audit Committee, and (iii) completed, with the assistance of compensation consultants Willis Towers Watson and outside counsel Greenberg Traurig, LLP, a complete review of our compensation practices, in order to bring them into alignment with current best practices. Immediately prior to our last Annual Meeting we adopted a new supplemental policy restricting trading in our stock by our Directors and executive officers.

Management Succession

On August 7, 2014, James J. Cotter, Sr., our then controlling stockholder, Chair and Chief Executive Officer, resigned from all positions at our Company, and passed away on September 13, 2014. Upon his resignation, Ellen M. Cotter was appointed Chair, Margaret Cotter, her sister, was appointed Vice Chair and James Cotter, Jr., her brother, was appointed Chief Executive Officer, while continuing his position as President.

On June 12, 2015, the Board terminated the employment of James Cotter, Jr. as our President and Chief Executive Officer, and appointed Ellen M. Cotter to serve as the Company's interim President and Chief Executive Officer. The Board established an Executive Search Committee (the "Search Committee") initially composed of Ellen M. Cotter, Margaret Cotter, and Independent Directors William Gould and Douglas McEachern, and retained Korn Ferry to evaluate candidates for the Chief Executive Officer position. Ellen M. Cotter resigned from the Search Committee when she concluded that she was a serious candidate for the position. Korn Ferry screened over 200 candidates and ultimately presented six external candidates to the Search Committee. The Search Committee evaluated those external candidates and Ellen M. Cotter in meetings in December 2015 and January 2016, considering numerous factors, including, among others, the benefits of having a President and Chief Executive Officer who has the confidence of the existing senior management team, Ms. Cotter's prior performance as an executive of the Company and her performance as the interim President and Chief Executive Officer of the Company, the qualifications, experience and compensation demands of the external candidates, and the benefits and detriments of having a Chair, President and Chief Executive Officer who is also a controlling stockholder of the Company. The Search Committee recommended the appointment of Ellen M. Cotter as permanent President and Chief Executive Officer and the Board appointed her on January 8, 2016, with seven Directors voting yes, one Director (James Cotter, Jr.) voting no, and Ellen M. Cotter abstaining.

Board's Role in Risk Oversight

Our management is responsible for the day-to-day management of risks we face as a Company, while our Board, as a whole and through its committees, has responsibility for the oversight of risk management. In its risk oversight role, our Board has the responsibility to satisfy itself that the risk management processes designed and implemented by management are adequate and functioning as designed.

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The Board plays an important role in risk oversight at Reading through direct decision-making authority with respect to significant matters, as well as through the oversight of management by the Board and its committees. In particular, the Board administers its risk oversight function through (1) the review and discussion of regular periodic reports by the Board and its committees on topics relating to the risks that the Company faces, (2) the required approval by the Board (or a committee of the Board) of significant transactions and other decisions, (3) the direct oversight of specific areas of the Company's business by the Audit Committee and the Compensation Committee, and (4) regular periodic reports from the auditors and other outside consultants regarding various areas of potential risk, including, among others, those relating to our internal control over financial reporting. The Board also relies on management to bring significant matters impacting the Company to the attention of the Board.

"Controlled Company" Status

Under section 5615(c)(1) of the NASDAQ Listing Rules, a "controlled company" is a company in which 50% of the voting power for the election of Directors is held by an individual, a group or another company. Together, Ellen M. Cotter and Margaret Cotter beneficially own 1,208,988 shares or 71.9% of our Class B Stock. Our Class A Stock does not have voting rights. Based on advice of counsel, our Board has determined that the Company is therefore a "controlled company" within the NASDAQ Listing Rules.

After reviewing the benefits and detriments of taking advantage of the exemptions to certain corporate governance rules available to a "controlled company" as set forth in the NASDAQ Listing Rules, our Board has determined to take advantage of those exemptions. In reliance on a "controlled company" exemption, the Company does not maintain a separate standing Nominating Committee. The Company nevertheless at this time maintains a full Board composed of a majority of Independent Directors and a fully independent Audit Committee, and has no present intention to vary from that structure. Our Board, consisting of a majority of Independent Directors, approved the nominees for our 2016 Annual Meeting. See "*Consideration and Selection of the Board's Director Nominees*," below. Each of the nominees, in each case the nominee abstaining from the vote, was approved by at least a majority of our Directors.

Board Committees

Our Board has a standing Executive Committee, Audit Committee, and Compensation Committee. The Tax Oversight Committee has been inactive since November 2, 2015 in anticipation that its functions would be moved to the Audit Committee under its new charter. That new charter was approved on May 5, 2016. These committees, other than the Tax Oversight Committee, are discussed in greater detail below.

Executive Committee. The Executive Committee operates pursuant to a Charter adopted by our Board. Our Executive Committee is currently composed of Ms. Ellen M. Cotter, Ms. Margaret Cotter and Messrs. Adams and Kane. Pursuant to its Charter, the Executive Committee is authorized, to the fullest extent permitted by Nevada law and our Bylaws, to take any and all actions that could have been taken by the full Board between meetings of the full Board. The Executive Committee held six meetings during 2015.

Audit Committee. The Audit Committee operates pursuant to a Charter adopted by our Board that is available on our website at http://www.readingrdi.com/Committee-Charters. The Audit Committee reviews, considers, negotiates and approves or disapproves related party transactions (see the discussion in the section entitled "*Certain Relationships and Related Party Transactions*" below). In addition, the Audit Committee is responsible for, among other things, (i) reviewing and discussing with management the Company's financial statements, earnings press releases and all internal controls reports, (ii) appointing, compensating and overseeing the work performed by the Company's independent auditors, and (iii) reviewing with the independent auditors the findings of their audits.

Our Board has determined that the Audit Committee is composed entirely of Independent Directors (as defined in section 5605(a)(2) of the NASDAQ Listing Rules), and that Mr. McEachern, the Chair of our Audit Committee, is qualified as an Audit Committee Financial Expert. Our Audit Committee is currently composed of Mr. McEachern, who serves as Chair, Mr. Kane and Mr. Wrotniak. Mr. Timothy Storey, who served on our Board through October 11, 2015, served on our Audit Committee through the same date. The Audit Committee held four meetings during 2015.

Compensation Committee. Our Board has established a standing Compensation Committee consisting of three of our non-employee Directors, and is currently composed of Mr. Kane, who serves as Chair, Dr. Codding and Mr. McEachern. Mr. Storey served on our Compensation Committee through October 11, 2015 and Mr. Adams served

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through May 14, 2016. As a Controlled Company, we are exempt from the NASDAQ Listing Rules regarding the determination of executive compensation solely by Independent Directors. Notwithstanding such exemption, we adopted a Compensation Committee charter on March 10, 2016 requiring our Compensation Committee members to meet the independence rules and regulations of the SEC and the NASDAQ Stock Market. As a part of the transition to this new compensation committee structure, the compensation for 2016 of the President, Chief Executive Officer, all Executive Vice Presidents, and all Managing Directors was reviewed and approved by the Board at that March 10, 2016 meeting.

The Compensation Committee charter is available on our website at http://www.readingrdi.com/charter-of-our-compensation-stock-options-committee/. The Compensation Committee evaluates and makes recommendations to the full Board regarding the compensation of our Chief Executive Officer. Under its new Charter, the Compensation Committee has delegated authority to establish the compensation for all executive officers other than the President and Chief Executive Officer; provided that compensation decisions related to members of the Cotter Family remain vested in the full Board. In addition, the Compensation Committee establishes the Company's general compensation philosophy and objectives (in consultation with management), approves and adopts on behalf of the Board incentive compensation and equity-based compensation plans, subject to stockholder approval as required, and performs other compensation related functions as delegated by our Board. The Compensation Committee held three meetings during 2015.

Consideration and Selection of the Board's Director Nominees

The Company has elected to take the "Controlled Company" exemption under applicable NASDAQ Listing Rules. Accordingly, the Company does not maintain a standing Nominating Committee. Our Board, consisting of a majority of Independent Directors, approved the Board nominees for our 2016 Annual Meeting.

Our Board does not have a formal policy with respect to the consideration of Director candidates recommended by our stockholders. No non-Director stockholder has, in more than the past ten years, made any formal proposal or recommendation to the Board as to potential nominees. Neither our governing documents nor applicable Nevada law place any restriction on the nomination of candidates for election to our Board directly by our stockholders. In light of the facts that (i) we are a Controlled Company under the NASDAQ Listing Rules and exempted from the requirements for an independent nominating process, and (ii) our governing documents and Nevada law place no limitation upon the direct nomination of Director candidates by our stockholders, our Board believes there is no need for a formal policy with respect to Director nominations.

Our Board will consider nominations from our stockholders, provided written notice is delivered to our Secretary at our principal executive offices not less than 120 days prior to the first anniversary of the date that this Proxy Statement is sent to stockholders, or such earlier date as may be reasonable in the event that our annual stockholders meeting is moved more than 30 days from the anniversary of the 2016 Annual Meeting. Such written notice must set forth the name, age, address, and principal occupation or employment of such nominee, the number of shares of our common stock that are beneficially owned by such nominee, and such other information required by the proxy rules of the SEC with respect to a nominee of our Board.

Our Directors have not adopted any formal criteria with respect to the qualifications required to be a Director or the particular skills that should be represented on our Board, other than the need to have at least one Director and member of our Audit Committee who qualifies as an "audit committee financial expert," and have not historically retained any third party to identify or evaluate or to assist in identifying or evaluating potential nominees. We have no policy of considering diversity in identifying Director nominees.

Our Board oversees risk by remaining well-informed through regular meetings with management and our Chair's personal involvement in our day-to-day business including any matters requiring specific risk management oversight. Our Chair, President and Chief Executive Officer chairs regular senior management meetings, which are typically held weekly, one addressing domestic issues and the other addressing overseas issues. The risk oversight function of our Board is enhanced by the fact that our Audit Committee is comprised entirely of Independent Directors.

We encourage, but do not require, our Board members to attend our Annual Meeting. All of our nine then-incumbent Directors attended last year's annual meeting.

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Following a review of the experience and overall qualifications of the Director candidates, our Board resolved to nominate, each of the incumbent Directors named in Proposal 1 for election as Directors of the Company at our 2016 Annual Meeting.

The Board, in reaching the decision to nominate Mr. James Cotter, Jr. for re-election to the Board, took a number of factors into consideration. Without attempting to place any particular priority on any particular consideration, the Board considered Mr. Cotter Jr.'s pending litigation against certain of the other Directors; his pending arbitration proceedings with the Company related to his prior termination as the President and Chief Executive Officer of our Company; his litigation against the Company seeking reimbursement and future advancement of his legal fees and expenses incurred in such arbitration proceedings; the Board's June 2015 determination to terminate Mr. Cotter, Jr. as our Company's President and Chief Executive Officer; the potential that this personal action and legal proceedings have and will likely continue to cause dissension among Board members and impact the otherwise collegial nature of Board meetings; Mr. Cotter, Jr.'s longevity on the Board and his broad knowledge of our Company; Mr. Cotter, Jr.'s beneficial holdings of the Company's securities; the fact that, depending on the ultimate resolution of certain litigation as to the terms of the Cotter Trust, Mr. Cotter, Jr. could periodically or ultimately hold voting control over our Company, and the fact that Ellen M. Cotter and Margaret Cotter had notified the Board that, as the beneficial owners of over 70% of the voting power of our Company, they supported Mr. Cotter Jr.'s ongoing participation on the Board. After considering these factors, the Board nominated Mr. Cotter, Jr. to serve another term as a Director of the Company.

Each of the nominees received at least seven (7) Yes votes, with each such nominee abstaining as to his or her nomination. Director Cotter, Jr. abstained with respect to the nomination of each of the nominees other than Ellen M. Cotter and Margaret Cotter, and voted Yes for Ellen M. Cotter and Margaret Cotter. Director Adams voted No with respect to the nomination of James Cotter, Jr.

Code of Ethics

We have adopted a Code of Ethics designed to help our Directors and employees resolve ethical issues. Our Code of Ethics applies to all Directors and employees, including the Chief Executive Officer, the Chief Financial Officer, principal accounting officer, controller and persons performing similar functions. Our Code of Ethics is posted on our website at http://www.readingrdi.com/Governance-Documents.

The Board has established a means for employees to report a violation or suspected violation of the Code of Ethics anonymously. In addition, we have adopted a "Whistleblower Policy," which is posted on our website, at http://www.readingrdi.com/Governance-Documents, that establishes a process by which employees may anonymously disclose to the Audit Committee alleged fraud or violations of accounting, internal accounting controls or auditing matters.

Review, Approval or Ratification of Transactions with Related Persons

The Audit Committee adopted a written charter for approval of transactions between the Company and its Directors, Director nominees, executive officers, greater than five percent beneficial owners and their respective immediate family members, where the amount involved in the transaction exceeds or is expected to exceed $120,000 in a single calendar year and the party to the transaction has or will have a direct or indirect interest. A copy of this charter is available at www.readingrdi.com under the "Investor Relations" caption. For additional information, see the section entitled "*Certain Relationships and Related Party Transactions*."

Material Legal Proceedings

On June 12, 2015, the Board terminated James Cotter, Jr. as the President and Chief Executive Officer of our Company. That same day, Mr. Cotter, Jr. filed a lawsuit, styled as both an individual and a derivative action, and titled "James Cotter, Jr., individually and derivatively on behalf of Reading International, Inc. vs. Margaret Cotter, et al." Case No,: A-15-719860-V, Dept. XI (the "Cotter Jr. Derivative Action" and the "Cotter, Jr. Complaint," respectively) against the Company and each of our other then sitting Directors (Ellen M. Cotter, Margaret Cotter, Guy Adams, William Gould, Edward Kane, Douglas McEachern, and Tim Storey, the "Original Defendant Directors") in the Eighth Judicial District Court of the State of Nevada for Clark County (the "Nevada District Court"). On October 22, 2015, Mr. Cotter, Jr., amended his complaint to drop his individual claims (the "Amended Cotter Jr. Derivative Complaint"). Accordingly, the Amended Cotter, Jr. Complaint presently purports to assert only purportedly derivative claims and to seek remedies

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only on behalf of the Company. The lawsuit currently alleges, among other things, that the Original Defendant Directors breached their fiduciary duties to the Company by terminating Mr. Cotter, Jr. as President and Chief Executive Officer, continuing to make use of the Executive Committee that has been in place for more than the past ten years, making allegedly potentially misleading statements in its press releases and filings with the Securities and Exchange Commission ("SEC"), paying certain compensation to Ms. Ellen M. Cotter, and allowing the Cotter Estate to make use of Class A Common Stock to pay for the exercise of certain long outstanding stock options held of record by the Cotter Estate. He seeks reinstatement as President and Chief Executive Officer and alleges as damages fluctuations in the price for our Company's shares after the announcement of his termination as President and Chief Executive Officer and certain unspecified damages to our Company's reputation.

In a derivative action, the stockholder plaintiff seeks damages or other relief for the benefit of the Company, and not for the stockholder plaintiff's individual benefit. Accordingly, the Company is, at least in theory, only a nominal defendant in such a derivative action. However, as a practical matter, because Mr. Cotter, Jr. is also seeking, among other things, an order that our Board's determination to terminate Mr. Cotter Jr. was ineffective and that he should be reinstated as the President and Chief Executive Officer of the Company and also that our Board's Executive Committee be disbanded (an injunctive remedy that, if granted, would be binding on the Company), and as he asserts potentially misleading statements in certain press releases and filings with the SEC, the Company is incurring significant cost and expense defending the decision to terminate Mr. Cotter, Jr. as President and Chief Executive Officer, its Board committee structure, and the adequacy of those press releases and filings. Also, the Company continues to incur costs promulgating and responding to discovery demands and satisfying indemnity obligations to the Original Defendant Directors.

Our Directors and Officers Insurance liability insurer is providing insurance coverage, subject to a $500,000 deductible (which has now been exhausted) and its standard reservation of rights, with respect to the defense of the Original Director Defendants. Our new Directors, Dr. Judy Codding and Mr. Michael Wrotniak, are not named in the Cotter Jr. Derivative Action as they were not Directors at the time of the breaches of fiduciary duty alleged by Mr. Cotter, Jr.

Pursuant to the terms of Mr. Cotter Jr.'s employment agreement with the Company, disputes relating to his employment are to be arbitrated. Accordingly, on July 14, 2015, the Company filed an arbitration demand with the American Arbitration Association against Mr. Cotter, Jr. The demand seeks declaratory relief, among other things, that Mr. Cotter, Jr.'s employment and employment agreement with the Company have been validly terminated and that the Board validly removed him from his positions as President and Chief Executive Officer of the Company and positions with the Company's subsidiaries.

Mr. Cotter, Jr. has filed a counter-complaint in the arbitration, asserting claims for breach of his employment contract, declaratory relief, and contractual indemnification. Mr. Cotter, Jr.'s counsel has advised that Mr. Cotter is seeking a variety of damages, including consequential damages, and that such claimed damages total no less than $1,000,000. On April 19, 2016, Mr. Cotter, Jr. filed an action in the District Court, Clark County, Nevada seeking to recover his costs of defending the Arbitration, plus compensatory damages and interest at the maximum legal rate. The Company intends to vigorously defend these claims.

On August 6, 2015, the Company received notice that a Motion to Intervene in the Cotter Jr. Derivative Action and that a proposed derivative complaint had been filed in the Nevada District Court captioned T2 Partners Management, LP, a Delaware limited partnership, doing business as Kase Capital Management; T2 Accredited Fund, LP, a Delaware limited partnership, doing business as Kase Fund; T2 Qualified Fund, LP, a Delaware limited partnership, doing business as Kase Qualified Fund; Tilson Offshore Fund, Ltd, a Cayman Islands exempted company; T2 Partners Management I, LLC, a Delaware limited liability company, doing business as Kase Management; T2 Partners Management Group, LLC, a Delaware limited liability company, doing business as Kase Group; JMG Capital Management, LLC, a Delaware limited liability company; and Pacific Capital Management, LLC, a Delaware limited liability company, derivatively on behalf of Reading International, Inc. vs. Margaret Cotter, Ellen M. Cotter, Guy Adams, Edward Kane, Douglas McEachern, Timothy Storey, William Gould and Does 1 through 100, inclusive, as defendants, and, Reading International, Inc., a Nevada corporation, as Nominal Defendant (the "T2 Derivative Action"). On August 11, 2015, the Court granted the motion of T2 Partners Management, LP et. al. (the "T2 Plaintiffs"), allowing these plaintiffs to file their complaint (the "T2 Derivative Complaint").

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On September 9, 2015, certain of the Original Defendant Directors filed a Motion to Dismiss the T2 Derivative Complaint. The Company joined this Motion to Dismiss on September 14, 2015. The hearing on this Motion to Dismiss was vacated as the T2 Plaintiffs voluntarily withdrew the T2 Derivative Complaint, with the parties agreeing that T2 Plaintiffs would have leave to amend the Complaint. On February 12, 2016, the T2 Plaintiffs filed an amended T2 Derivative Complaint (the "Amended T2 Derivative Complaint").

The T2 Plaintiffs allege in their Amended T2 Derivative Complaint various violations of fiduciary duty, abuse of control, gross mismanagement and corporate waste by the Amended T2 Complaint Director Defendants (as such term is defined below). More specifically the Amended T2 Derivative Complaint seeks certain monetary damages, as well as equitable injunctive relief, attorney fees and costs of suit. Once again, the Company has been named as a nominal defendant. However, because the Amended T2 Derivative Complaint also seeks the reinstatement of Mr. Cotter, Jr., as our President and CEO, it is being defended by the Company. In addition, the Company continues to incur costs promulgating and responding to discovery demands and satisfying indemnity obligations to the Amended T2 Complaint Director Defendants. The defendants in the Amended T2 Complaint are the same as named in the Cotter Jr. Derivative Action as well as our two new Directors, Dr. Judy Codding and Michael Wrotniak, and Company legal counsel, Craig Tompkins. Mr. Storey was not named as a defendant in the Amended T2 Complaint. The cost of the defense of Directors Codding and Wrotniak is likewise being covered by our Directors and Officers Liability Insurance carrier with the same reservations of right as in the Cotter Jr. Derivative Action, but without any separate deductible. The coverage under our Directors and Officers Liability Insurance of the cost of the defense of Mr. Tompkins is being reviewed by the insurer and is currently being covered by the Company under its indemnity agreement with him. The Directors named in the T2 Derivative Complaint are referred to herein as the "Amended T2 Complaint Director Defendants" and the Directors named in the Amended Cotter, Jr. Derivative Complaint are referred to herein as the Amended Cotter Jr. Complaint Director Defendants.

The Amended T2 Derivative Complaint has deleted its request for an order disbanding our Executive Committee and an order "collapsing the Class A and B stock structure into a single class of voting stock." The Amended T2 Complaint has added a request for an order setting aside the election results from the 2015 Annual Meeting of Stockholders, based on an allegation that Ellen M. Cotter and Margaret Cotter were not entitled to vote the shares of Class B Common Stock held by the Cotter Estate and the Cotter Trust. The Company and the other defendants contest the allegations of the T2 Plaintiffs. The Company followed applicable Nevada law in recognizing that Ellen M. Cotter and Margaret Cotter had the legal right and power to vote the shares of Class B Common Stock held of record by the Cotter Estate and the Cotter Trust, and the independent Inspector of Elections has certified the results of that election. Furthermore, even if the election results were to be overturned or voided, this would have no impact on the current composition of our Board, as all of the nominees were standing for re-election and accordingly retain their directorships until their replacements are elected. The Company will vigorously contest any assertions by the T2 Plaintiffs challenging the voting at the 2015 Annual Meeting of Stockholders and believes that the court will rule for the Company should this issue ever reach the court. The case is currently set for trial in November, 2016.

On May 2, 2016, the T2 Plaintiffs filed a petition on order shortening time seeking a preliminary injunction (1) enjoining the Inspector of Elections from counting any proxies purporting to vote either the 327,808 Class B shares represented by stock certificate B0005 (held of record by the Cotter Estate) or the 696,080 Class B shares represented by stock certificate RDIB 0028 (held of record by the Cotter Trust) at the upcoming June 2, 2016 Annual Meeting, and (2) enjoining Ellen M. Cotter, Margaret Cotter and James Cotter, Jr. from voting the above referenced shares at the 2016 Annual Meeting. The Company believes that the above referenced shares are currently held of record by the Cotter Estate and the Cotter Trust, and that such shares can be voted by the Co-Executors of the Cotter Estate and the Trustees of the Cotter Trust, as applicable.

The Company believes that the claims set forth in the Amended Cotter Jr. Derivative Complaint and the Amended T2 Derivative Complaint are entirely without merit and seek equitable remedies for which no relief can be given. The Company intends to defend vigorously against our Directors and Officers and against any attempt to reinstate Mr. Cotter, Jr. as President and Chief Executive Officer or to effect any changes in the rights of our Company's stockholders. Mr. Storey has been dismissed by stipulation as a defendant in the James Cotter Jr. Derivative Action.

On May 13, 2016, Directors Adams, Codding, Ellen M. Cotter, Margaret Cotter, Kane, McEachern and Wrotniak filed a motion in the T2 Derivative Action to disqualify the T2 Plaintiffs on the grounds that at least one of the T2 Plaintiffs had engaged in trading in our Company's Class A Common Stock after production by the Company and the

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Amended T2 Complaint Director Defendants of confidential information in the discovery process.

PROPOSAL 1: Election of Directors

Nominees for Election

Nine Directors are to be elected at our Annual Meeting to serve until the annual meeting of stockholders to be held in 2017 or until their successors are duly elected and qualified. Unless otherwise instructed, the proxy holders will vote the proxies received by us "FOR" the election of the nominees below, all of whom currently serve as Directors. The nine nominees for election to the Board who receive the greatest number of votes cast for the election of Directors by the shares present and entitled to vote will be elected Directors. If any nominee becomes unavailable for any reason, it is intended that the proxies will be voted for a substitute nominee designated by the Board. The nominees named have consented to serve if elected.

The names of the nominees for Director, together with certain information regarding them, are as follows:

Name	Age	Position
Ellen M. Cotter	50	Chair of the Board and Chief Executive Officer and President [1]
Guy W. Adams	65	Director [1]
Judy Codding	71	Director [2]
James Cotter, Jr.	46	Director [3]
Margaret Cotter	48	Vice Chair of the Board and Executive Vice President-Real Estate Management and Development-NYC (1)
William D. Gould	77	Director [4]
Edward L. Kane	78	Director [1][2][3][5]
Douglas J. McEachern	64	Director [2][5]
Michael Wrotniak	49	Director [5]

(1) Member of the Executive Committee.
(2) Member of the Compensation and Stock Options Committee.
(3) Member of the Tax Oversight Committee. This committee has been inactive since November 2, 2015, in anticipation that its functions would move to the Audit Committee under its new charter. That new charter was approved on May 5, 2016.
(4) Lead Independent Director.
(5) Member of the Audit and Conflicts Committee.

Ellen M. Cotter. Ellen M. Cotter has been a member of our Board since March 13, 2013, and currently serves as a member of our Executive Committee. Ms. Cotter was appointed Chair of our Board on August 7, 2014 and served as our interim President and Chief Executive Officer from June 12, 2015 until January 8, 2016, when she was appointed our permanent President and Chief Executive Officer. She joined the Company in March 1998. Ms. Cotter is a graduate of Smith College and holds a Juris Doctor from Georgetown Law School. Prior to joining the Company, Ms. Cotter spent four years in private practice as a corporate attorney with the law firm of White & Case in New York City. Ms. Cotter is the sister of Margaret Cotter and James Cotter, Jr. For more than the past ten years, Ms. Cotter served as the Chief Operating Officer ("COO") of our domestic cinema operations, in which capacity she had, among other things, responsibility for the acquisition and development, marketing and operation of our cinemas in the United States. Prior to her appointment as COO of Domestic Cinemas, she spent a year in Australia and New Zealand, working to develop our cinema and real estate assets in those countries. Ms. Cotter is the Co-Executor of the Cotter Estate, which is the record owner of 427,808 shares of our Class B Stock (representing 25.5% of such Class B Stock). Ms. Cotter is also a Co-Trustee of the Cotter Trust, which is the record owner of 696,080 shares of Class B Stock (representing an additional 41.4% of such Class B Stock).

Ms. Cotter brings to our Board her 18 years of experience working in our Company's cinema operations in the United States, Australia and New Zealand. She has also served as the Chief Executive Officer of Reading's subsidiary,

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Consolidated Entertainment, LLC, which operates substantially all of our cinemas in Hawaii and California. In addition, with her direct ownership of 799,765 shares of Class A Stock and 50,000 shares of Class B Stock, and her positions as Co-Executor of the Cotter Estate and Co-Trustee of the Cotter Trust, Ms. Cotter is a significant stakeholder in our Company. In recognition of her contributions to the independent film industry, Ms. Cotter was awarded the first Gotham Appreciation Award at the 2015 Gotham Independent Film Awards. She was also inducted that same year into the ShowEast Hall of Fame.

Guy W. Adams. Guy W. Adams has been a Director of the Company since January 14, 2014, currently serves as the chair of our Executive Committee, and until May 14, 2016, served as a member of our Compensation Committee. For more than the past ten years, he has been a Managing Member of GWA Capital Partners, LLC, a registered investment adviser managing GWA Investments, LLC, a fund investing in various publicly traded securities. Over the past fifteen years, Mr. Adams has served as an independent director on the boards of directors of Lone Star Steakhouse & Saloon, Mercer International, Exar Corporation and Vitesse Semiconductor. At these companies, he has held a variety of board positions, including lead director, audit committee chair, and compensation committee chair. He has spoken on corporate governance topics before such groups as the Council of Institutional Investors, the USC Corporate Governance Summit and the University of Delaware Distinguished Speakers Program. Mr. Adams provides investment advice to private clients and currently invests his own capital in public and private equity transactions. He has served as an advisor to James J. Cotter, Sr. and continues to provide professional advisory services to various enterprises now owned by either the Cotter Estate or the Cotter Trust. Mr. Adams received his Bachelor of Science degree in Petroleum Engineering from Louisiana State University and his Masters of Business Administration from Harvard Graduate School of Business Administration.

Mr. Adams brings many years of experience serving as an independent director on public company boards, and in investing and providing financial advice with respect to investments in public companies.

Dr. Judy Codding. Dr. Judy Codding has been a Director of our Company since October 5, 2015, and currently serves as a member of our Compensation Committee. Dr. Codding is a globally respected education leader. From October 2010 until October 2015 she served as the Managing Director of "The System of Courses," a division of Pearson, PLC (NYSE: PSO), the largest education company in the world that provides education products and services to institutions, governments, and direct to individual learners. Prior to that time, Dr. Codding served as the Chief Executive Officer and President of America's Choice, Inc., which she founded in 1998, and which was acquired by Pearson in 2010. America's Choice, Inc. was a leading education company offering comprehensive, proven solutions to the complex problems educators face in the era of accountability. Dr. Codding has a Doctorate in Education from University of Massachusetts at Amherst, and completed postdoctoral work and served as a teaching associate in Education at Harvard University where she taught graduate level courses focused on moral leadership. Dr. Codding has served on various boards, including the Board of Trustees of Curtis School, Los Angeles, CA (2011 to present) and the Board of Trustees of Educational Development Center, Inc. (EDC) since 2012. Through family entities, Dr. Codding has been and continues to be involved in the real estate business, through the ownership of hotels, shopping centers and buildings in Florida and the exploration of mineral, oil and gas rights in Maryland and Kentucky.

Dr. Codding brings to our Board her experience as an entrepreneur, as an author, advisor and researcher in the areas of leadership training and decision-making as well as her experience in the real estate business.

James Cotter, Jr. James Cotter, Jr. has been a Director of our Company since March 21, 2002, and served as a member of our Tax Oversight Committee. The Tax Oversight Committee has been inactive since November 2, 2015, in anticipation that its functions would be moved to the Audit Committee under its new charter. That new charter was adopted on May 5, 2016. Mr. Cotter, Jr. served as our Vice Chair from June 2007 until August 7, 2014. Mr. Cotter, Jr. served as our President from June 1, 2013 through June 12, 2015, and as our Chief Executive Officer from August 7, 2014 through June 12, 2015. He is currently the lead director of Cecelia Packing Corporation (a Cotter family-owned citrus grower, packer and marketer) and served as the Chief Executive Officer of that company from July 2004 until 2013. Mr. Cotter, Jr. served as a Director of Cecelia Packing Corporation from February 1996 to September 1997, and as a Director of Gish Biomedical from September 1999 to March 2002. He was an attorney in the law firm of Winston & Strawn (and its predecessor), specializing in corporate law, from September 1997 to May 2004. Mr. Cotter, Jr. is the brother of Margaret Cotter and Ellen M. Cotter. Mr. Cotter, Jr. has advised the Company that he is a Co-Trustee of the Cotter Trust, which is the record owner of 696,080 shares of Class B Stock (representing 41.4% of such Class B Stock). The Company understands that Mr. Cotter's status as a trustee of the Cotter Trust is disputed by his sisters, Ellen M. Cotter and Margaret Cotter.

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James Cotter, Jr. brings to our Board his experience as a business professional and corporate attorney, as well as his many years of experience in, and knowledge of, the Company's business and affairs. In addition, with his direct ownership of 770,186 shares of our Company's Class A Common Stock and his position as Co-Trustee of the Cotter Trust, Mr. Cotter, Jr. is a significant stakeholder in our Company. Further, depending on the outcome of ongoing Trust Litigation, in the future Mr. Cotter, Jr. may be a controlling stockholder in the Company.

Margaret Cotter. Margaret Cotter has been a Director of our Company since September 27, 2002, and on August 7, 2014 was appointed Vice Chair of our Board and currently serves as a member of our Executive Committee. On March 10, 2016, our Board appointed Ms. Cotter as Executive Vice President-Real Estate Management and Development-NYC. In this position, Ms. Cotter is responsible for the management of our live theater properties and operations, including oversight of the re-development of our Union Square and Cinemas 1, 2, 3 properties. Ms. Cotter is the owner and President of OBI, LLC ("OBI"), which, from 2002 until her appointment as Executive Vice President-Real Estate Management and Development-NYC, managed our live-theater operations under a management agreement. Pursuant to the OBI management agreement, Ms. Cotter also served as the President of Liberty Theaters, LLC, the subsidiary through which we own our live theaters. The OBI management agreement was terminated with Ms. Cotter's appointment as Executive Vice President-Real Estate Management and Development-NYC. Ms. Cotter is also a theatrical producer who has produced shows in Chicago and New York and is a board member of the League of Off-Broadway Theaters and Producers. Ms. Cotter, a former Assistant District Attorney for King's County in Brooklyn, New York, graduated from Georgetown University and Georgetown University Law Center. She is the sister of Ellen M. Cotter and James Cotter, Jr. Ms. Margaret Cotter is a Co-Executor of the Cotter Estate, which is the record owner of 427,808 shares of our Class B Stock (representing 25.5% of such Class B Stock). Ms. Margaret Cotter is also a Co-Trustee of the Cotter Trust, which is the record owner of 696,080 shares of Class B Voting Common Stock (representing an additional 41.4% of such Class B Stock).

Ms. Cotter brings to the Board her experience as a live theater producer, theater operator and an active member of the New York theater community, which gives her insight into live theater business trends that affect our business in this sector. Operating and overseeing these properties for over 17 years, Ms. Cotter contributes to the strategic direction for our developments. In addition, with her direct ownership of 804,173 shares of Class A Stock and 35,100 shares of Class B Stock and her positions as Co-Executor of the Cotter Estate and Co-Trustee of the Cotter Trust, Ms. Cotter is a significant stakeholder in our Company.

William D. Gould. William D. Gould has been a Director of our Company since October 15, 2004, and currently serves as our Lead Independent Director. Mr. Gould has been a member of the law firm of TroyGould PC since 1986. Previously, he was a partner of the law firm of O'Melveny & Myers. We have from time to time retained TroyGould PC for legal advice. Total fees payable to Mr. Gould's law firm for calendar year 2015 were $61,000.84.

Mr. Gould is an author and lecturer on the subjects of corporate governance and mergers and acquisitions. Mr. Gould brings to our Board more than fifty years of experience as a corporate lawyer and advisor focusing on corporate governance, mergers and acquisitions.

Edward L. Kane. Edward L. Kane has been a Director of our Company since October 15, 2004. Mr. Kane was also a Director of our Company from 1985 to 1998, and served as President from 1987 to 1988. Mr. Kane currently serves as the chair of our Compensation Committee, and served as chair of our Tax Oversight Committee. That committee has been inactive since November 2, 2015, in anticipation that its functions would be moved to the Audit Committee under its new charter. The new charter for the Audit Committee was approved on May 5, 2016. He also serves as a member of our Executive Committee and our Audit Committee. Mr. Kane practiced as a tax attorney for many years in San Diego, California. Since 1996, Mr. Kane has acted as a consultant and advisor to the health care industry, serving as the President and sole shareholder of High Avenue Consulting, a healthcare consulting firm, and as the head of its successor proprietorship. During the 1990s, Mr. Kane also served as the Chair and Chief Executive Officer of ASMG Outpatient Surgical Centers in southern California, and he served as a director of BDI Investment Corp., which was a regulated investment company based in San Diego. For over a decade, he was the Chair of Kane Miller Books, an award-winning publisher of children's books. At various times during the past three decades, Mr. Kane has been Adjunct Professor of Law at two of San Diego's law schools, most recently in 2008 and 2009 at Thomas Jefferson School of Law, and prior thereto at California Western School of Law.

In addition to his varied business experience, Mr. Kane brings to our Board his many years as a tax attorney and law professor. Mr. Kane also brings his experience as a past President of Craig Corporation and of Reading Company,

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two of our corporate predecessors, as well as his experience as a former member of the boards of directors of several publicly held corporations.

Douglas J. McEachern. Douglas J. McEachern has been a Director of our Company since May 17, 2012 and chair of our Audit Committee since August 1, 2012 and serves as a member of our Compensation Committee since May 14, 2016. He has served as a member of the board and of the audit and compensation committee for Willdan Group, a NASDAQ listed engineering company, since 2009. From June 2011 until October 2015, Mr. McEachern was a director of Community Bank in Pasadena, California and a member of its audit committee. Mr. McEachern served as the chair of the board of Community Bank from October 2013 until October 2015. He also is a member of the finance committee of the Methodist Hospital of Arcadia. From September 2009 to December 2015, Mr. McEachern served as an instructor of auditing and accountancy at Claremont McKenna College. Mr. McEachern was an audit partner from July 1985 to May 2009 with the audit firm of Deloitte and Touche, LLP, with client concentrations in financial institutions and real estate. Mr. McEachern was also a Professional Accounting Fellow with the Federal Home Loan Bank board in Washington DC, from June 1983 to July 1985. From June 1976 to June 1983, Mr. McEachern was a staff member and subsequently a manager with the audit firm of Touche Ross & Co. (predecessor to Deloitte & Touche, LLP). Mr. McEachern received a B.S. in Business Administration in 1974 from the University of California, Berkeley, and an M.B.A. in 1976 from the University of Southern California.

Mr. McEachern brings to our Board his more than 38 years' experience meeting the accounting and auditing needs of financial institutions and real estate clients, including our Company. Mr. McEachern also brings his experience reporting as an independent auditor to the boards of directors of a variety of public reporting companies and as a board member himself for various companies and not-for-profit organizations.

Michael Wrotniak. Michael Wrotniak has been a Director of our Company since October 12, 2015, and has served as a member of our Audit Committee since October 25, 2015. Since 2009, Mr. Wrotniak has been the Chief Executive Officer of Aminco Resources, LLC ("Aminco"), a privately held international commodities trading firm. Mr. Wrotniak joined Aminco in 1991 and is credited with expanding Aminco's activities in Europe and Asia. By establishing a joint venture with a Swiss engineering company, as well as creating partnerships with Asia-based businesses, Mr. Wrotniak successfully diversified Aminco's product portfolio. Mr. Wrotniak became a partner of Aminco in 2002. Mr. Wrotniak has been for more than the past six years, a trustee of St. Joseph's Church in Bronxville, New York, and is a member of the Board of Advisors of the Little Sisters of the Poor at their nursing home in the Bronx, New York since approximately 2004. Mr. Wrotniak graduated from Georgetown University in 1989 with a B.S. in Business Administration (cum laude).

Mr. Wrotniak is a specialist in foreign trade, and brings to our Board his considerable experience in international business, including foreign exchange risk mitigation.

Please see footnote 12 of the Beneficial Ownership of Securities table for information regarding the election of Ellen M. Cotter, Margaret Cotter and James Cotter, Jr. to the Board.

Attendance at Board and Committee Meetings

During the year ended December 31, 2015, our Board met 13 times. The Audit Committee held four meetings, the Compensation Committee held three meetings, and the Tax Oversight Committee held one meeting. Each Director attended at least 75% of these Board meetings and at least 75% of the meetings of all committees on which he or she served.

Indemnity Agreements

We currently have indemnity agreements in place with each of our current Directors and senior officers, as well as certain of the Directors and senior officers of our subsidiaries. Under these agreements, we have agreed, subject to certain exceptions, to indemnify each of these individuals against all expenses, liabilities and losses incurred in connection with any threatened, pending or contemplated action, suit or proceeding, whether civil or criminal, administrative or investigative, to which such individual is a party or is threatened to be made a party, in any manner, based upon, arising from, relating to or by reason of the fact that such individual is, was, shall be or has been a Director, officer, employee, agent or fiduciary of the Company.

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Compensation of Directors

During 2015, we paid our non-employee Directors $50,000 per year. We paid the Chair of our Audit Committee an additional $7,000 per year, the Chair of our Compensation Committee an additional $5,000 per year, the Chair of our Tax Oversight Committee an additional $18,000 per year and the Lead Independent Director an additional $5,000 per year.

In 2015, we also paid an additional one-time fee of $25,000 to each of Messrs. Adams, Gould, McEachern and Kane, and an additional one-time fee of $75,000 to Mr. Storey. These fees were awarded in each case in recognition of their service on our Board and Committees.

In March 2016, the Board approved additional special compensation to be paid for extraordinary services to the Company and devotion of time in providing such services, as follows:

Guy W. Adams:	$50,000
Edward L. Kane:	$10,000
Douglas J. McEachern:	$10,000

Some portion of such additional special compensation was for services rendered during 2015.

Upon joining our Board, new Directors historically received immediately vested five-year stock options to purchase 20,000 shares of our Class A Stock at an exercise price equal to the market price of the stock at the date of grant. However, this process was discontinued in 2015, and Directors Codding and Wrotniak did not receive such grants. In January, 2015 and January, 2016, each of our then non-employee Directors received an annual grant of stock options to purchase 2,000 shares of our Class A Stock. The options awarded have a term of five years, an exercise price equal to the market price of Class A Stock on the grant date and were fully vested immediately upon grant. As discussed below, our outside director compensation was changed for the remainder of 2016 and the years thereafter. See "*2016 and Future Director Compensation*," below.

Director Compensation Table

The following table sets forth information concerning the compensation to persons who served as our non-employee Directors during 2015 for their services as Directors.

Name	Fees Earned or Paid in Cash ($)	Option Awards ($)(1)	All Other Compensation ($)	Total ($)
Judy Codding	11,957	0	0	11,957
Margaret Cotter [2]	35,000	7,656	0	42,656
Guy W. Adams	75,000	7,656	0	82,656
William D. Gould	80,000	7,656	0	87,656
Edward L. Kane	98,000	7,656	0	105,656
Douglas J. McEachern	82,000	7,656	0	89,656
Tim Storey [3]	112,500	7,656	21,136[4]	140,292
Michael Wrotniak	11,005	0	0	11,005

(1) Fair value of the award computed in accordance with FASB ASC Topic 718.

(2) Until March 10, 2016, in addition to her Director's fees, Ms. Margaret Cotter received a combination of fixed and incentive management fees under the OBI management agreement described under the caption "Certain Transactions and Related Party Transactions - OBI Management Agreement," below.

(3) Mr. Storey served on our Board and Compensation Committee through October 11, 2015.

(4) Represents fees paid to Mr. Storey as the sole independent Director of our Company's wholly owned New Zealand subsidiary.

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2016 and Future Director Compensation

As discussed below in "Compensation Discussion and Analysis," the Executive Committee of our Board, upon the recommendation of our Chief Executive Officer, requested the Compensation Committee to evaluate the Company's compensation policy for outside directors and to establish a plan that encompasses sound corporate practices consistent with the best interests of the Company. Our Compensation Committee undertook to review, evaluate, revise and recommend the adoption of new compensation arrangements for executive and management officers and outside directors of the Company. In January 2016, the Compensation Committee retained the international compensation consulting firm of Willis Towers Watson as its advisor in this process and also relied on our legal counsel, Greenberg Traurig, LLP.

The process followed by our Compensation Committee was similar to that in scope and approach used by the Compensation Committee in considering executive compensation. Willis Towers Watson reviewed and presented to the Compensation Committee the competitiveness of the Company's outside director compensation. The Company's outside director compensation was compared to the compensation paid by the 15 peer companies (identified "Compensation Discussion and Analysis"). Willis Towers Watson's key findings were:

- Our annual Board retainer was slightly above the 50th percentile while the total cash compensation paid to outside Directors was close to the 25th percentile.
- Due to our minimal annual Director equity grants, total direct compensation to our outside Directors was the lowest among the peer group.
- We should consider increasing our committee cash compensation and annual Director equity grants to be in line with peer practices.

The foregoing observations and recommendations were studied, questioned and thoroughly discussed by our Compensation Committee, Willis Towers Watson and legal counsel over the course of our Compensation Committee meetings. Among other things, our Compensation Committee discussed and considered the recommendations made by Willis Towers Watson regarding Director retainer fees and equity awards for Directors. Following discussion, our Compensation Committee recommended and our Board authorized that:

- The Board retainer currently paid to outside Directors will not be changed.
- The committee chair retainers will be increased to $20,000 for our Audit Committee and our Executive Committee and $15,000 for our Compensation Committee.
- The committee member fees will be $7,500 for our Audit and Executive Committees and $5,000 for our Compensation Committee.
- The Lead Independent Director fee will be increased to $10,000.
- The annual equity award value to Directors will be $60,000 as a fixed dollar value based on the closing price on the date of the grant and, that the equity award be restricted stock units and that such restricted stock units have a twelve month vesting period.
- Our Board also approved additional special compensation to be paid to certain directors for extraordinary services provided to us and devotion of time in providing such services as follows:
    - Guy W. Adams, $50,000
    - Edward L. Kane, $10,000
    - Douglas J. McEachern, $10,000

Our Board compensation was made effective for the year 2016 and equity grants were made on March 10, 2016 based upon the closing of the Company's Class A Common Stock on such date.

Vote Required

The nine nominees receiving the greatest number of votes cast at the Annual Meeting will be elected to the Board.

The Board has nominated each of the nominees discussed above to hold office until the 2017 Annual Meeting of Stockholders and thereafter until his or her respective successor has been duly elected and qualified. In the event that

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any nominee shall be unable or unwilling to serve as a Director, the Board shall reserve discretionary authority to vote for a substitute or substitutes. The Board has no reason to believe that any nominee will be unable or to serve and all nominees named have consented to serve if elected.

Recommendation of the Board

THE BOARD RECOMMENDS A VOTE "FOR" EACH OF THE DIRECTOR NOMINEES.

Ellen M. Cotter and Margaret Cotter, who together have shared voting control over an aggregate of 1,208,988 shares, or 71.9%, of our Class B Stock, have informed the Board that they intend to vote the shares beneficially held by them in favor of the nine nominees named in this Proxy Statement for election to the Board under Proposal 1. Of the shares of Class B Stock beneficially held by them, 696,080 shares are held of record by the Cotter Trust. James Cotter, Jr. alleges he has the right to vote the shares held by the Cotter Trust. The Company believes that, under applicable Nevada Law, where there are multiple trustees of a trust that is a record owner of voting shares of a Nevada corporation, and more than one trustee votes, the votes of the majority of the voting trustees apply to all of the shares held of record by the trust. If more than one trustee votes and the votes are split evenly on any particular proposal, each trustee may vote proportionally the shares held of record by the trust. Ellen M. Cotter and Margaret Cotter, who collectively constitute a majority of the Co-Trustees of the Cotter Trust, have informed the Board that they intend to vote the shares held by the Cotter Trust for the nine nominees named in this Proxy Statement for election to the Board under Proposal 1. Accordingly, the Company believes that Ellen M. Cotter and Margaret Cotter collectively have the power and authority to vote all of the shares of Class B Stock held of record by the Cotter Trust.

REPORT OF THE AUDIT COMMITTEE

The following is the report of the Audit Committee of our Board with respect to our audited financial statements for the fiscal year ended December 31, 2015.

The information contained in this report shall not be deemed to be "soliciting material" or "filed" with the SEC or subject to the liabilities of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), except to the extent that we specifically incorporate it by reference into a document filed under the Securities Act of 1933, as amended, or the Exchange Act.

The purpose of the Audit Committee is to assist the Board in its general oversight of our financial reporting, internal controls and audit functions. The Audit Committee operates under a written Charter adopted by our Board. The Charter is reviewed periodically and subject to change, as appropriate. The Audit Committee Charter describes in greater detail the full responsibilities of the Audit Committee.

In this context, the Audit Committee has reviewed and discussed the Company's audited financial statements with management and Grant Thornton LLP, our independent auditors. Management is responsible for: the preparation, presentation and integrity of our financial statements; accounting and financial reporting principles; establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rule 13a-15(e)); establishing and maintaining internal control over financial reporting (as defined in Exchange Act Rule 13a-15(f)); evaluating the effectiveness of disclosure controls and procedures; evaluating the effectiveness of internal control over financial reporting; and evaluating any change in internal control over financial reporting that has materially affected, or is reasonably likely to materially affect, internal control over financial reporting. Grant Thornton LLP is responsible for performing an independent audit of the consolidated financial statements and expressing an opinion on the conformity of those financial statements with accounting principles generally accepted in the United States of America, as well as an opinion on (i) management's assessment of the effectiveness of internal control over financial reporting and (ii) the effectiveness of internal control over financial reporting.

The Audit Committee has discussed with Grant Thornton LLP the matters required to be discussed by Auditing Standard No. 16, "Communications with Audit Committees" and PCAOB Auditing Standard No. 5, "An Audit of Internal Control Over Financial Reporting that is Integrated with Audit of Financial Statements." In addition, Grant Thornton LLP has provided the Audit Committee with the written disclosures and the letter required by the Independence Standards Board Standard No. 1, as amended, "Independence Discussions with Audit Committees," and the Audit Committee has discussed with Grant Thornton LLP their firm's independence.

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Based on their review of the consolidated financial statements and discussions with and representations from management and Grant Thornton LLP referred to above, the Audit Committee recommended to our Board that the audited financial statements be included in our Annual Report on Form 10-K for fiscal year 2015 for filing with the SEC.

It is not the duty of the Audit Committee to plan or conduct audits or to determine that the Company's financial statements are complete and accurate and in accordance with accounting principles generally accepted in the United States. That is the responsibility of management and the Company's independent registered public accounting firm. In giving its recommendation to the Board, the Audit Committee relied on (1) management's representation that such financial statements have been prepared with integrity and objectivity and in conformity with accounting principles generally accepted in the United States and (2) the report of the Company's independent registered public accounting firm with respect to such financial statements.

Respectfully submitted by the Audit Committee.

Douglas J. McEachern, Chair
Edward L. Kane
Michael Wrotniak

BENEFICIAL OWNERSHIP OF SECURITIES

Except as described below, the following table sets forth the shares of Class A Stock and Class B Stock beneficially owned on April 22, 2016 by:

- each of our incumbent Directors and Director nominees;
- each of our incumbent executive officers and named executive officers set forth in the Summary Compensation Table of this Proxy Statement;
- each person known to us to be the beneficial owner of more than 5% of our Class B Stock; and
- all of our incumbent Directors and incumbent executive officers as a group.

Except as noted, and except pursuant to applicable community property laws, we believe that each beneficial owner has sole voting power and sole investment power with respect to the shares shown. An asterisk (*) denotes beneficial ownership of less than 1%.

	Amount and Nature of Beneficial Ownership (1)			
	Class A Stock		Class B Stock	
Name and Address of Beneficial Owner	Number of Shares	Percentage of Stock	Number of Shares	Percentage of Stock
Directors and Named Executive Officers				
Ellen M. Cotter (2)(12)	3,146,965	14.5	1,173,888	69.8
James Cotter, Jr. (12)(13)	3,084,976	14.2	696,080	41.4
Margaret Cotter (3)(12)	3,335,012	15.4	1,158,988	66.9
Guy W. Adams (8)	2,000	*	--	--
Judy Codding (9)	2,000	*	--	--
William D. Gould (4)	56,340	*	--	--
Edward L. Kane (5)	21,500	*	100	*
Andrzej J. Matyczynski (16)	50,880	*	--	--
Douglas J. McEachern (6)	39,300	*	--	--
Michael Wrotniak (10)	2,000	--	--	--
Robert F. Smerling (7)	43,750	*	--	--
Wayne Smith (11)	3,000	*	--	--
William Ellis (17)	20,000	*	--	--
Dev Ghose (18)	25,000	*	--	--
5% or Greater Stockholders				
James J. Cotter Living Trust (12)	1,897,649	8.8	696,080	41.4
Estate of James J. Cotter, Sr. (Deceased) (12)	326,800	1.5	427,808	25.5

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Mark Cuban (14) 5424 Deloache Avenue Dallas, Texas 75220	72,164	*	207,913	12.4
PICO Holdings, Inc. and PICO Deferred Holdings, LLC (15) 875 Prospect Street, Suite 301 La Jolla, California 92037	--	--	117,500	7.0
James J. Cotter Foundation	102,751	*		
Cotter 2005 Grandchildren's Trust	289,390	1.3		
All Directors and executive officers as a group (14 persons)	5,032,094	23.2	1,209,088	71.9

(1) Percentage ownership is determined based on 21,654,302 shares of Class A Stock and 1,680,590 shares of Class B Stock outstanding on April 22, 2016. Beneficial ownership has been determined in accordance with SEC rules. Shares subject to options that are currently exercisable, or exercisable within 60 days following the date as of which this information is provided, and not subject to repurchase as of that date, which are indicated by footnote, are deemed to be beneficially owned by the person holding the options and are deemed to be outstanding in computing the percentage ownership of that person, but not in computing the percentage ownership of any other person.

(2) The Class A Stock shown includes 20,000 shares subject to stock options as well as 799,765 shares held directly. The Class A Stock shown also includes 102,751 shares held by the James J. Cotter Foundation (the "Cotter Foundation"). Ellen M. Cotter is Co-Trustee of the Cotter Foundation and, as such, is deemed to beneficially own such shares. Ms. Cotter disclaims beneficial ownership of such shares except to the extent of her pecuniary interest, if any, in such shares. The Class A Stock shown also includes 297,070 shares that are part of the Estate of James J. Cotter, Deceased (the "Cotter Estate") that is being administered in the State of Nevada and 29,730 shares from the Cotter Profit Sharing Plan. On December 22, 2014, the District Court of Clark County, Nevada, appointed Ellen M. Cotter and Margaret Cotter as co-executors of the Cotter Estate. As such, Ellen M. Cotter would be deemed to beneficially own such shares. The shares of Class A Stock shown also include 1,897,649 shares held by the James J. Cotter Living Trust (the "Cotter Trust"). See footnote (12) to this table for information regarding beneficial ownership of the shares held by the Cotter Trust. As Co-Trustees of the Cotter Trust, the three Cotter family members would be deemed to beneficially own such shares depending upon the outcome of the matters described in footnote (12). Together Margaret Cotter and Ellen M. Cotter beneficially own 1,208,988 shares of Class B Stock.

(3) The Class A Stock shown includes 17,000 shares subject to stock options as well as 804,173 shares held directly. The Class A Stock shown also includes 289,390 shares held by the Cotter 2005 Grandchildren's Trust and 29,730 shares from the Cotter Profit Sharing Plan. Margaret Cotter is Co-Trustee of the Cotter 2005 Grandchildren's Trust and, as such, is deemed to beneficially own such shares. Ms. Cotter disclaims beneficial ownership of such shares except to the extent of her pecuniary interest, if any, in such shares. The Class A Stock shown includes 297,070 shares of Class A Stock that are part of the Cotter Estate. As Co-Executor of the Cotter Estate, Ms. Cotter would be deemed to beneficially own such shares. The shares of Class A Stock shown also include 1,897,649 shares held by the Cotter Trust. See footnotes (12) for information regarding beneficial ownership of the shares held by the Cotter Trust. As Co-Trustees of the Cotter Trust, the three Cotter family members would be deemed to beneficially own such shares depending upon the outcome of the matters described in footnote (12). Together Margaret Cotter and Ellen M. Cotter beneficially own 1,208,988 shares of Class B Stock.

(4) The Class A Stock shown includes 19,000 shares subject to stock options.

(5) The Class A Stock shown includes 4,000 shares subject to stock options.

(6) The Class A Stock shown includes 29,000 shares subject to stock options.

(7) The Class A Stock shown consists of 43,750 shares subject to stock options.

(8) The Class A Stock shown consists of 2,000 shares subject to stock options.

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(9) The Class A Stock shown consists of 2,000 shares subject to stock options.

(10) The Class A Stock shown consists of 2,000 shares subject to stock options.

(11) The Class A Stock shown consists of 3,000 restricted stock grants.

(12) On June 5, 2013, the Declaration of Trust establishing the Cotter Trust was amended and restated (the "2013 Restatement") to provide that, upon the death of James J. Cotter, Sr., the Trust's shares of Class B Stock were to be held in a separate trust, to be known as the "Reading Voting Trust," for the benefit of the grandchildren of Mr. Cotter, Sr. Mr. Cotter, Sr. passed away on September 13, 2014. The 2013 Restatement also names Margaret Cotter the sole trustee of the Reading Voting Trust and names James Cotter, Jr. as the first alternate trustee in the event that Ms. Cotter is unable or unwilling to act as trustee. The trustees of the Cotter Trust, as of the 2013 Restatement, were Ellen M. Cotter and Margaret Cotter. On June 19, 2014, Mr. Cotter, Sr. signed a 2014 Partial Amendment to Declaration of Trust (the "2014 Amendment") that names Margaret Cotter and James Cotter, Jr. as the co-trustees of the Reading Voting Trust and provides that, in the event they are unable to agree upon an important trust decision, they shall rotate the trusteeship between them annually on each January 1st. It further directs the trustees of the Reading Voting Trust to, among other things, vote the Class B Stock held by the Reading Voting Trust in favor of the appointment of Ellen M. Cotter, Margaret Cotter and James Cotter, Jr. to our Board and to take all actions to rotate the chairmanship of our Board among the three of them. The 2014 Amendment states that James Cotter, Jr., Ellen M. Cotter and Margaret Cotter are Co-Trustees of the Cotter Trust. On February 5, 2015, Ellen M. Cotter and Margaret Cotter filed a Petition in the Superior Court of the State of California, County of Los Angeles, captioned In re James J. Cotter Living Trust dated August 1, 2000 (Case No. BP159755). The Petition, among other things, seeks relief that could determine the validity of the 2014 Amendment and who between Margaret Cotter and James Cotter Jr. will have authority as trustee or co-trustees of the Reading Voting Trust to vote the shares of Class B Stock shown (in whole or in part) and the scope and extent of such authority. Mr. Cotter, Jr. has filed an opposition to the Petition. The 696,080 shares of Class B Stock shown in the table as being beneficially owned by the Cotter Trust are reflected on the Company's stock register as being held by the Cotter Trust and not by the Reading Voting Trust. The information in the table reflects direct ownership of the 696,080 shares of Class B Stock by the Cotter Trust in accordance with the Company's stock register and beneficial ownership of such shares as being held by each of the three potential Co-Trustees, Mr. Cotter, Jr., Ellen M. Cotter and Margaret Cotter, who, unless a court determines otherwise, are deemed to share voting and investment power of the shares held by the Cotter Trust.

(13) The Class A Stock shown includes 25,000 shares subject to stock options as well as 770,186 shares held directly. The Class A Stock shown also includes 289,390 shares held by the Cotter 2005 Grandchildren's Trust and 102,751 held by the Cotter Foundation. Mr. Cotter, Jr. is Co-Trustee of the Cotter 2005 Grandchildren's Trust and of the Cotter Foundation and, as such, is deemed to beneficially own such shares. Mr. Cotter, Jr. disclaims beneficial ownership of such shares except to the extent of his pecuniary interest, if any, in such shares. The Class A Stock shown also includes 1,897,649 shares held by the Cotter Trust, which became irrevocable upon Mr. Cotter, Sr.'s death on September 13, 2014. See footnote (12) above for information regarding beneficial ownership of the shares held by the Cotter Trust. As Co-Trustees of the Cotter Trust, the three Cotter family members would be deemed to beneficially own such shares depending upon the outcome of the matters described in footnote (12). The Class A Stock shown includes 770,186 shares pledged as security for a margin loan.

(14) Based on Mr. Cuban's Form 5 filed with the SEC on February 19, 2016 and Schedule 13D/A filed on February 22, 2016.

(15) Based on the PICO Holdings, Inc. and PICO Deferred Holdings, LLC Schedule 13G filed with the SEC on January 14, 2009.

(16) The Class A Stock shown includes 25,000 shares subject to stock options.

(17) The Class A Stock shown includes 8,815 shares subject to stock options.

(18) The Class A Stock shown includes 25,000 shares subject to stock options.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Exchange Act requires our executive officers and Directors, and persons who own more than 10% of our common stock, to file reports regarding ownership of, and transactions in, our securities with the SEC and to provide us with copies of those filings. Based solely on our review of the copies received by us and on the written representations of certain reporting persons, we believe that the following Forms 3 and 4 for transactions that occurred in

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2015 were not filed or filed later than is required under Section 16(a) of the Securities Exchange Act of 1934:

Filer	Form	Transaction Date	Date of Filing
Andrzej J. Matyczynski	4	December 31, 2015	Not filed (1)
Andrzej J. Matyczynski	4	December 31, 2014	Not filed (2)
Andrzej J. Matyczynski	4	December 31, 2013	Not filed (3)
Mark Cuban	4	November 11, 2015	Not filed (4)
Estate of James J. Cotter	4	December 31, 2014	October 9, 2015
James J. Cotter Living Trust	3	September 13, 2014	October 9, 2015
Ellen M. Cotter	4	April 16, 2015	October 9, 2015
Margaret Cotter	4	April 8, 2015	October 9, 2015
William Gould	4	April 6, 2015	October 8, 2015
James Cotter Jr.(5)	4	March 10, 2016	March 15, 2016
James Cotter Jr.	4	November 25, 2015	December 1, 2015
James Cotter Jr.	4	August 17, 2015	August 24, 2015
James Cotter Jr.	4	July 16, 2015	July 31, 2015
James Cotter Jr.	4	June 30, 2015(6)	July 16, 2015
James Cotter, Jr.	4	June 4, 2016(7)	July 16, 2015
Wayne Smith	4	July 16, 2015	July 31, 2015

(1) This transaction was reported on Form 5 on April 22, 2016, which is later than required under Section 16(a) of the Securities Exchange Act of 1934.
(2) This transaction was reported on Form 5 on March 17, 2015, which is later than required under Section 16(a) of the Securities Exchange Act of 1934.
(3) This transaction was reported on Form 5 on March 12, 2014, which is later than required under Section 16(a) of the Securities Exchange Act of 1934.
(4) This transaction was reported on Form 5 on February 19, 2016, which is later than required under Section 16(a) of the Securities Exchange Act of 1934.
(5) An additional Form 4 for Mr. Cotter Jr. was reported with a typographical error in the transaction date. The transaction date was reported as December 1, 2012, but should have been reported as December 1, 2015. This Form 4 was timely filed on December 3, 2015.
(6) Pursuant to Form 4/A filed August 24, 2015, the earliest transaction date was changed from July 1, 2015 to June 30, 2015.
(7) Pursuant to Form 4/A filed November 17, 2015, the earliest transaction date was changed from July 1, 2015 to June 4, 2015.

In addition to the above, the following Forms 5 for transactions that occurred in 2013, 2014 and 2015 were filed later than is required under Section 16(a) of the Securities Exchange Act of 1934.

Filer	Form	Transaction Date	Date of Filing
Andrzej J. Matyczynski	5	December 31, 2015	April 22, 2016
Andrzej J. Matyczynski	5	December 31, 2014	March 17, 2015
Andrzej J. Matyczynski	5	December 31, 2013	March 12, 2014
Mark Cuban	5	November 11, 2015	February 19, 2016

Insofar as we are aware, all required filings have now been made.

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EXECUTIVE OFFICERS

The following table sets forth information regarding our executive officers, other than Ellen M. Cotter and Margaret Cotter, whose information is set forth above under "Proposal 1: Election of Directors – Nominees for Election."

Name	Age	Title
Dev Ghose	62	Executive Vice President, Chief Financial Officer, Treasurer and Corporate Secretary
Robert F. Smerling	81	President - Domestic Cinemas
Wayne D. Smith	58	Managing Director – Australia and New Zealand
Andrzej J. Matyczynski	63	Executive Vice President – Global Operations

Devasis ("Dev") Ghose. Dev Ghose was appointed Chief Financial Officer and Treasurer on May 11, 2015, Executive Vice President on March 10, 2016 and Corporate Secretary on April 28, 2016. Over the past 25 years, Mr. Ghose served as Executive Vice President and Chief Financial Officer and in a number of senior finance roles with three NYSE-listed companies: Skilled Healthcare Group (a health services company, now part of Genesis HealthCare) from 2008 to 2013, Shurgard Storage Centers, Inc. (an international company focused on the acquisition, development and operation of self-storage centers in the US and Europe; now part of Public Storage) from 2004 to 2006, and HCP, Inc., (which invests primarily in real estate serving the healthcare industry) from 1986 to 2003, and as Managing Director-International for Green Street Advisors (an independent research and trading firm concentrating on publicly traded real estate corporate securities in the US & Europe) from 2006 to 2007. Prior thereto, Mr. Ghose worked for 10 years for PricewaterhouseCoopers in the U.S. from 1975 to 1985, and KPMG in the UK. He qualified as a Certified Public Accountant in the U.S. and a Chartered Accountant in the U.K., and holds an Honors Degree in Physics from the University of Delhi, India and an Executive M.B.A. from the University of California, Los Angeles.

Robert F. Smerling. Robert F. Smerling has served as President of our domestic cinema operations since 1994. Mr. Smerling has been in the cinema industry for 58 years and, immediately before joining our Company, served as the President of Loews Theatres Management Corporation.

Wayne D. Smith. Wayne D. Smith joined our Company in April 2004 as our Managing Director - Australia and New Zealand, after 23 years with Hoyts Cinemas. During his time with Hoyts, he was a key driver, as Head of Property, in growing that company's Australian and New Zealand operations via an AUD$250 million expansion to more than 50 sites and 400 screens. While at Hoyts, his career included heading up the group's car parking company, cinema operations, representing Hoyts as a director on various joint venture interests, and coordinating many asset acquisitions and disposals the company made.

Andrzej J. Matyczynski. On March 10, 2016, Mr. Matyczynski was appointed as our Executive Vice President—Global Operations. From May 11, 2015 until March 10, 2016, Andrzej J. Matyczynski acted as the Strategic Corporate Advisor to the Company. Mr. Matyczynski served as our Chief Financial Officer and Treasurer from November 1999 until May 11, 2015 and as Corporate Secretary from May 10, 2011 to October 20, 2014. Prior to joining our Company, he spent 20 years in various senior roles throughout the world at Beckman Coulter Inc., a U.S. based multi-national. Mr. Matyczynski earned a Master's Degree in Business Administration from the University of Southern California.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

Role and Authority of the Compensation Committee

Our Board has established a standing Compensation Committee consisting of three of our non-employee Directors. As a Controlled Company, we are exempt from the NASDAQ Listing Rules regarding the determination of executive compensation solely by independent directors. Notwithstanding such exemption, we adopted a Compensation Committee charter on March 10, 2016 requiring our Compensation Committee members to meet the independence rules

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and regulations of the SEC and the NASDAQ Stock Market.

Prior to the adoption of our Compensation Committee Charter on March 10, 2016, it was our practice that the Compensation Committee would recommend to the full Board the compensation of our Chief Executive Officer and of the other Cotter family members who serve as officers of our Company. Our Board, with the Cotter family Directors abstaining, typically accepted without modification the compensation recommendations of the Compensation Committee, but reserved the right to modify the recommendations or take other compensation actions of its own. Prior to his resignation as our Chief Executive Officer, Mr. James J. Cotter, Sr. was delegated responsibility by our Board for determining the compensation of our executive officers other than himself and his family members. The Board exercised oversight of Mr. Cotter, Sr.'s executive compensation decisions as a part of his performance as our former Chief Executive Officer.

Earlier this year, our Board adopted a number of actions intended to bring certain of our governance practices into line with best practices, including substantial steps in the area of Executive Compensation, which are discussed below under "2016 and Future Compensation Structure." First, this discussion will address our executive compensation for 2015.

2015 EXECUTIVE COMPENSATION

The individuals named in the Summary Compensation Table, below, are referred to as the "named executive officers."

Chief Executive Officer Compensation

As a matter of general practice prior to 2016, the Compensation Committee recommended to our Board the annual compensation of our Chief Executive Officer, based primarily upon the Compensation Committee's annual review of peer group practices and the advice of an independent third-party compensation consultant engaged annually to assist the Compensation Committee. The Compensation Committee had established three components of our Chief Executive Officer's compensation—a base cash salary, a discretionary annual cash bonus, and a fixed stock grant. The objective of each element was to reasonably reward our Chief Executive Officer for his or her performance and leadership.

The Compensation Committee engaged executive compensation consultants Towers Watson (now known as Willis Towers Watson) in 2012 to analyze our Chief Executive Officer's total direct compensation compared to a peer group of companies. In preparing that analysis, Willis Towers Watson, in consultation with our management, including James J. Cotter, Sr., identified a peer group of companies in the real estate and cinema exhibition industries, our two business segments, based on market value, industry, and business description.

Prior to the work commenced in early 2016, Willis Towers Watson had most recently updated its analysis of our Chief Executive Officer's compensation in 2014, when Mr. Cotter, Sr. held that position. The Willis Towers Watson analysis focused on the competitiveness of Mr. Cotter, Sr.'s annual base salary, total cash compensation and total direct compensation (*i.e.*, total cash compensation plus expected value of long-term compensation) relative to a peer group of 17 United States and Australian companies and published compensation survey data, and to our Company's compensation philosophy, which was to target Mr. Cotter, Sr.'s total direct compensation to the 66th percentile of the peer group. The peer group consisted of the following 17 companies:

Acadia Realty Trust
Amalgamated Holdings Ltd.
Associated Estates Realty Corp.
Carmike Cinemas Inc.
Cedar Shopping Centers Inc.
Cinemark Holdings Inc.
Entertainment Properties Trust
Glimcher Realty Trust
IMAX Corporation
Inland Real Estate Corp.
Kite Realty Group Trust
LTC Properties Inc.
Ramco-Gershenson Properties Trust
Regal Entertainment Group
The Marcus Corporation
Urstadt Biddle Properties Inc.
Village Roadshow Ltd.

Following his appointment on August 7, 2014 as our Chief Executive Officer and until his termination from that position on June 12, 2015, James Cotter, Jr. continued to receive the same base salary of $335,000 that he had previously

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been receiving in his capacity as our President. Mr. Cotter, Jr. was not awarded a discretionary cash bonus for 2014 or 2015.

On June 12, 2015, our Board appointed Ellen M. Cotter as our interim President and Chief Executive Officer. No new compensatory arrangements were entered into with Ms. Cotter in connection with her appointment as interim President and Chief Executive Officer, and she continued to receive the same base salary of $402,000 that she received at the time of her appointment.

In early 2016, the Compensation Committee, with the assistance of Willis Towers Watson and Ms. Cotter, adopted new procedures regarding officer compensation. As a part thereof, unlike prior years, the Compensation Committee evaluated the performance of our Chief Executive Officer and our named executive officers and determined their 2015 cash bonus awards. Having had the benefit of further analysis of the Company's executive compensation and revisions of the Company's compensation philosophy, the Compensation Committee approved a $250,000 bonus for Ellen M. Cotter for her 2015 performance as interim President and Chief Executive Officer.

Total Direct Compensation

In 2015, we and our Compensation Committee had no policy regarding the amount of salary and cash bonus paid to our Chief Executive Officer or other named executive officers in proportion to their total direct compensation.

Compensation of Other Named Executive Officers

Until the reassessment of compensation practices in early 2016, the compensation of the Cotter family members as executive officers of our Company was determined by the Compensation Committee based on the same compensation philosophy used to determined Mr. Cotter, Sr.'s compensation prior to his retirement. The Cotter family members' respective compensation packages each consisted of a base cash salary, discretionary cash bonus and, on occasion, discretionary grants of stock options.

Historically, our Chief Executive Officer determined the base salaries of our executive officers other than himself and members of his family. Our Chief Executive Officer considered the following guidelines in setting the type and amount of executive compensation:

1. Executive compensation should primarily be used to:

   - attract and retain talented executives;
   - reward executives appropriately for their individual efforts and job performance; and
   - afford executives appropriate incentives to achieve the short-term and long-term business objectives established by management and our Board.

2. In support of the foregoing, the total compensation paid to our named executive officers should be:

   - fair, both to our Company and to the named executive officers;
   - reasonable in nature and amount; and
   - competitive with market compensation rates.

Personal and Company performances were just two factors historically considered in establishing base salaries. We had no pre-established policy or target for allocating total executive compensation between base and discretionary or incentive compensation, or between cash and stock-based incentive compensation. Historically, including in 2015, a majority of total compensation to our named executive officers has been in the form of annual base salaries and discretionary cash bonuses, although stock bonuses have been granted from time to time under special circumstances.

These elements of our executive compensation are discussed further below.

Salary: Annual base salary was intended to compensate named executive officers for services rendered during the fiscal year in the ordinary course of performing their job responsibilities. Factors considered in setting the base salaries prior to 2015 included (i) the negotiated terms of each executive's employment agreement or the original terms of employment, (ii) the individual's position and level of responsibility with our Company, (iii) periodic review of the

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executive's compensation, both individually and relative to our other named executive officers, and (iv) a subjective evaluation of individual job performance of the executive.

Cash Bonus: Historically, we had awarded annual cash bonuses to supplement the base salaries of our named executive officers, and our Board delegated to our former Chief Executive Officer, Mr. Cotter, Sr., the authority to determine in his discretion the annual cash bonuses, if any, to be paid to our executive officers other than the Cotter family executives.

In early 2016, following the reassessment of the Company's compensation structure discussed below, the Compensation Committee, meeting in executive session, approved a 2015 performance bonus for the Chief Executive Officer as well as our other named executive officers.

Stock Bonus: Equity incentive bonuses were available for award to align our executives' long-term compensation to appreciation in stockholder value over time. Historically, awards have not been granted on any fixed schedule, but instead were granted from time to time to new hires and for the recognition and retention of executives.

If awarded, it has generally been our policy to value stock options and restricted stock at the closing price of our common stock as reported on the NASDAQ Stock Market on the date the award was approved or on the date of hire, if the stock is granted as a recruitment incentive. When stock was granted as bonus compensation for a particular transaction, the award may have been based on the market price on a date calculated from the closing date of the relevant transaction. Stock options granted to our employees generally have a five year term and vest over four years in equal installments upon the annual anniversaries of the date of the grant, subject to continued employment upon each vesting date. Awards may also have been subject to vesting and limitations on voting or other rights.

As discussed below, our Board substantially changed these practices for 2016 and future years.

Other than James Cotter, Jr.'s role as Chief Executive Officer and thereafter, Ms. Ellen M. Cotter's role as Chief Executive Officer, none of our executive officers played a role in determining the compensation of our named executive officers during 2015.

2015 Base Salaries and Bonuses

We have historically established base salaries and target discretionary cash bonuses for our named executive officers through negotiations with the individual named executive officer, generally at the time the named executive officer commenced employment with us, subject to additional increases from time to time based on performance and tenure, with the intent of providing annual cash compensation at a level sufficient to attract and retain talented and experienced individuals.

Our Compensation Committee recommended and our Board approved the following base salaries for Mr. Cotter, Jr. and Ellen M. Cotter for 2015:

Name	2014 Base Salary ($)	2015 Base Salary ($)
Ellen M. Cotter [1]	335,000	402,000
James Cotter, Jr [2]	335,000	335,000[2]

(1) Ellen M. Cotter was appointed Interim President and Chief Executive Officer on June 12, 2015 and President and Chief Executive Officer on January 8, 2016.

(2) James Cotter, Jr. served as President from June 1, 2013 through June 12, 2015, and Chief Executive Officer from August 7, 2014 through June 12, 2015. Mr. Cotter, Jr. had an annual base salary of $335,000 for 2015. When his employment ended, Mr. Cotter, Jr. earned a prorated base salary of $195,417 for 2015, which includes his severance payment paid through the end of July 2015.

With the exception of Mr. Ghose, who was appointed Chief Financial Officer on May 11, 2015, Mr. Matyczynski, whose base salary was $324,000 in 2015, and Mr. Smith, whose base salary was $274,897, the base salaries of our other named executive officers generally remained at the levels established for 2014, as shown in the following table:

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Name	2014 Base Salary ($)	2015 Base Salary ($)
Dev Ghose [1]	--	400,000[1]
Andrzej J. Matyczynski [2]	309,000	324,000
William Ellis[3]	350,000[3]	350,000
Robert F. Smerling	350,000	350,000
Wayne Smith	324,295[4]	274,897[4]

(1) Dev Ghose was appointed Chief Financial Officer and Treasurer on May 11, 2015. For 2015, Mr. Ghose earned a prorated base salary of $257,692.

(2) Andrzej J. Matyczynski, our former Chief Financial Officer, Treasurer and Corporate Secretary, has a written agreement with our Company that provides certain severance and deferred compensation benefits. Mr. Matyczynski resigned as Corporate Secretary on October 20, 2014 and as our Chief Financial Officer and Treasurer effective May 11, 2015, however he continued as an employee to assist in the transition of our new Chief Financial Officer, and was appointed Executive Vice President-- Global Operations on March 10, 2016. Under Mr. Matyczynski's employment contract, upon his retirement and provided there has been no termination for cause, he will become entitled under his agreement to a lump-sum severance payment of $50,000, subject to certain offsets, and to the payment of his vested benefit under his deferred compensation plan discussed below in this section.

(3) William Ellis submitted his resignation on February 18, 2016, effective March 11, 2016. For 2014, Mr. Ellis earned a prorated base salary of $71,795.

(4) Mr. Smith's salary was paid in Australian Dollars in the amounts of AUD$359,250 in 2014 (shown in the table in U.S. Dollars using exchange rate 0.9027), and AUD$365,360 in 2015 (shown in the table in U.S. Dollars using exchange rate 0.7524).

Prior to 2016, all named executive officers were eligible to receive a discretionary annual cash bonus. Cash bonuses are typically prorated to reflect a partial year of service.

In connection with consideration of 2015 performance bonuses for members of management, the Chief Executive Officer prepared and submitted recommendations for each of the executive and management team members, other than herself. In considering these recommendations, the Compensation Committee had the benefit of its extensive deliberations as well as the data provided by Willis Towers Watson. In executive session, the Compensation Committee considered and approved a 2015 performance bonus for the Chief Executive Officer. The proposed bonus amounts were reviewed and approved by the Board in February 2016. The Board approval covered the named executive officers set forth below, as well as select other officers and executives.

The following are the 2015 Performance Bonuses approved pursuant to the above process:

Name	2015 Performance Bonus ($)
Ellen M. Cotter	250,000
Dev Ghose	75,000
Andrzej J. Matyczynski	0
William Ellis	0[1]
James Cotter, Jr.	0
Robert F. Smerling	75,000
Wayne Smith	71,478[2]

(1) Pursuant to his employment agreement, in 2015 Mr. Ellis received a guaranteed bonus of $60,000, and as such, it was not subject to the process above. Mr. Ellis submitted his resignation on February 18, 2016.

(2) Mr. Smith's bonus was paid in Australian Dollars in the amount of AUD$95,000 (shown in the table in U.S. Dollars using exchange rate 0.7524).

In the past, we have offered stock options and stock awards to our employees, including named executive

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officers, as the long-term incentive component of our compensation program. We sometimes granted equity awards to new hires upon their commencing employment with us and from time to time thereafter. Our stock options allow employees to purchase shares of our common stock at a price per share equal to the fair market value of our common stock on the date of grant and may or may not be intended to qualify as "incentive stock options" for U.S. federal income tax purposes. Generally, the stock options we granted to our employees vest over four years in equal installments upon the annual anniversaries of the date of grant, subject to their continued employment with us on each vesting date.

Employment Agreements

James Cotter, Jr. On June 12, 2015, the Board terminated the employment of James Cotter, Jr. as our President and Chief Executive Officer. Under Mr. Cotter, Jr.'s employment agreement with the Company, he is entitled to the compensation and benefits he was receiving at the time of a termination without cause for a period of twelve months from notice of termination. At the time of termination, Mr. Cotter Jr.'s annual salary was $335,000, and the Company paid Mr. Cotter Jr. severance payments in the amount of $43,750. A dispute has arisen between the Company and Mr. Cotter as to whether the Company is required to continue to make these payments, which dispute is currently subject to arbitration. Mr. Cotter's employment agreement also provided for the grant of options to purchase 100,000 shares of Class A Stock at an exercise price of $6.31 per share. Mr. Cotter, Jr. has previously exercised options to purchase 50,000 of such shares. Mr. Cotter, Jr. has asserted that the options to exercise the remainder of the 50,000 options survived the termination of his employment. The Company's position is that all unvested options expired upon the termination of Mr. Cotter, Jr.'s employment. This matter is currently under review by the Compensation Committee.

Dev Ghose. On April 20, 2015, we entered into an employment agreement with Mr. Dev Ghose, pursuant to which he agreed to serve as our Chief Financial Officer for a one-year term commencing on May 11, 2015. The employment agreement provides that Mr. Ghose is to receive an annual base salary of $400,000, with an annual target bonus of $200,000, and employee benefits in line with those received by our other senior executives. Mr. Ghose was also granted stock options to purchase 100,000 shares of Class A Stock at an exercise price equal to the closing price of our Class A Stock on the date of grant and which will vest in equal annual increments over a four-year period, subject to his remaining in our continuous employ through each annual vesting date.

Under his employment agreement, we may terminate Mr. Ghose's employment with or without cause (as defined) at any time. If we terminate his employment without cause or fail to renew his employment agreement upon expiration without cause, Mr. Ghose will be entitled to receive severance in an amount equal to the salary and benefits he was receiving for a period of 12 months following such termination or non-renewal. If the termination is in connection with a "change of control" (as defined), Mr. Ghose would be entitled to severance in an amount equal to the compensation he would have received for a period two years from such termination.

William D. Ellis. On October 20, 2014, we entered into an employment agreement with Mr. William D. Ellis, which was amended in September 2015, pursuant to which he agreed to serve as our General Counsel for a term of three years. The employment agreement provided that Mr. Ellis was to receive an annual base salary of $350,000, with an annual guaranteed bonus of at least $60,000. In addition, Mr. Ellis was granted stock options to purchase 60,000 shares of Class A Stock at an exercise price equal to the closing price of our Class A Stock on the date of grant and which will vest in equal annual increments over a three-year period, subject to his remaining in our continuous employ through each annual vesting date.

On February 18, 2016, Mr. Ellis submitted his resignation as our General Counsel and Corporate Secretary. On March 11, 2016, we entered into an agreement with Mr. Ellis, pursuant to which, in consideration of the payment to Mr. Ellis of $205,010 (to be paid in 19 equal semi-monthly installments of $10,790) and the vesting of options to acquire 20,000 shares of our Class A Common Stock on October 15, 2016, Mr. Ellis has agreed to be available to advise us on matters on which he previously worked until December 31, 2016. Mr. Ellis' last day of employment was March 11, 2016.

Andrzej J. Matyczynski. Mr. Matyczynski, our former Chief Financial Officer, Treasurer and Corporate Secretary, has a written agreement with our Company that provides for a lump-sum severance payment of $50,000, provided there has been no termination for cause and subject to certain offsets, and to the payment of his vested benefit under his deferred compensation plan discussed below in the section entitled "Other Elements of Compensation." Mr. Matyczynski resigned as our Corporate Secretary on October 20, 2014 and as our Chief Financial Officer and

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Treasurer effective May 11, 2015, but continued as an employee in order to assist in the transition of our new Chief Financial Officer. He was appointed EVP-Global Operations in March 2016.

2016 AND FUTURE COMPENSATION STRUCTURE

Background

In early 2016, our Compensation Committee conducted a thorough evaluation of our compensation policy for executive officers and outside directors to establish a plan that encompasses best corporate practices consistent with our best interests. Our Compensation Committee undertook to review, evaluate, revise and recommend the adoption of new compensation arrangements for our executive and management officers and outside directors. In January 2016, our Compensation Committee retained the international compensation consulting firm of Willis Towers Watson as its advisor in this process and also relied on the advice of our legal counsel, Greenberg Traurig, LLP.

Compensation Committee Charter

On February 29, 2016, our Board adopted the Charter of the Compensation Committee, or the Compensation Committee Charter. In keeping with our intent to implement best practices, the Compensation Committee Charter delegated the following responsibilities to our Compensation Committee:

- in consultation with our senior management, to establish our compensation philosophy and objectives;
- to review and approve all compensation, including salary, bonus, incentive and equity compensation, for our Chief Executive Officer and our executive officers, provided that our Chief Executive Officer may not be present during voting or deliberations on his or her compensation;
- to approve all employment agreements, severance arrangements, change in control provisions and agreements and any special or supplemental benefits applicable to our Chief Executive Officer and other executive officers;
- to approve and adopt, on behalf of our Board, incentive compensation and equity-based compensation plans, or, in the case of plans requiring stockholder approval, to review and recommend such plan to the stockholders;
- to review and discuss with our management and our counsel and auditors, the disclosures made in Compensation Discussion and Analysis and advise our Board whether, in the view of the Committee, the Compensation Discussion and Analysis is, in form and substance, satisfactory for inclusion in our annual report on Form 10-K and proxy statement for the annual meeting of stockholders;
- to prepare an annual compensation committee report for inclusion in our proxy statement for the annual meeting of stockholders in accordance with the applicable rules of the SEC;
- to periodically review and reassess the adequacy of this charter and recommend any proposed changes to the Board for approval;
- to administer our equity-based compensation plans, including the grant of stock options and other equity awards under such plans, the exercise of any discretion accorded to the administrator of all such plans and the interpretation of the provisions of such plans and the terms of any awards made under the plans; and
- to consider the results of the most recent stockholder advisory vote on executive compensation required by Section 14A of the Securities Exchange Act of 1934 when determining compensation policies and making decisions on executive compensation.

Under the Compensation Committee Charter, "executive officer" is defined to mean the chief executive officer, president, chief financial officer, chief operating officer, general counsel, principal accounting officer, any executive vice president of the Company and any Managing Director of Reading Entertainment Australia Pty Ltd and/or Reading New Zealand, Ltd.; provided that any compensation determinations pertaining to Ellen M. Cotter and Margaret Cotter will be subject to review and approval by our Board.

As noted above, the Compensation Committee Charter was adopted as part of our Board's implementation of additional corporate best practices measures. The Compensation Committee Charter will apply for the remainder of 2016 and the future, subject to further amendments and modifications by our Board. The Compensation Committee's charter is available on our website at http://www.readingrdi.com/Committee-Charters.

The Compensation Committee reviews compensation policies and practices effecting employees in addition to

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those applicable to executive officers. The Compensation Committee has determined that it is not reasonably likely that our compensation policies and practices for its employees would have a material adverse effect on our Company.

Executive Compensation

In early 2016, our Compensation Committee met with Willis Towers Watson, our Chief Executive Officer, and our legal counsel, to review the Company's compensation levels, programs and practices. As part of its engagement, Willis Towers Watson reviewed our compensation paid to executive and management officers by position, in light of each person's duties and responsibilities. Willis Towers Watson then compared our top executive and management positions to (i) executive compensation paid by a peer group, and (ii) two surveys, the 2015 Willis Towers Watson Data Services Top Management Survey Report and the 2015 Mercer MBD Executive Compensation Survey, in each case, identified by office position and duties performed by the officer. The peer group utilized by Willis Towers Watson included the following 15 companies:

Arcadia Realty Trust
Associated Estates Realty Corp.
Carmike Cinemas Inc.
Cedar Realty Trust Inc.
Charter Hall Group
EPR Properties
Vicinity Centres
IMAX Corporation
Inland Real Estate Corp.
Kite Realty Group Trust
Marcus Corporation
Pennsylvania Real Estate Investment Trust
Ramco-Gershenson Properties Trust
Urstadt Biddle Properties Inc.
Village Roadshow Ltd.

Willis Towers Watson selected the above peer group noting that the companies selected (i) included 12 United States based companies and three Australian based companies to reflect our geographic operations, and (ii) were comparable to us based on the key financial criteria of being between 1/3rd and three times our revenue.

The executive pay assessment prepared by Willis Towers Watson measured our executive and management compensation against compensation paid by peer group companies and the companies listed in the two surveys based on the 25th, 50th and 75th percentile of such peer group and surveyed companies. The 50th percentile was the median compensation paid by such peer group and surveyed companies to executives performing similar responsibilities and duties.

The Willis Towers Watson assessment compared the base salary, the short term incentive (cash bonus) and long term incentive (equity awards) of the peer and surveyed companies to the base salary, short term incentive and long term incentive provided to our executives. The assessment concluded that, except in a few positions, we were generally competitive in base salary, however, we were not competitive when short-term incentives and long term incentives were included in the total compensation paid to our executives and management.

As a result of the foregoing factors, Willis Towers Watson recommended that we:

- Implement a formal annual incentive opportunity for all executives; and
- Implement a regular annual grant program for long-term incentives.

Our Compensation Committee recommended, and our Board subsequently adopted, a compensation philosophy for our management team members to:

- Attract and retain talented and dedicated management team members;
- Provide overall compensation that is competitive in its industry;
- Correlate annual cash incentives to the achievement of its business and financial objectives; and
- Provide management team members with appropriate long-term incentives aligned with stockholder value.

As part of the compensation philosophy, our compensation focus will be to (1) drive our strategic plan on growth, (2) align officer and management performance with the interests of our stockholders, and (3) encourage retention of our officers and management team members.

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In furtherance of the compensation policy and as a result of the extensive deliberations, including consideration of the Willis Towers Watson recommendations, our Compensation Committee adopted an executive and management officer compensation structure for 2016 consisting of:

- A base salary comparable with job description and industry standard;
- A short-term incentive plan based on a combination of factors including overall corporate and division performance as well as individual performance with a target bonus opportunity to be denominated as a percent of base salary with specific goals weightings and pay-out ranges; and
- A long-term incentive or equity awards in line with job description, performance, and industry standards.

Our Compensation Committee's intention is that the compensation structure approved for 2016 will remain in place indefinitely. However, it will review performance and results after the first year and thereafter and evaluate from time to time whether enhancements, changes or other compensation structures are in our and our stockholders best interests.

Reflecting the new approach, our Compensation Committee established (i) 2016 annual base salaries at levels that it believed (based heavily on the data provided by Willis Towers Watson) are generally competitive with executives in our peer group and in other comparable publicly-held companies as described in the executive pay assessment prepared by Willis Towers Watson, (ii) short term incentives in the form of discretionary annual cash bonuses based on the achievement of identified goals and benchmarks, and (iii) long-term incentives in the form of employee stock options and restricted stock units will be used as a retention tool and as a means to further align an executive's long-term interests with those of our stockholders, with the ultimate objective of affording our executives an appropriate incentive to help drive increases in stockholder value.

Our Compensation Committee will evaluate both executive performance and compensation to maintain our ability to attract and retain highly-qualified executives in key positions and to assure that compensation provided to executives remains competitive when compared to the compensation paid to similarly situated executives of companies with whom we compete for executive talent or that we consider comparable to our Company.

Role of Chief Executive Officer in Compensation Decisions

In connection with the implementation of the new compensation structure, our Compensation Committee conducted the thorough review of executive compensation discussed above. Our Compensation Committee engaged in extensive discussions with, and considered with great weight the recommendations of, the Chief Executive Officer as to compensation for executive and management team members other than for the Chief Executive Officer.

Our Compensation Committee expects to perform an annual review of executive compensation, generally in the first quarter of the year following the year in review, with a presentation by the Chief Executive Officer regarding each element of the executive compensation arrangements. At our Compensation Committee's direction, our Chief Executive Officer prepared an executive compensation review for each executive officer (other than the Chief Executive Officer), as well as the full executive team, which included recommendations for:

- 2016 Base Salary
- A proposed year-end short -term incentive in the form of a target cash bonus based on the achievement of certain objectives; and
- A long-term incentive in the form of stock options and restricted stock units for the year under review.

As part of the compensation review, our Chief Executive Officer may also recommend other changes to an executive's compensation arrangements such as a change in the executive's responsibilities. Our Compensation Committee will evaluate the Chief Executive Officer's recommendations and, in its discretion, may accept or reject the recommendations, subject to the terms of any written employment agreements.

Our Compensation Committee met in executive session without our Chief Executive Officer to consider the Chief Executive Officer's compensation, including base salary, cash bonus and equity award, if any. Prior to such executive sessions, our Compensation Committee interviewed our Chief Executive Officer to obtain a better understanding of factors contributing to the Chief Executive Officer's compensation. With the exception of these

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executive sessions of our Compensation Committee, as a rule, our Chief Executive Officer participated in all deliberations of the Compensation Committee relating to executive compensation. However, our Compensation Committee also asked our Chief Executive Officer to be excused for certain deliberations with respect to the compensation recommended for Margaret Cotter, the sister of our Chief Executive Officer.

In conjunction with the year-end annual compensation review, or as soon as practicable after the year-end, our Chief Executive Officer will recommend to our Compensation Committee our objectives and other criteria to be utilized for purposes of determining cash bonuses for certain senior executive officers. Our Compensation Committee, in its discretion, may revise the Chief Executive Officer's recommendations. At the end of the year, our Compensation Committee, in consultation with our Chief Executive Officer, will review each performance goal and determine the extent to which the officer achieved such goals. In establishing performance goals, our Compensation Committee expects to consider whether the goals could possibly result in an incentive for any executives to take unwarranted risks in our Company's business and intend to seek to avoid creating any such incentives.

Base Salaries

Our Compensation Committee reviewed the executive pay assessment prepared by Willis Towers Watson and other factors and engaged in extensive deliberation and then recommended the following 2016 base salaries (the 2015 base salaries are shown for comparison purposes) for the following officers. Our Board approved the recommendations of our Compensation Committee on March 10, 2016 for the President and Chief Executive Officer, Chief Financial Officer and our named executive officers, other than William D. Ellis and our prior Chief Executive Officers James J. Cotter, Sr. and James Cotter, Jr.

Name	Title	2015 Base Salary	2016 Base Salary
Ellen Cotter [1]	President and Chief Executive Officer	$402,000	$450,000
Dev Ghose [2]	EVP, Chief Financial Officer, Treasurer and Corporate Secretary	400,000	400,000
Andrzej J. Matyczynski [3]	EVP-Global Operations	324,000	336,000
Robert F. Smerling	President, US Cinemas	350,000	375,000
Wayne Smith[4]	Managing Director, Australia and New Zealand	274,897[4]	282,491[4]

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(1) Ellen M. Cotter was appointed Interim President and Chief Executive Officer on June 12, 2015 and President and Chief Executive Officer on January 8, 2016.

(2) Dev Ghose was appointed Chief Financial Officer and Treasurer on May 11, 2015. For 2015, Mr. Ghose earned a prorated base salary of $257,692.

(3) Andrzej J. Matyczynski was the Company's Chief Financial Officer and Treasurer until May 11, 2015 and thereafter he acted as Strategic Corporate Advisor to the Company. He was appointed EVP-Global Operations on March 10, 2016.

(4) Mr. Smith was paid in Australian dollars in the amount of AUD$365,360 (shown in U.S. Dollars in the table above, using the conversion rate of 0.7524). In 2016, Mr. Smith will be paid in Australian dollars in the amount of AUD$370,000 (shown abovein U.S. Dollars using the exchange rate of 0.76349).

Short Term Incentives

The Short Term Incentives authorized by our Compensation Committee and our Board provides our executive officers and other management team members, who are selected to participate, with an opportunity to earn an annual cash bonus based upon the achievement of certain company financial goals, division goals and individual goals, established by our Chief Executive Officer and approved by our Compensation Committee and our Board (in future

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years, under the Compensation Committee Charter approved by our Board on March 10, 2016, our Compensation Committee will have full authority to approve these matters). Specifically, a participant in the short-term incentive plan will be advised of his or her annual potential target bonus expressed as a percentage of the participant's base salary and by dollar amount. The participant will be eligible for a short-term incentive bonus once the participant achieves goals identified at the beginning of the year for a threshold target, the potential target or potential maximum target bonus opportunity. The bonus will vary depending upon the achievements made by the individual participants, the division and the corporation. Corporate goals for 2016 will include levels of earnings before interest, depreciation, taxes and amortization ("non-GAAP Operating Income") and property development milestones. Division goals for 2016 will include levels of division cash flow and division milestones and individual goals will include specific unique performance goals specific to the individual's position with us. Each of the corporate, division and individual goals carries a different percentage weight in determining the officer's or other team member's bonus for the year.

Ms. Ellen M. Cotter, our President and Chief Executive Officer, has a potential target bonus opportunity of 95% of Base Salary, or $427,500 at target based on Ms. Cotter's achievement of her performance goals and over achievement of corporate goals discussed above. Of that potential target bonus opportunity, a threshold bonus of $213,750 may be achieved based upon Ms. Cotter's achievement of certain performance goals and our achievement of certain corporate goals, and a potential maximum target of $641,250 is based on achieving additional performance goals. Ms. Cotter's aggregate annual bonus opportunity can range from $0 to $641,250. Mr. Dev Ghose, our EVP, Chief Financial Officer, Treasurer and Corporate Secretary, has a potential target bonus opportunity of 50% of Base Salary, or $200,000 at target, which is based on achievement of his performance goals and our achievement of corporate goals, as discussed above. Mr. Ghose's aggregate annual bonus opportunity can range from $0 to $300,000 (the maximum potential target if additional performance goals are met by Mr. Ghose). Mr. Andrzej J. Matyczynski, our EVP - Global Operations, has a target bonus opportunity of 50% of Base Salary, or $168,000 at target, which is based on achievement of his performance goals, our achievement of corporate goals and certain divisional goals. Mr. Matyczynski's aggregate annual bonus opportunity can range from $0 to $252,000 (the maximum potential target if additional performance goals are met by Mr. Matyczynski). Mr. Robert Smerling, President, US Cinemas, has a target bonus opportunity of 30% of base pay, or $112,500 at target, which is based on achievement of his performance goals, our achievement of corporate goals and certain divisional goals. Mr. Smerling's aggregate annual bonus opportunity can range from $0 to $168,750 (the maximum potential target if additional performance goals are met by Mr. Smerling). Mr. Wayne Smith, Managing Director, Australia and New Zealand, has a target bonus opportunity of 40% of Base Salary, or A$148,000 at target, which is based on achievement of his performance goals, our achievement of corporate goals and certain divisional goals. Mr. Smith's aggregate annual bonus opportunity can range from A$0 to A$222,000 (the maximum potential target if additional performance goals are met by Mr. Smith). The positions of other management team members have target bonus opportunities ranging from 20% to 30% of Base Salary based on achievement certain goals. The highest level of achievement, participants may be eligible to receive up to a maximum of 150% of his or her target bonus amount.

Long-Term Incentives

Long-Term incentives will utilize the equity-based plan under our 2010 Incentive Stock Plan, as amended (the "2010 Plan"). For 2016, executive and management team participants will receive awards in the following forms: 50% time-based restricted stock units and 50% non-statutory stock options. The grants of restricted stock units and options will vest ratably over a four (4) year period with 1/4th vesting on each anniversary date of the grant date.

On March 10, 2016, the following grants were made:

Name	Title	Dollar Amount of Restricted Stock Units	Dollar Amount of Non-Statutory Stock Options[1]
Ellen M. Cotter	President and Chief Executive Officer	$150,000	$150,000
Dev Ghose [2]	EVP, Chief Financial Officer, Treasurer and Corporate Secretary	0	0
Andrzej J. Matyczynski	EVP Global Operations	37,500	37,500

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Robert F. Smerling	President, US Cinemas		50,000	50,000
Wayne Smith	Managing Director, Australia and New Zealand	27,000 (3)		27,000 (3)

(1) The number of shares of stock to be issued will be calculated using the Black Scholes pricing model as of the date of grant of the award.

(2) Mr. Dev Ghose was awarded 100,000 non-statutory stock options vesting over a 4-year period on commencing on Mr. Ghose's first day of employment or May 11, 2015.

(3) Although Mr. Smith was paid 50% of $75,000 in Australian Dollars, the amount shown above is quoted in U.S. Dollars.

All long-term incentive awards will be subject to other terms and conditions set forth in the 2010 Plan and award grant.

Other Elements of Compensation

Retirement Plans

We maintain a 401(k) retirement savings plan that allows eligible employees to defer a portion of their compensation, within limits prescribed by the Internal Revenue Code, on a pre-tax basis through contributions to the plan. Our named executive officers other than Mr. Smith, who is a non-resident of the U.S., are eligible to participate in the 401(k) plan on the same terms as other full-time employees generally. Currently, we match contributions made by participants in the 401(k) plan up to a specified percentage, and these matching contributions are fully vested as of the date on which the contribution is made. We believe that providing a vehicle for tax-deferred retirement savings though our 401(k) plan, and making fully vested matching contributions, adds to the overall desirability of our executive compensation package and further incentivizes our employees, including our named executive officers, in accordance with our compensation policies.

Other Retirement Plans

During 2012, Mr. Matyczynski was granted an unfunded, nonqualified deferred compensation plan ("DCP") that was partially vested and was to vest further so long as he remained in our continuous employ. The DCP allowed Mr. Matyczynski to defer part of the cash portion of his compensation, subject to annual limits set forth in the DCP. The funds held pursuant to the DCP are not segregated and do not accrue interest or other earnings. If Mr. Matyczynski were to be terminated for cause, then the total vested amount would be reduced to zero. The incremental amount vested each year was made subject to review and approval by our Board. Please see the "*Nonqualified Deferred Compensation*" table for additional information. In addition, Mr. Matyczynski is entitled to a lump-sum severance payment of $50,000, provided there has been no termination for cause and subject to certain offsets, upon his retirement.

Upon the termination of Mr. Matyczynski's employment, he will also be entitled under the DCP agreement to payment of the vested benefits under his DCP in annual installments following the later of (a) 30 days following Mr. Matyczynski's 65th birthday or (b) six months after his separation from service for reasons other than his death or termination for cause. The DCP was to vest over seven years and with full vesting to occur in 2019 at $1,000,000 in deferred compensation. However, in connection with his changed employment to EVP - Global Operations, the Company and Mr. Matyczynski agreed that the Company would cease making contributions to the DCP on April 15, 2016 and that the final contributions by the Company to the DCP would be $150,000 for 2015, and $21,875 for 2016, satisfying the Company's total contribution obligations under the DCP at an amount of $621,875.

The DCP is an unfunded contractual obligation of the Company. DCP benefits are paid from the general assets of the Company. However, the Company reserves the right to establish a grantor trust from which DCP benefits may be paid.

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In March 2016, the Compensation Committee approved a one-time retirement benefit for Robert Smerling, President, Cinema Operations, due to his significant long term service to the Company. The retirement benefit an amount equal to the average of the two highest total cash compensation (base salary plus cash bonus) years paid to Mr. Smerling in the then most recently completed five year period.

We currently maintain no other retirement plan for our named executive officers.

Key Person Insurance

We maintain life insurance on certain individuals who we believe to be key to our management. In 2015, these individuals included James Cotter, Jr. (through September 13, 2015), Ellen M. Cotter, Margaret Cotter, William Ellis, Dev Ghose, Andrzej Matyczynski, Robert Smerling, Craig Tompkins and Wayne Smith. If such individual ceases to be our employee, Director or independent contractor, as the case may be, she or he is permitted, by assuming responsibility for all future premium payments, to replace our Company as the beneficiary under such policy. These policies allow each such individual to purchase up to an equal amount of insurance for such individual's own benefit. In the case of our employees, the premium for both the insurance as to which we are the beneficiary and the insurance as to which our employee is the beneficiary, is paid by us. In the case of named executive officers, the premium paid by us for the benefit of such individual is reflected in the Compensation Table in the column captioned "All Other Compensation."

Employee Benefits and Perquisites

Our named executive officers are eligible to participate in our health and welfare plans to the same extent as all full-time employees generally. We do not generally provide our named executive officers with perquisites or other personal benefits. Historically, many of our other named executive officers also received an automobile allowance. The table below shows car allowances granted to certain officers under their employment agreements or arrangements. From time to time, we may provide other perquisites to one or more of our other named executive officers.

Officer	Annual Allowance ($)
Dev Ghose	12,000
William Ellis [1]	15,000
Andrzej J. Matyczynski	12,000
Ellen M. Cotter	13,800
James Cotter, Jr. [1]	15,000
Robert F. Smerling	18,000

(1) Mr. Ellis and Mr. Cotter, Jr. are no longer employees of the Company.

Tax and Accounting Considerations

Deductibility of Executive Compensation

Subject to an exception for "performance-based compensation," Section 162(m) of the Internal Revenue Code generally prohibits publicly held corporations from deducting for federal income tax purposes annual compensation paid to any senior executive officer to the extent that such annual compensation exceeds $1.0 million. Our Compensation Committee and our Board consider the limits on deductibility under Section 162(m) in establishing executive compensation, but retain the discretion to authorize the payment of compensation that exceeds the limit on deductibility under this Section.

Nonqualified Deferred Compensation

We believe we are operating, where applicable, in compliance with the tax rules applicable to nonqualified deferred compensation arrangements.

Say on Pay

At our Annual Meeting of Stockholders held on May 15, 2014, we held an advisory vote on executive compensation. Our stockholders voted in favor of our Company's executive compensation. The Compensation

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Committee reviewed the results of the advisory vote on executive compensation in 2014 and did not make any changes to our compensation based on the results of the vote. We expect that our next advisory vote of our stockholders on executive compensation will be at our 2017 Annual Meeting of Stockholders.

Compensation Committee Interlocks and Insider Participation

Our Compensation Committee is currently composed of Mr. Kane, who serves as Chair, Dr. Codding, and Mr. McEachern. Mr. Storey, who served on our Board until October 11, 2015, served on our Compensation Committee until that date. Mr. Adams served until May 14, 2016, and was succeeded by Mr. McEachern. None of the members of the Compensation Committee was an officer or employee of the Company at any time during 2015. None of our executive officers serves as a member of the board of directors or compensation committee of any entity that has or had one or more executive officers serving as a member of our Boardor Compensation Committee.

REPORT OF THE COMPENSATION COMMITTEE

The Compensation Committee has reviewed and discussed with management the "Compensation Discussion and Analysis" required by Item 401(b) of Regulation S-K and, based on such review and discussions, has recommended to our Board that the foregoing "Compensation Discussion and Analysis" be included in this Proxy Statement.

Respectfully submitted,

Edward L. Kane, Chair
Guy W. Adams
Judy Codding

Executive Compensation

This section discusses the material components of the compensation program for our executive officers named in the 2015 Summary Compensation Table below. In 2015, our named executive officers and their positions were as follows:

- Ellen M. Cotter, Chair of the Board, President and Chief Executive Officer, interim President and Chief Executive Officer, Chief Operating Officer – Domestic Cinemas and Chief Executive Officer of Consolidated Entertainment, LLC.
- Dev Ghose, Chief Financial Officer and Treasurer.
- William D. Ellis, General Counsel and Corporate Secretary
- Robert F. Smerling, President – Domestic Cinema Operations.
- Wayne Smith, Managing Director – Australia and New Zealand.
- James Cotter, Jr., former Vice Chair, President and Chief Executive Officer.
- Andrzej J. Matyczynski, former Chief Financial Officer, Treasurer and Corporate Secretary.

Summary Compensation Table

The following table shows the compensation paid or accrued during the last three fiscal years ended December 31, 2015 to (i) Mr. James Cotter, Jr., who served as our principal executive officer until June 12, 2015, (ii) Ellen M. Cotter, who served as our interim principal executive officer from June 12, 2015 through December 31, 2015, (iii) Mr. Andrzej J. Matyczynski, who served as our Chief Financial Officer and Treasurer until May 11, 2015, and (iv) Mr. Dev Ghose, who served as our Chief Financial Officer starting May 11, 2015, and (v) the other three most highly compensated persons who served as executive officers in 2015. The following executives are herein referred to as our "named executive officers."

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	Year	Salary ($)	Bonus ($)	Stock Awards ($)(1)	Option Awards ($)(1)	Change in Pension Value and Nonqualified Deferred Compensation Earning ($)	All Other Compensation ($)	Total ($)
Ellen M. Cotter [2] Interim President and Chief Executive Officer, Chief Operating Officer - Domestic Cinemas	2015	402,000	250,000	--	--	--	25,465 [3]	677,465
	2014	335,000	--	--	--	--	75,190 [3][4]	410,190
	2013	335,000	--	--	--	--	24,915 [3]	359,915
James Cotter, Jr. [5] [9] Former President and Chief Executive Officer	2015	195,417	--	--	50,027- -	--	16,161 [3]	261,605
	2014	335,000	--	--	50,027- -	--	26,051 [3]	411,078
	2013	195,417	--	--	29,182- -	--	9,346 [3]	233,945
Dev Ghose [6] Chief Financial Officer and Treasurer	2015	257,692	75,000		382,334	--	15,730 [3]	407,005
	2014	--	--	--	--	--	--	--
	2013	--	--	--	--	--	--	--
Andrzej J. Matyczynski [7] Former Chief Financial Officer and Treasurer	2015	324,000			33,010	150,000 (8)	27,140 [3]	534,150
	2014	308,640			33,010	150,000 (8)	26,380 [3]	518,030
	2013	308,640	35,000	--	33,010	50,000 (8)	25,755 [3]	452,405
William Ellis General Counsel [10]	2015	350,000	60,000		57,194		28,330 [3]	495,524
	2014	71,795	10,000		9,532		2,500 [3]	93,827
	2013	--	--	--	--	--	--	--
Robert F. Smerling President – Domestic Cinema Operations	2015	350,000	75,000	--	--	--	22,899 [3]	447,899
	2014	350,000	65,000	--	--	--	22,421 [3]	437,421
	2013	350,000	25,000	--	--	--	21,981 [3]	396,981
Wayne Smith [11] Managing Director -Australia and New Zealand	2015	274,897	71,478	--	--	--	2,600 [3]	348,975
	2014	324,295	72,216	--	--	--	2,340 [3]	398,851
	2013	340,393	48,420	--	--	--	2,075 [3]	390,888

(1) Amounts represent the aggregate grant date fair value of awards computed in accordance with ASC Topic 718, excluding the effects of any estimated forfeitures. The assumptions used in the valuation of these awards are discussed in the Notes to our consolidated financial statements. Amounts do not include the value of restricted stock units that will not vest within 60 days following the date of which this information is provided.

(2) Ms. Ellen M. Cotter was appointed our interim President and Chief Executive Officer on June 12, 2015.

(3) Includes our matching employer contributions under our 401(k) plan, the imputed tax of key person insurance, and any automobile allowances. Aside from the car allowances only the employer contributions for the 401(k) plan exceeded $10,000, see table below. See the table in the section entitled "*Employee Benefits and Perquisites*" for the

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amount of each individual's car allowance.

Name	Employer Contribution for 401(k) Plan 2015	2014	2013
Ellen M. Cotter	$10,600	$10,400	$10,200
James Cotter, Jr.	6,700	10,400	0
Dev Ghose	4,000	0	0
Andrzej J. Matyczynski	10,600	10,400	10,200
William Ellis	10,500	0	0
Robert F. Smerling	0	0	0
Wayne Smith	0	0	0

(4) Includes a $50,000 tax gross-up for taxes incurred as a result of the exercise of nonqualified stock options that were intended to be issued as incentive stock options.

(5) Mr. Cotter, Jr., served as our Chief Executive Officer until June 12, 2015. In the case of Mr. Cotter Jr., the "All Other Compensation" column includes $43,750 in severance payments paid pursuant to Mr. Cotter Jr.'s employment agreement. Of this amount, the Company has a claim against Mr. Cotter Jr. for approximately $18,000, which, if the Company is successful in this claim, may be recovered from Mr. Cotter Jr.

(6) Mr. Ghose became Chief Financial Officer and Treasurer on May 11, 2015, as such, he was paid a prorated amount of his $400,000 salary for 2015.

(7) Mr. Matyczynski resigned as our Chief Financial Officer and Treasurer on May 11, 2015, and acted as our Strategic Corporate Advisor until March 10, 2016.

(8) Represents the increase in the vested benefit of the DCP for Mr. Matyczynski. Payment of the vested benefit under his DCP will be made in accordance with the terms of the DCP.

(9) Mr. Cotter, Jr. had an annual base salary of $335,000 for 2015. As his employment ended in June 2015, Mr. Cotter, Jr. earned a prorated base salary of $195,417 for 2015, which includes his severance payment paid through the end of July 2015.

(10) Mr. Ellis became General Counsel and Corporate Secretary on October 20, 2014 as such he was paid a prorated amount of his $350,000 salary in 2014. Mr. Ellis submitted his resignation on February 18, 2016.

(11) Mr. Smith is paid in Australian Dollars. Amounts in the table above are shown in U.S. Dollars, using the conversion rates of 0.9684 for 2013, 0.9027 for 2014 and 0.7524 for 2015.

Grants of Plan-Based Awards

The following table contains information concerning the stock grants made to our named executive officers for the year ended December 31, 2015:

		Estimated Future Payouts Under Non-Equity Incentive Plan Awards			Estimated Futures Payouts Under Equity Incentive Plan Awards			All Other Stock Awards:	All Other Option Awards:		
Name	Grant Date	Threshold ($)	Target ($)	Maximum ($)	Threshold (#)	Target (#)	Maximum (#)	Number of Shares of Stock or Units (#) (1)	Number of Securities Underlying Options (#)(2)	Exercise or Base Price of Option Award ($/share) (3)	Grant Date Fair Value of Stock and Option Awards ($) (4)
Ellen M. Cotter	-	-	-	--	-	-	-	-	-	-	
James Cotter, Jr.	-	-		--	-	-	-	-	-	-	

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Dev Ghose	5-11-2015	-	-	--	-	-	-	100,000	13.42	$382,334	
Andrzej J. Matyczynski	-	-	-	--	-	-	-	-	-	-	
William Ellis	-	-	-	--	-	-	-	-	-	-	
Robert F. Smerling	-	-	-	---	-	-	-	-	-	-	
Wayne Smith (1)	7-16-2015	-	-	-	-	-	6,000	-	-	$84,000	

(1) Mr. Wayne Smith was issued an award of restricted Class A Common Stock, which vests in equal installments on May 13, 2015 and May 13, 2016. The closing price per share for the Class A Common Stock on the date of grant was $14.00. The awards issued to Mr. Wayne Smith are related to his prior-year performance.

(2) Mr. Dev Ghose was issued an option to purchase 100,000 shares of Class A Common Stock at the commencement of his employment, which award vests in four equal installments.

(3) Options are granted with an exercise price equal to the closing price per share on the date of grant.

(4) Represents the total option value estimated as per ASC 718.

Nonqualified Deferred Compensation

Name	Executive contributions in 2015 ($)	Registrant contributions in 2015 ($)	Aggregate earnings in 2015 ($)	Aggregate withdrawals/distributions ($)	Aggregate balance at December 31, 2015 ($)
Andrzej J. Matyczynski	0	150,000	0	0	600,000

See "*Potential Payments upon Termination of Employment or Change in Control*".

On May 13, 2010, our stockholders approved the Plan at the annual meeting of stockholders in accordance with the recommendation of the Board of the Company. The Plan provides for awards of stock options, restricted stock, bonus stock, and stock appreciation rights to eligible employees, Directors, and consultants. The Board approved an amendment to the Plan to permit the award of restricted stock units on March 10, 2016. The Plan permits issuance of a maximum of 1,250,000 shares of Class A Stock. The Plan expires automatically on March 11, 2020.

Equity incentive bonuses may be awarded to align our executives' long-term compensation to appreciation in stockholder value over time and, so long as such grants are within the parameters of the Plan, historically were entirely discretionary on the part of Mr. Cotter, Sr. Other stock grants are subject to Board approval. Equity awards may include stock options, restricted stock, bonus stock, or stock appreciation rights.

If awarded, it is generally our policy to value stock options and restricted stock at the closing price of our common stock as reported on the NASDAQ Stock Market on the date the award is approved or on the date of hire, if the stock is granted as a recruitment incentive. When stock is granted as bonus compensation for a particular transaction, the award may be based on the market price on a date calculated from the closing date of the relevant transaction. Awards may also be subject to vesting and limitations on voting or other rights.

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Outstanding Equity Awards

The following table sets forth outstanding equity awards held by our named executive officers as of December 31, 2015 under the Plan:

Outstanding Equity Awards at Year Ended December 31, 2015

	Option Awards					Stock Awards	
	Class	Number of Shares Underlying Unexercised Options Exercisable	Number of Shares Underlying Unexercised Options Unexercisable	Option Exercise Price ($)	Option Expiration Date	Number of Shares or Units of Stock that Have Not Vested	Market Value of Shares or Units that Have Not Vested ($)
James Cotter, Jr. [1]	A	25,000	20,000	6.31	06/02/2018	0	0
Ellen M. Cotter	A	20,000	--	5.55	03/06/2018	0	0
William Ellis[2]	A	8,815	40,000	8.94	12/31/2016	0	0
Dev Ghose	A	25,000[3]	75,000	13.42	05/10/2020	0	0
Andrzej J. Matyczynski	A	25,000	--	6.02	08/22/2022	0	0
Robert F. Smerling	A	43,750	--	10.24	05/08/2017	0	0
Wayne Smith	A	--	--	--	--	3,000[4]	42,000

(1) Mr. Cotter, Jr. has stated that he has unvested options to acquire 50,000 shares of Class A Stock at an exercise price of $6.31 per share, expiring February 6, 2018, of an original stock option grant of 100,000 Class A Stock. Mr. Cotter, Jr. exercised 50,000 stock options in June 2015. The Company's position is that all unvested options expired upon the termination of Mr. Cotter, Jr.'s employment. The matter is under review by the Compensation Committee.

(2) Mr. Ellis submitted his resignation on February 18, 2016, effective March 11, 2016. As part of his separation agreement, 20,000 of the 40,000 remaining unvested shares will vest on October 20, 2016. Thereafter, no additional options will vest.

(3) 25,000 of Mr. Ghose's options vested on May 11, 2016.

(4) Mr. Smith was granted 6,000 restricted shares of Class A stock on July 16, 2015, which vest over two years in annual installments.

Option Exercises and Stock Vested

The following table contains information for our named executive officers concerning the option awards that were exercised and stock awards that vested during the year ended December 31, 2015:

		Option Awards		Stock Awards	
Name	Class	Number of Shares Acquired on Exercise	Value Realized on Exercise ($)	Number of Shares Acquired on Vesting	Value Realized on Vesting ($)
James J. Cotter, Sr.	B	100,000	1,024,000	--	--
James Cotter, Jr. [1]	A	50,000	315,500	--	--
James Cotter, Jr.	A	12,500	48,375	--	--
James Cotter, Jr.	A	10,000	83,500	--	--
Ellen M. Cotter	B	50,000	512,000	--	--

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Andrzej J. Matyczynski	A	35,100	180,063	--	--

(1) Mr. Cotter, Jr. has stated that he has unvested options to acquire 50,000 shares of Class A Stock at an exercise price of $6.31 per share, expiring February 6, 2018, of an original stock option grant of 100,000 Class A Stock. Mr. Cotter, Jr. exercised 50,000 stock options in June 2015. The Company's position is that all unvested options expired upon the termination of Mr. Cotter, Jr.'s employment. The matter is under review by the Compensation Committee.

Equity Compensation Plan Information

The following table sets forth, as of December 31, 2015, a summary of certain information related to our equity incentive plans under which our equity securities are authorized for issuance:

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders [1]	486,565 (2)	$ 8.68	551,800
Equity compensation plans not approved by security holders			
Total	486,565		

(1) These plans are the Company's 1999 Stock Option Plan and 2010 Stock Incentive Plan.

(2) Represents outstanding options only.

Pension Benefits

The following table contains information concerning pension plans for each of the named executive officers for the year ended December 31, 2015:

Name	Plan Name	Number of Years of Credited Service	Present Value of Accumulated Benefit as of 12/31/2015 ($)	Payments During Last Fiscal Year ($)
Andrzej J. Matyczynski	DCP	6	600,000	$ --

Potential Payments upon Termination of Employment or Change in Control

The following paragraphs provide information regarding potential payments to each of our named executive officers in connection with certain termination events, including a termination related to a change of control of the Company, as of December 31, 2015:

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Mr. Dev Ghose – Termination without Cause. Under his employment agreement, we may terminate Mr. Ghose's employment with or without cause (as defined) at any time. If we terminate his employment without cause or fail to renew his employment agreement upon expiration without cause, Mr. Ghose will be entitled to receive severance in an amount equal to the salary and benefits he was receiving for a period of 12 months following such termination or non-renewal. If the termination is in connection with a "change of control" (as defined), Mr. Ghose would be entitled to severance in an amount equal to the compensation he would have received for a period two years from such termination.

Mr. William Ellis – Termination without Cause. Mr. Ellis resigned his employment effective March 11, 2016. We have entered into a separation agreement with Mr. Ellis which provides, among other things, that, in consideration of the payment to Mr. Ellis of $205,010 (to be paid in 19 equal semi-monthly installments of $10,790) and the vesting of options to acquire 20,000 shares of our Class A Common Stock on October 15, 2016, Mr. Ellis has agreed to be available to advise us on matters on which he previously worked until December 31, 2016. Mr. Ellis' employment agreement contained a noncompetition clause that did not extend beyond his termination.

Mr. Wayne Smith — Termination of Employment for Failing to Meet Performance Standards. If Mr. Smith's employment is terminated by the Board for failing to meet the standards of his anticipated performance, Mr. Smith will be entitled to a severance payment of six months' base salary.

Mr. Andrzej J. Matyczynski – Deferred Compensation Benefits. During 2012, Mr. Matyczynski was granted an unfunded, nonqualified deferred compensation plan ("DCP") that was partially vested and was to vest further so long as he remained in our continuous employ. If Mr. Matyczynski were to be terminated for cause, then the total vested amount would be reduced to zero. The incremental amount vested each year was made subject to review and approval by our Board. Please see the "*Nonqualified Deferred Compensation*" table for additional information.

Upon the termination of Mr. Matyczynski's employment, he will be entitled under the DCP agreement to payment of the vested benefits under his DCP in annual installments following the later of (a) 30 days following Mr. Matyczynski's 65th birthday or (b) six months after his separation from service for reasons other than his death or termination for cause. The DCP was to vest over seven years and with full vesting to occur in 2019 at $1,000,000 in deferred compensation. However, in connection with his employment as EVP Global Operations, the Company and Mr. Matyczynski agreed that the Company would cease making contributions to the DCP on April 15, 2016 and that the final contributions by the Company to the DCP would be $150,000 for 2015 and $21,875 for 2016, satisfying the Company's obligations under the DCP. Mr. Matyczynski's agreement contains nonsolicitation provisions that extend for one year after his retirement.

Under Mr. Matyczynski's agreement, on his retirement date and provided there has not been a termination for cause, Mr. Matyczynski will be entitled to a lump sum severance payment in an amount equal to $50,000, less certain offsets.

Robert F. Smerling – Retirement Benefit. In March 2016, the Compensation Committee approved a one-time retirement benefit for Robert Smerling, President, Cinema Operations, due to his significant long-term service to the Company. The retirement benefit is the average of the two highest total cash compensation (base salary plus cash bonus) years paid to Mr. Smerling in the then most recently completed five year period.

No other named executive officers currently have employment agreements or other arrangements providing benefits upon termination or a change of control. The table below shows the maximum benefits that would be payable to each person listed above in the event of such person's termination without cause or termination in connection with a change in control, if such events had occurred on December 31, 2015, at price equal to the closing price of the Class A stock on that date, which was of $13.11.

Mr. Ellis' agreement terminated when his employment ended as of March 11, 2016. As such, his information is excluded from the table below.

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	Payable on upon Termination without Cause ($)			Payable upon Termination in Connection with a Change in Control ($)			Payable upon Retirement ($)
	Severance Payments	*Value of Vested Stock Options*	*Value of Health Benefits*	*Severance Payments*	*Value of Vested Stock Options*	*Value of Unvested Stock Options Accelerated*	*Benefits Payable under Retirement Plans or the DCP*
Ellen Cotter	0	151,200	0	0	151,200	0	0
Dev Ghose	400,000	0	23,040	800,000	0	0	0
Wayne Smith	175,000	39,330[1]	0	0	39,330[1]	39,330[1]	0
Andrzej J. Matyczynski	50,000[2]	177,250	0	0	177,250	0	600,000
Robert F. Smerling	0	125,562	0	0	125,562	0	415,000[3]

(1) Represents value of restricted stock award rather than stock option.

(2) Mr. Matyczynski's severance payment is payable upon his retirement, and is subject to certain offsets as set forth in his agreement, and is subject to certain offsets.

(3) Mr. Smerling's one-time retirement benefit is based on the average of the two highest total cash compensation years paid to Mr. Smerling in the most recently completed five-year period. The figure quoted in the table represents the average of total compensation paid for years 2015 and 2014.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

The members of our Audit Committee are Douglas McEachern, who serves as Chair, Edward Kane, and Michael Wrotniak. Management presents all potential related party transactions to the Audit Committee for review. Our Audit Committee reviews whether a given related party transaction is beneficial to our Company, and approves or bars the transaction after a thorough analysis. Only Committee members disinterested in the transaction in question participate in the determination of whether the transaction may proceed. See the discussion entitled "*Review, Approval or Ratification of Transactions with Related Persons*" for additional information regarding the review process.

Sutton Hill Capital

In 2001, we entered into a transaction with Sutton Hill Capital, LLC ("SHC") regarding the master leasing, with an option to purchase, of certain cinemas located in Manhattan including our Village East and Cinemas 1, 2, 3 theaters. In connection with that transaction, we also agreed (i) to lend certain amounts to SHC, to provide liquidity in its investment, pending our determination whether or not to exercise our option to purchase and (ii) to manage the 86th Street Cinema on a fee basis. SHC is a limited liability company owned in equal shares by the Cotter Estate and/or the Cotter Trust and a third party.

As previously reported, over the years, two of the cinemas subject to the master leasing agreement have been redeveloped and one (the Cinemas 1, 2, 3 discussed below) has been acquired. The Village East is the only cinema that remains subject to this master lease. We paid an annual rent of $590,000 for this cinema to SHC in each of 2015, 2014, and 2013. During this same period, we received management fees from the 86th Street Cinema of $151,000, $123,000 and $183,000.

In 2005, we acquired (i) from a third party the fee interest underlying the Cinemas 1, 2, 3, and (ii) from SHC its interest in the ground lease estate underlying and the improvements constituting the Cinemas 1, 2, 3. The ground lease estate and the improvements acquired from SHC were originally a part of the master lease transaction, discussed above.

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In connection with that transaction, we granted to SHC an option to acquire at cost a 25% interest in the special purpose entity (Sutton Hill Properties, LLC ("SHP") formed to acquire these fee, leasehold and improvements interests. On June 28, 2007, SHC exercised this option, paying $3.0 million and assuming a proportionate share of SHP's liabilities. At the time of the option exercise and the closing of the acquisition of the 25% interest, SHP had debt of $26.9 million, including a $2.9 million, non-interest bearing intercompany loan from the Company. As of December 31, 2015, SHP had debt of $19.4 million (again, including the intercompany loan). Since the acquisition by SHC of its 25% interest, SHP has covered its operating costs and debt service through cash flow from the Cinemas 1, 2, 3, (ii) borrowings from third parties, and (iii) pro-rata contributions from the members. We receive an annual management fee equal to 5% of SHP's gross income for managing the cinema and the property, amounting to $153,000, $123,000 and $183,000 in 2015, 2014, and 2013, respectively. This management fee was modified in 2015, as discussed below, retroactive to December 1, 2014.

On June 29, 2010, we agreed to extend our existing lease from SHC of the Village East Cinema by 10 years, with a new termination date of June 30, 2020. This amendment was reviewed and approved by our Audit Committee. The Village East lease includes a sub-lease of the ground underlying the cinema that is subject to a longer-term ground lease between SHC and an unrelated third party that expires in June 2031 (the "cinema ground lease"). The extended lease provides for a call option pursuant to which Reading may purchase the cinema ground lease for $5.9 million at the end of the lease term. Additionally, the lease has a put option pursuant to which SHC may require Reading to purchase all or a portion of SHC's interest in the existing cinema lease and the cinema ground lease at any time between July 1, 2013 and December 4, 2019. SHC's put option may be exercised on one or more occasions in increments of not less than $100,000 each. We recorded the Village East Cinema building as a property asset of $4.7 million on our balance sheet based on the cost carry-over basis from an entity under common control with a corresponding capital lease liability of $5.9 million.

In February 2015, SHP and we entered into an amendment to the management agreement dated as of June 27, 2007 between SHP and us. The amendment, which was retroactive to December 1, 2014, memorialized our undertaking to SHP with respect to $750,000 (the "Renovation Funding Amount") of renovations to Cinemas 1, 2, 3 funded or to be funded by us. In consideration of our funding of the renovations, our annual management fee under the management agreement was increased commencing January 1, 2015 by an amount equivalent to 100% of any incremental positive cash flow of Cinemas 1, 2, 3 over the average annual positive cash flow of the Cinemas 1, 2, 3 over the three-year period ended December 31, 2014 (not to exceed a cumulative aggregate amount equal to the Renovation Funding Amount), plus a 15% annual cash-on-cash return on the balance outstanding from time to time of the Renovation Funding Amount, payable at the time of the payment of the annual management fee. Under the amended management agreement, we are entitled to retain ownership of (and any right to depreciate) any furniture, fixtures and equipment purchased by us in connection with such renovation and have the right (but not the obligation) to remove all such furniture, fixtures and equipment (at our own cost and expense) from the Cinemas upon the termination of the management agreement. The amendment also provides that, during the term of the management agreement, SHP will be responsible for the cost of repair and maintenance of the renovations. In 2015, we received a management fee of $153,000. This amendment was approved by SHC and by the Audit Committee of our Board.

OBI Management Agreement

Pursuant to a Theater Management Agreement (the "Management Agreement"), our live theater operations were, until recently, managed by Off-Broadway Investments, LLC ("OBI Management"), which is wholly owned by Ms. Margaret Cotter, the daughter of the late Mr. James J. Cotter, Sr., the sister of Ellen M. Cotter and James Cotter, Jr., and a member of our Board. The Management Agreement was terminated effective March 10, 2016 in connection with the retention by our Company of Margaret Cotter as a full time employee. The Theater Management Agreement generally provided for the payment of a combination of fixed and incentive fees for the management of our four live theaters. Historically, these fees have equated to approximately 21% of the net cash flow generated by these properties. OBI was paid $589,000 with respect to 2015. This includes $389,000 for theater management services performed in 2015 and $200,000 for property development services with respect to our Company's Union Square and Cinemas 1,2,3 properties, some of which property development services were provided in periods prior to 2015 and during the period ended March 10, 2016. We paid $397,000 and $401,000 in fees for theater management services with respect to 2014, and 2013, respectively. No fees were paid in these periods for property development services. We also reimbursed OBI for certain travel expenses, shared the cost of an administrative assistant, and provided office space at our New York offices. The fees payable to OBI for the period January 1, 2016 through and including March 9, 2016, will be prorated.

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OBI Management historically conducted its operations from our office facilities on a rent-free basis, and we shared the cost of one administrative employee of OBI Management. We reimbursed travel related expenses for OBI Management personnel with respect to travel between New York City and Chicago in connection with the management of the Royal George complex. Other than these expenses, OBI Management was responsible for all of its costs and expenses related to the performance of its management functions. The Management Agreement renewed automatically each year unless either party gave at least six months' prior notice of its determination to allow the Management Agreement to expire. In addition, we could terminate the Management Agreement at any time for cause.

Effective March 10, 2016, Margaret Cotter became a full time employee of the Company and the Management Agreement was terminated. As Executive Vice-President Real Estate Management and Development - NYC, Ms. Cotter will continue to be responsible for the management of our live theater assets, will continue her role heading up the pre-redevelopment of our New York properties and will be our senior executive responsible for the actual redevelopment of our New York properties. Pursuant to the termination agreement, Ms. Cotter has given up any right she might otherwise have, through OBI, to income from STOMP.

Ms. Cotter's compensation as Executive Vice-President was set as part of an extensive executive compensation process. For 2016, Ms. Cotter's base salary will be $350,000, she will have a short term incentive target bonus opportunity of $105,000 (30% of her base salary), and she was granted a long term incentive of a stock option for 19,921 shares of Class A common stock and 4,184 restricted stock units under the Company's 2010 Stock Incentive Plan, as amended, which long term incentives vest over a four year period.

Live Theater Play Investment

From time to time, our officers and Directors may invest in plays that lease our live theaters. The play STOMP has been playing in our Orpheum Theatre since prior to the time we acquired the theater in 2001. The Cotter Estate and/or the Cotter Trust and Mr. Michael Forman own an approximately 5% interest in that play, an interest that they have held since prior to our acquisition of the theater.

Shadow View Land and Farming, LLC

Director Guy Adams has performed consulting services for James J. Cotter, Sr., with respect to certain holdings that are now controlled by the Cotter Estate and/or the Cotter Trust (collectively the "Cotter Interests"). These holdings include a 50% non-controlling membership interest in Shadow View Land and Farming, LLC (the "Shadow View Investment" and "Shadow View" respectively), certain agricultural interests in Northern California (the "Cotter Farms"), and certain land interests in Texas (the "Texas Properties"). In addition, Mr. Adams is the CFO of certain captive insurance entities, owned by a certain trust for the benefit of Ellen M. Cotter, James Cotter, Jr., and Margaret Cotter (the "captive insurance entities").

Shadow View is a consolidated subsidiary of the Company. The Company has from time to time made capital contributions to Shadow View. The Company has also, from time to time, as the managing member, funded on an interim basis certain costs incurred by Shadow View, ultimately billing such costs through to the two members. The Company has never paid any remuneration to Shadow View. Mr. Adams' consulting fees with respect to the Shadow View Interest were to have been measured by the profit, if any, derived by the Cotter Interests from the Shadow View Investment. He has no beneficial interest in Shadow View or the Shadow View Investment. His consulting fees with respect to Shadow View were equal to 5% of the profit, if any, derived by the Cotter Interests from the Shadow View Investment after recoupment of its investment plus a return of 100%. To date, no profits have been generated by Shadow View and Mr. Adams has never received any compensation with respect to these consulting services. His consulting fee would have been calculated only after the Cotter Interests had received back their costs and expenses and two times their investment in Shadow View. Mr. Adams' consulting fees would have been 2.5% of the then-profit, if any, recognized by Shadow View, considered as a whole.

The Company and its subsidiaries (i) do not have any interest in, (ii) have never conducted any business with, and (iii) have not made any payments to, the Cotter Family Farms, the Texas Properties and/or the captive insurance entities.

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Document Storage Agreement

In consideration of the payment of $100 per month, our Company has agreed to allow Ellen M. Cotter and Margaret Cotter to keep certain files related to the Cotter Estate and/or the Cotter Trust at our Los Angeles Corporate Headquarters. This arrangement, however, has not been implemented.

Review, Approval or Ratification of Transactions with Related Persons

The Audit Committee has adopted a written charter, which includes responsibility for approval of "Related Party Transactions." Under its charter, the Audit Committee performs the functions of the "Conflicts Committee" of the Board and is delegated responsibility and authority by the Board to review, consider and negotiate, and to approve or disapprove on behalf of the Company the terms and conditions of any and all Related Party Transactions (defined below) with the same effect as though such actions had been taken by the full Board. Any such matter requires no further action by the Board in order to be binding upon the Company, except in the case of matters that, under applicable Nevada Law, cannot be delegated to a committee of the Board and must be determined by the full Board. In those cases where the authority of the Board cannot be delegated, the Audit Committee nevertheless provides its recommendation to the full Board.

As used in the Audit Committee's Charter, the term "Related Party Transaction" means any transaction or arrangement between the Company on one hand, and on the other hand (i) any one or more directors, executive officers or stockholders holding more than 10% of the voting power of the Company (or any spouse, parent, sibling or heir of any such individual), or (ii) any one or more entities under common control with any one of such persons, or (iii) any entity in which one or more such persons holds more than a 10% interest. Related Party Transactions do not include matters related to employment or employee compensation related issues.

The charter provides that the Audit Committee reviews transactions subject to the policy and determines whether or not to approve or ratify those transactions. In doing so, the Audit Committee takes into account, among other factors it deems appropriate:

- the approximate dollar value of the amount involved in the transaction and whether the transaction is material to us;
- whether the terms are fair to us, have resulted from arm's length negotiations and are on terms at least as favorable as would apply if the transaction did not involve a Related Person;
- the purpose of, and the potential benefits to us of, the transaction;
- whether the transaction was undertaken in our ordinary course of business;
- the Related Person's interest in the transaction, including the approximate dollar value of the amount of the Related Person's interest in the transaction without regard to the amount of any profit or loss;
- required public disclosure, if any; and
- any other information regarding the transaction or the Related Person in the context of the proposed transaction that would be material to investors in light of the circumstances of the particular transaction.

INDEPENDENT PUBLIC ACCOUNTANTS

Summary of Principal Accounting Fees for Professional Services Rendered

Our independent public accountants, Grant Thornton LLP, have audited our financial statements for the fiscal year ended December 31, 2015, and are expected to have a representative present at the Annual Meeting, who will have the opportunity to make a statement if he or she desires to do so and is expected to be available to respond to appropriate questions.

Audit Fees

The aggregate fees for professional services for the audit of our financial statements, audit of internal controls related to the Sarbanes-Oxley Act, and the reviews of the financial statements included in our Forms 10-K and 10-Q provided by Grant Thornton LLP for 2015 and 2014 were approximately $931,500 and $661,700, respectively.

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Audit-Related Fees

Grant Thornton LLP did not provide us any audit related services for 2015 or 2014.

Tax Fees

Grant Thornton LLP did not provide us any products or any services for tax compliance, tax advice, or tax planning for 2015 or 2014.

All Other Fees

Grant Thornton LLP did not provide us any services for 2015 or 2014, other than as set forth above.

Pre-Approval Policies and Procedures

Our Audit Committee must pre-approve, to the extent required by applicable law, all audit services and permissible non-audit services provided by our independent registered public accounting firm, except for any *de minimis* non-audit services. Non-audit services are considered *de minimis* if (i) the aggregate amount of all such non-audit services constitutes less than 5% of the total amount of revenues we paid to our independent registered public accounting firm during the fiscal year in which they are provided; (ii) we did not recognize such services at the time of the engagement to be non-audit services; and (iii) such services are promptly submitted to our Audit Committee for approval prior to the completion of the audit by our Audit Committee or any of its members who has authority to give such approval. Our Audit Committee pre-approved all services provided to us by Grant Thornton LLP for 2015 and 2014.

STOCKHOLDER COMMUNICATIONS

Annual Report

A copy of our Annual Report on Form 10-K for the fiscal year ended December 31, 2015 is being provided with this Proxy Statement.

Stockholder Communications with Directors

It is the policy of our Board that any communications sent to the attention of any one or more of our Directors in care of our executive offices will be promptly forwarded to such Directors. Such communications will not be opened or reviewed by any of our officers or employees, or by any other Director, unless they are requested to do so by the addressee of any such communication. Likewise, the content of any telephone messages left for any one or more of our Directors (including call-back number, if any) will be promptly forwarded to that Director.

Stockholder Proposals and Director Nominations

Any stockholder who, in accordance with and subject to the provisions of the proxy rules of the SEC, wishes to submit a proposal for inclusion in our Proxy Statement for our 2017 Annual Meeting of Stockholders, must deliver such proposal in writing to the Annual Meeting Secretary at the address of our Company's principal executive offices at 6100 Center Drive, Suite 900, Los Angeles, California 90045. Unless we change the date of our 2017 annual meeting by more than 30 days from the anniversary of the prior year's meeting, such written proposal must be delivered to us no later than December 23, 2016 to be considered timely. If our 2017 Annual Meeting is not held within 30 days of the anniversary of our 2016 Annual Meeting, to be considered timely, stockholder proposals must be received no later than ten days after the earlier of (a) the date on which notice of the 2017 Annual Meeting is mailed, or (b) the date on which the Company publicly discloses the date of the 2017 Annual Meeting, including disclosure in an SEC filing or through a press release. If we do not receive notice of a stockholder proposal on or before March 8, 2017, the proxies that we hold may confer discretionary authority to vote against such stockholder proposal, even though such proposal is not discussed in our Proxy Statement for that meeting.

Our Boards will consider written nominations for Directors from stockholders. Nominations for the election of Directors made by our stockholders must be made by written notice delivered to our Secretary at our principal executive offices not less than 120 days prior to the first anniversary of the date that this Proxy Statement is first sent to stockholders. Such written notice must set forth the name, age, address, and principal occupation or employment of such

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nominee, the number of shares of our Company's common stock that is beneficially owned by such nominee and such other information required by the proxy rules of the SEC with respect to a nominee of the Board.

Under our governing documents and applicable Nevada law, our stockholders may also directly nominate candidates from the floor at any meeting of our stockholders held at which Directors are to be elected.

OTHER MATTERS

We do not know of any other matters to be presented for consideration other than the proposals described above, but if any matters are properly presented, it is the intention of the persons named in the accompanying proxy to vote on such matters in accordance with their judgment.

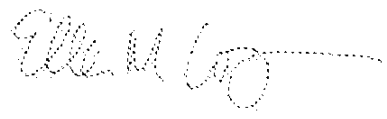
DELIVERY OF PROXY MATERIALS TO HOUSEHOLDS

As permitted by the Securities Exchange Act of 1934, only one copy of the proxy materials are being delivered to our stockholders residing at the same address, unless such stockholders have notified us of their desire to receive multiple copies of the proxy materials.

We will promptly deliver without charge, upon oral or written request, a separate copy of the proxy materials to any stockholder residing at an address to which only one copy was mailed. Requests for additional copies should be directed to our Corporate Secretary by telephone at (213) 235-2240 or by mail to Corporate Secretary, Reading International, Inc., 6100 Center Drive, Suite 900, Los Angeles, California 90045.

Stockholders residing at the same address and currently receiving only one copy of the proxy materials may contact the Corporate Secretary as described above to request multiple copies of the proxy materials in the future.

By Order of the Board of Directors,



Ellen M. Cotter
Chair of the Board

May 19, 2016

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PROXY VOTING INSTRUCTIONS

YOUR VOTE IS IMPORTANT. PLEASE VOTE TODAY.
We encourage you to take advantage of Internet or telephone voting.
Both are available 24 hours a day, 7 days a week.
Internet and telephone voting is available through 11:59 p.m., PT, on June 1, 2016.

VOTE BY INTERNET	WWW.FCRVOTE.COM/RDI

Use the Internet to transmit your voting instructions and for electronic delivery of information up until 11:59 p.m., PT, on June 1, 2016. Have your proxy card in hand when you access the web site and follow the instructions to obtain your records and to create an electronic voting instruction form.

OR

VOTE BY TELEPHONE	1-800-353-7885

Use any touch-tone telephone to transmit your voting instructions up until 11:59 p.m., PT, on June 1, 2016. Have your proxy card in hand when you call and then follow the instructions.

OR

VOTE BY MAIL

Mark, sign and date your proxy card and return it in the postage-paid envelope we have provided to: First Coast Results, Inc., P.O. Box 3672, Ponte Vedra Beach, FL 32004-9911.

If you vote your proxy by Internet or by telephone, you do NOT need to mail back your proxy card. Your Internet or telephone vote authorizes the named proxies to vote your shares in the same manner as if you marked, signed and returned your proxy card.

CONTROL NUMBER

△ If submitting a proxy by mail, please sign and date the card below and fold and detach card at perforation before mailing. ↙

READING INTERNATIONAL ANNUAL MEETING PROXY CARD

BOARD OF DIRECTORS - The Board of Directors recommends a vote FOR all nominees listed.

Proposal 1

(01) Ellen M. Cotter (02) Guy W. Adams (03) Judy Codding (04) James J. Cotter, Jr. (05) Margaret Cotter
(06) William D. Gould (07) Edward L. Kane (08) Douglas J. McEachern (09) Michael Wrotniak

FOR ALL ☐ WITHHOLD ALL ☐ FOR ALL EXCEPT ☐

To withhold your vote for any individual nominee(s), mark "For All Except" box and write the number(s) of the nominees(s) on the line below.

Proposal 2, Other Business. In their discretion, the proxies are authorized to vote upon such other business as may properly come before the meeting and at and with respect to any and all adjournments or postponements thereof. The Board of Directors at present knows of no other business to be presented by or on behalf of the Company or the Board of Directors at the meeting.

THIS PROXY CARD IS VALID ONLY WHEN SIGNED AND DATED.

Signature

Signature (Capacity)

Date

NOTE: Please sign exactly as your name appears hereon. Joint owners should each sign. When signing as attorney, executor, administrator, trustee or guardian, please give full title as such. If shareholder is a corporation, please sign full corporate name by authorized officer, giving full title as such. If a partnership, please sign in partnership name by authorized person, giving full title as such.

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SIGN, DATE AND MAIL YOUR PROXY TODAY,
UNLESS YOU HAVE VOTED BY INTERNET OR TELEPHONE.

IF YOU HAVE NOT VOTED BY INTERNET OR TELEPHONE, PLEASE DATE, MARK, SIGN AND RETURN THIS PROXY PROMPTLY. YOUR VOTE, WHETHER BY INTERNET, TELEPHONE OR MAIL, MUST BE RECEIVED NO LATER THAN 11:59 P.M. PACIFIC TIME, JUNE 1, 2016.
TO BE INCLUDED IN THE VOTING RESULTS, ALL VALID PROXIES RECEIVED PRIOR TO 11:59 P.M. PACIFIC TIME, JUNE 1, 2016 WILL BE VOTED.

SEE REVERSE SIDE

△ If submitting a proxy by mail, please sign and date the card on reverse and fold and detach card at perforation before mailing. △

READING INTERNATIONAL

ANNUAL MEETING OF STOCKHOLDERS

June 2, 2016, 11:00 a.m.

THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS

The undersigned hereby appoints Ellen M. Cotter and Andrzej Matyczynski, and each of them, the attorneys, agents, and proxies of the undersigned, with full powers of substitution to each, to attend and act as proxy or proxies of the undersigned at the Annual Meeting of Stockholders of Reading International, Inc. to be held at the Courtyard by Marriott Los Angeles Westside, located at 6333 Bristol Parkway, Culver City, California 90230 on Thursday, June 2, 2016 at 11:00 a.m., local time, and at and with respect to any and all adjournments or postponements thereof, and to vote as specified herein the number of shares which the undersigned, if personally present, would be entitled to vote.

The undersigned hereby ratifies and confirms all that the attorneys and proxies, or any of them, or their substitutes, shall lawfully do or cause to be done by virtue hereof, and hereby revokes any and all proxies heretofore given by the undersigned to vote at the Annual Meeting. The undersigned acknowledges receipt of the Notice of Annual Meeting and the Proxy Statement accompanying such notice.

THE PROXY, WHEN PROPERLY EXECUTED AND RETURNED PRIOR TO THE ANNUAL MEETING, WILL BE VOTED AS DIRECTED. IF NO DIRECTION IS GIVEN, IT WILL BE VOTED "FOR" PROPOSAL 1, AND IN THE PROXY HOLDERS' DISCRETION AS TO ANY OTHER MATTER THAT MAY PROPERLY COME BEFORE THE ANNUAL MEETING OR ANY POSTPONEMENT OR ADJOURNMENT THEREOF.

SEE REVERSE SIDE

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EXHIBIT 3

Published on *Reading International Investor Center* (http://investor.readingrdi.com) on 07-18-2016

Board of Directors of Reading International Rejected Non-Binding Indication of Interest

Release Date:
7/18/16 6:00 am EDT

Terms:
Corporate [1]

Dateline City:
LOS ANGELES

LOS ANGELES--(BUSINESS WIRE [2])--Reading International, Inc. (NASDAQ: RDI) ("Reading" or the "Company") confirmed today that in June 2016, it rejected an unsolicited, non-binding indication of interest from a third party to acquire all of Reading's outstanding stock at $17 per share. The non-binding indication of interest, and its rejection, were disclosed last week by Board member James J. Cotter, Jr., in a public filing he made in the derivative litigation in the District Court for Clark County, Nevada.

To clarify the record, our Board of Directors, after receiving input from management and its outside advisors, carefully evaluated the indication of interest. Following this review, the Board of Directors determined that our stockholders would be better served by pursuing our independent, stand-alone strategic business plan and communicated this to the third party. Reading's Board strongly believed that the proposed transaction was not in the best interest of our Company or our stockholders.

The statements made by Mr. Cotter, Jr. in his litigation filing were not authorized by the Company, do not constitute Company communications, and the Company takes no responsibility for their accuracy. Typically, it is not our practice to disclose unsolicited expressions of interest and Reading undertakes no obligation to further update this disclosure.

About Reading International, Inc.

Reading International (http://www.readingrdi.com [3]) is in the business of owning and operating cinemas and developing, owning, and operating real estate assets. Our business consists primarily of:

- the development, ownership, and operation of multiplex cinemas in the United States, Australia, and New Zealand; and
- the development, ownership, and operation of retail and commercial real estate in Australia, New Zealand, and the United States, including entertainment-themed centers in Australia and New Zealand and live theater assets in Manhattan and Chicago in the United States.

Reading manages its worldwide business under various brands:

- in the United States, under the
  - Reading Cinema brand (http://www.readingcinemasus.com [4]);
  - Angelika Film Center brand (http://www.angelikafilmcenter.com [5]);
  - Consolidated Theatres brand (http://www.consolidatedtheatres.com [6]);
  - City Cinemas brand (http://www.citycinemas.com [7]);
  - Beekman Theatre brand (http://www.beekmantheatre.com [8]);
  - The Paris Theatre brand (http://www.theparistheatre.com [9]);
  - Liberty Theatres brand (http://libertytheatresusa.com [10]); and
  - Village East Cinema brand (http://villageeastcinema.com [11]).
- in Australia, under the
  - Reading Cinema brand (http://www.readingcinemas.com.au [12]);
  - Newmarket brand (http://readingnewmarket.com.au [13]); and
  - Red Yard brand (http://www.redyard.com.au [14]).
- in New Zealand, under the
  - Reading Cinema brand (http://www.readingcinemas.co.nz [15]);
  - Rialto brand (http://www.rialto.co.nz [16]);
  - Reading Properties brand (http://readingproperties.co.nz [17]);
  - Courtenay Central brand (http://www.readingcourtenay.co.nz [18]); and
  - Steer n' Beer restaurant brand (http://steernbeer.co.nz [19]).

Cautionary Statement

This press release contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934 (the "Exchange Act").

For a detailed discussion of these and other risk factors, please refer to Reading International's Annual Report on Form 10-K for the year ended December 31, 2015 and other filings Reading International makes from time to time with the Securities and Exchange Commission (the "SEC"), which are available on the SEC's Web site (http://www.sec.gov [20]).

Investors are cautioned not to place undue reliance on our forward-looking statements, which speak only as of the date such statements are made. Reading International does not undertake any obligation to publicly update any forward-looking statements to reflect events, circumstances or new information after the date of this press release, or to reflect the occurrence of unanticipated events.

Language:
English

Contact:

Reading International, Inc.
Dev Ghose
Executive Vice President & Chief Financial Officer
(213) 235-2240
or
Andrzej Matyczynski
Executive Vice President - Global Operations
(213) 235 2240
or
Joele Frank, Wilkinson Brimmer Katcher
Kelly Sullivan or Matthew Gross
(212) 355-4449

Ticker Slug:
Ticker: RDI
Exchange: NASDAQ
ISIN:
US7554081015

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[8] http://cts.businesswire.com/ct/CT?id=smartlink&url=http%3A%2F%2Fwww.beekmantheatre.com&esheet=51382674&newsitemid=20160718005324&lan=en-US&anchor=http%3A%2F%2Fwww.beekmantheatre.com&index=6&md5=ed574b1eb1280cccad71b1e177469ea7
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EXHIBIT 4

Confidential – Filed Under Seal

EXHIBIT 5

Confidential – Filed Under Seal

EXHIBIT 6

Confidential – Filed Under Seal

EXHIBIT 7

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RDI- A02802-3039
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CLERK OF THE COURT

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Attorneys for Defendants Margaret Cotter,
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Edward Kane, Judy Codding, and Michael Wrotniak

EIGHTH JUDICIAL DISTRICT COURT

CLARK COUNTY, NEVADA

JAMES J. COTTER, JR. individually and derivatively on behalf of Reading International, Inc., Plaintiffs, v. MARGARET COTTER, ELLEN COTTER, GUY ADAMS, EDWARD KANE, DOUGLAS McEACHERN, WILLIAM GOULD, JUDY CODDING, MICHAEL WROTNIAK, and DOES 1 through 100, inclusive, Defendants. AND READING INTERNATIONAL, INC., a Nevada corporation, Nominal Defendant.	Case No.: A-15-719860-B Dept. No.: XI Case No.: P-14-082942-E Dept. No.: XI Related and Coordinated Cases **BUSINESS COURT** **DECLARATION OF ELLEN COTTER IN SUPPORT OF THE INDIVIDUAL DEFENDANTS' MOTION FOR PARTIAL SUMMARY JUDGMENT (NO. 3) ON PLAINTIFF'S CLAIMS RELATED TO THE PURPORTED UNSOLICITED OFFER** Judge: Hon. Elizabeth Gonzalez Date of Hearing: TBD Time of Hearing: TBD

I, Ellen Cotter, state and declare as follows:

1. I make this declaration based upon personal, firsthand knowledge. If called upon to testify as to the contents of this Declaration, I am legally competent to testify to its contents in a court of law.

2. I have been a member of the Board of Directors (the "RDI Board" or "Board") of Reading International, Inc. ("RDI" or the "Company") since March 13, 2013. I was appointed Chair of RDI's Board on August 7, 2014. I have been President and Chief Executive Officer of RDI since my appointment by the RDI Board on January 8, 2016, and from June 12, 2015 through that date served as interim President and Chief Executive Officer.

3. [redacted]

4. [redacted] All nine members of the Board – *i.e.*, myself, Margaret Cotter, Guy Adams, Edward Kane, Douglas McEachern, Judy Codding, Michael Wrotniak, William Gould, and James Cotter, Jr. – participated in the Board meeting. [redacted] A true and correct copy of the draft minutes from the Board meeting held on June 2, 2016 is attached as Exhibit 2 hereto.

5. At the Board meeting, I advised the Board that I had received an unsolicited Indication of Interest to acquire 100% of the outstanding shares of the Company in an all-cash transaction at $17 per share. [redacted] Following discussion, the majority of the Board resolved, among other things, that (1) [redacted]

[redacted] (2) it would not be cost effective at that point in time for the Company to incur the cost and expense of retaining outside financial advisors such as investment bankers or valuation experts; and (3) management should, for the time being, look to information readily available to management at the Company.

6. [redacted]

7. [redacted] All nine members of the Board participated in the Board meeting. Additionally, members of the Company's management – Dev Ghose (Executive Vice President, Chief Financial Officer, Treasurer and Corporate Secretary), Andrzej Matyczynski (Executive Vice President - Global Operations), and Gilbert Avanes (Vice President: Financing, Planning and Analysis) – assisted me in preparation for the meeting and participated in the meeting at my request. Michael Bonner from Greenberg Traurig, LLP and Frank Reddick from Akin Gump Strauss Haeur and Feld LLP also participated in the meeting at my request as Chair of the Board. A true and correct copy of the draft minutes from the Board meeting held on June 23, 2016 is attached as Exhibit 3 hereto.

8. At the Board meeting, I presented management's view that $17 per share was an inadequate price for the Company. I stated that, given the price proposed in the Indication of Interest, management did not believe that it was appropriate to spend the Company's resources (both financial and personnel) on a more detailed evaluation of the Indication of Interest.

9. With the assistance of Mr. Ghose (Executive Vice President, Chief Financial Officer, Treasurer and Corporate Secretary), Mr. Matyczynski (Executive Vice President -

Global Operations), and Mr. Avanes (Vice President: Financing, Planning and Analysis), I presented an overview of the Company's cinema and real estate assets and operations. [redacted]

10. [redacted] However, that appraised value did not take into account that (1) some of the appraisals were dated; and (2) some of the appraisals were obtained for bank financing purposes and were therefore likely at the low end of what could be achieved if the properties were well-marketed. I also noted that the appraised value did not reflect anticipated development profit from Union Square, Cinemas 1 2 3, or development projects in Australia and New Zealand.

11. I also noted that this valuation did not consider the value of the Company's intellectual property, goodwill or going concern value.

12. [redacted] Thus, I concluded that the price proposed in the Indication of Interest was inadequate, and that the interests of the Company and

its stockholders would best be served by continuing with the implementation of the Company's business plan as an independent company.

13. In addition to discussing the value of the Company's cinema and real estate assets and operations, I also discussed the Company's investor relations. I stated that, while the Company had not historically had a strong investor relations program, the Company had begun much better communications with its stockholders. I advised that management's goal is to have the market better understand the value in the Company, which management anticipated would translate into higher share prices. Though it was issued after the Board meeting, a recent report of stock analyst B. Riley & Co. (the "B. Riley Report"), which gave the Company a "Buy" rating and a price target of $26, shows progress towards that goal of having the market better understand the value in the Company. A true and correct copy of the (the "B. Riley Report") is attached as Exhibit 4 hereto.

14. Several Directors also asked me, my sister Margaret Cotter and my brother James Cotter, Jr., for our views on the Indication of Interest from our point of view as stockholders, Co-Executors of the Cotter Estate and Trustees of the Cotter Trust. My sister and I both stated that we believed that it was in the best interests of the Company and its stockholders generally for the Company to pursue its independent business plan, that a sale of the Company at this time would not be in the best interests of the Company or its stockholders and, furthermore, that the price set forth in the Indication of Interest was inadequate. My brother declined to answer, saying he did not have enough information.

15. In considering how to respond to the Indication of Interest, the Board discussed, among other things: the benefits of the Company's two-pronged approach of entertainment and real estate; the strong financial position of the Company; the Company's ability to generate its own growth capital to implement its business plan; the benefits of focusing management on the execution of the current business plan and the likelihood that the successful implementation of that plan would bring far greater benefits to the Company and its stockholders than a sale at the present time; the disruption to the Company of the pursuit of a change of control transaction and

the uncertainty and potentially adverse impact on morale; the non-binding and contingent nature of the Indication of Interest; the price specified in the Indication of Interest; the opposition of certain controlling stockholders (my sister Margaret Cotter and me) to a change of control transaction at this time; and the view of my sister Margaret and me (as stockholders, as Co-Executors of the Cotter Estate and as Trustees of the Cotter Trust) that the interests of the Company and its stockholders would be best served by adopting a long term independent approach for the Company.

16. Following this discussion, I asked that the Board consider and select as between two alternative approaches: (1) [redacted] or (2) to instruct management to spend more time and come back to the Board with a more formal presentation regarding the fair market value of the Company, the value creation opportunities embedded in the Company's business plan, and the potential for long-term stockholder value creation.

17. Guy Adams proposed a resolution that was seconded by Edward Kane. The resolution recited that "the Board of Directors believes, based on Management's presentation, its own familiarity with the Company, its assets, operations, and opportunities and considering the various factors set forth in NRS 78-138.4, that interests of the Company and its stockholders would be best served by the continued independence of the Company[.]" The resolution also recited that "the Board of Directors does not believe that a change of control transaction would be supported by the Company's controlling stockholder[.]" The resolution provided that "the Board of Directors hereby determines that the interests of the Company and its stockholders would be best served by the continued independence of the Company, that the value proposed for the Company in the Indication of Interest was woefully inadequate, and that the transaction described in the Indication of Interest is not in the best interests of the Company or its stockholders." With only the exception of James Cotter, Jr., who abstained, each of the other

eight directors voted in favor of the resolution.

I declare under penalty of perjury under the laws of the State of Nevada that the foregoing is true and correct.

Executed on the 23rd day of September, 2016, in Los Angeles, California.

Ellen Cotter

EXHIBIT 1

Confidential – Filed Under Seal

EXHIBIT 2

Confidential – Filed Under Seal

EXHIBIT 3

Confidential – Filed Under Seal

EXHIBIT 4

B | RILEY

Reading International Inc. (RDI)

Consumer: Media & Entertainment

Buy; $26.00 PT

Friday, September 9, 2016

Leading Theater Circuit Poised to Unlock Meaningful Shareholder Value in Coming Years With Global Property Development Strategy; Initiating with a Buy and $26.00 PT

Eric Wold, CFA | (415) 229-4836
ewold@brileyco.com

MARKET DATA	
Price	$13.51
52 Week Range	$9.71 - $17.31
ADTV - 3 month (000s)	46
Market Cap	$315
Enterprise Value	$442
Shares Out	23.3
Float	16.8

EARNINGS DATA			
Earnings Per Share (FD Operating)			
FY-Dec	FY16E	FY17E	FY18E
1Q	$0.09A	$0.09	$0.09
2Q	$0.13A	$0.14	$0.15
3Q	$0.01	$0.01	$0.05
4Q	$0.06	$0.06	$0.14
FY	$0.29	$0.31	$0.44
Prior EPS	N/A	N/A	N/A
EV/EBITDA	13.4x	12.8x	9.4x
PE	46.6x	44.2x	30.9x

FINANCIAL DATA			
FY-Dec	FY16E	FY17E	FY18E
Sales	$253.9	$277.2	$324.0
EBITDA	$32.9	$34.4	$46.8
EBITDA %	13.0%	12.4%	14.5%
EBIT%	6.6%	6.5%	7.6%
FCF Yield	6.2%	9.4%	12.7%
ROE	4.8%	4.7%	6.3%
Debt/Capital	48%	51%	50%
BV/Share	$6.33	$6.67	$7.14

BALANCE SHEET	
	FQ2 '16
Cash & Equivalents	$9.6
Accounts Receivable	$7.9
Inventory	$1.0
Accounts Payable	$29.5
Total Debt	$136.2
Shareholders Equity	$147.0

Financial data in millions unless otherwise stated

Summary and Recommendation

In our opinion, Reading International (RDI) has been more commonly recognized as a leading cinema operator in the U.S., Australia and New Zealand with positions of #11, #4 and #3 in those markets, respectively. However, while we remain optimistic on the outlook for global box office trends as an impressive film slate should drive a multi-year box office up-cycle both in the U.S. and abroad, we believe this focus is likely to overlook the significant shareholder value that management is projected to create in the coming years through various development projects and property monetization efforts in those same three markets. With a lack of sell-side research coverage before today and management only making an outward effort towards investors starting this year, we believe RDI has been overlooked and seems extremely underappreciated and undervalued. We are initiating coverage of RDI with a Buy rating and $26.00 price target, which represents upside of over 90% from current levels.

Key Points

- **Global Box Office Outlook Remains Strong.** Along with U.S. box office trends showing steady long-term growth, trends in Australia have growth at a rate almost double the U.S. as a top 10 emerging market. We also project that the strong film slates starting in 2017 are likely to drive a tailwind to the industry and begin a multi-year box office up-cycle.
- **Union Square Development to be Transformative.** While we initially project the Union Square development could generate annual revenues of $33MM and EBIT of $13MM, we believe the key property location, increasing lease rates and falling cap rates create an environment where the monetization of this property could drive significant shareholder value. Our initial analysis puts the Union Square valuation at $153MM.
- **Valuable Optionally with Other Properties.** While the Board is still considering options with other legacy RDI properties (which is why they are excluded from our price target), we conservatively estimate that the development of the other main NYC property (Cinemas 1, 2, 3) and two pieces of land could create another $4.90 per share in value in the coming years.
- **Project Earnings Acceleration in 2018.** We project the combination of the Union Square opening along with three other enhancements to current real estate operations should drive growth acceleration in 2018 with revenues increasing 17% and EBITDA/EPS increasing 36%/43%.
- **RDI Has Existed Under the Radar.** With RDI never having sell-side research coverage and only beginning an investor outreach program earlier this year, we believe the RDI story has been somewhat overlooked and would expect increased visibility to translate into a more appropriate valuation.
- **Valuation.** Based on a sum-of-the-parts analysis, we believe the core Cinema and Real Estate operations are worth $17.77 per share with the known development projects worth an additional $8.44 per share for an official price target of $26.00. However, as visibility improves around other monetization efforts, we could see RDI shares move above the $30.00 level.

Analyst Certification & Additional Disclosures Included in Appendix A

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Reading International – Company at a Glance

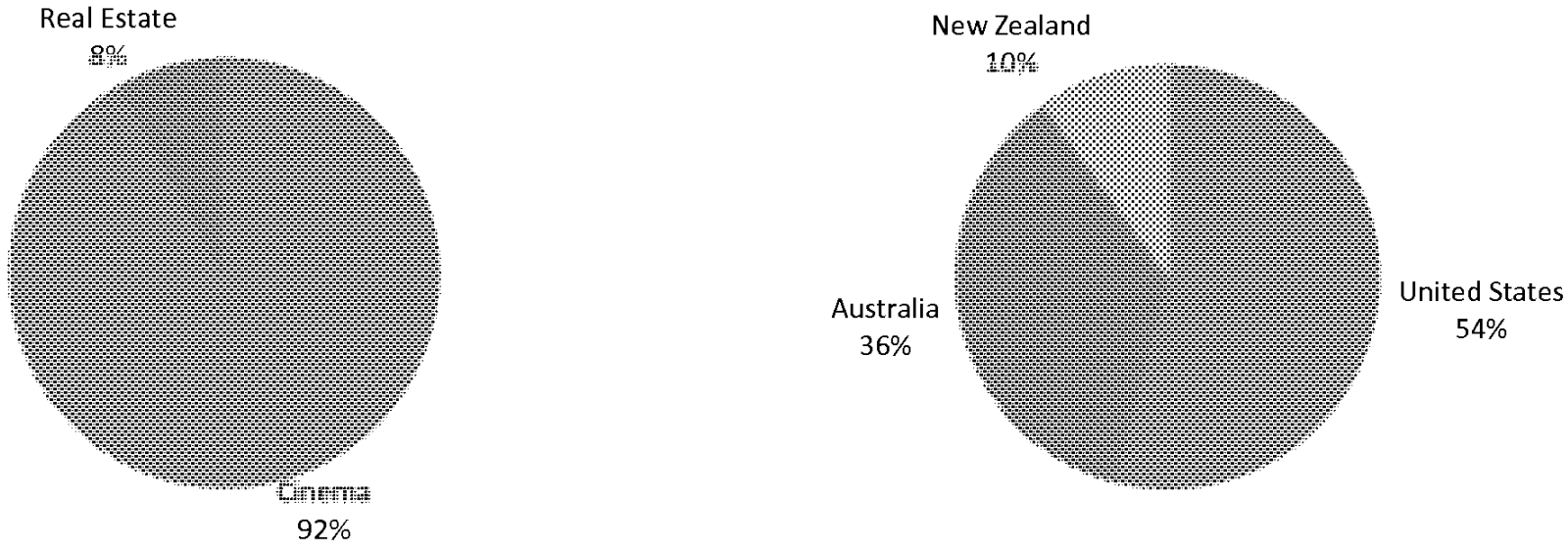
While Reading International ("RDI") has been regarded mostly as a theater operator – especially how the company is categorized in most data/finance services as being in the "Movie Production, Theaters" industry – we actually believe this could overlook the value creation to come from the company's current and pending development projects. And we would not be surprised if this misunderstanding is a major reason behind no sell-side analysts launching coverage prior to B. Riley & Co. In addition to our research coverage, we believe management's recent efforts to be more outwardly facing with investors (by starting to hold pre-recorded conference calls and appearing at conferences) should help drive awareness.

Along with operating 26 theaters with 237 screens in the U.S. and being the 11th largest domestic exhibitor by box office revenues, RDI also has theater operations in Australia/New Zealand with 28 theaters and 195 screens combined. Although New Zealand is a relatively small market with USD $139MM in industry-wide box office revenues (with RDI being 3rd largest by box office), Australia was the 8th largest overseas market in 2015 with USD $926MM in box office revenues (with RDI being 4th largest by box office). As shown in Figure 1, the company's Cinema segment accounted for approximately 92% of overall revenues and 79% of segment EBITDA in 2015.

The other 8% of the company's current revenue run rate comes from the Real Estate division, which benefits from the ownership of retail, commercial and live theater assets within the U.S., Australia and New Zealand. In addition to these real estate assets generating approximately $21MM/$11MM in annual revenues/EBITDA from current property rental and ancillary income, the company owns a number of other real estate assets that are either undeveloped or underdeveloped – with plans to increasingly monetize those assets in the coming years (either through outright sale of land or the development into income-generating properties).

As we will demonstrate in the valuation analysis section, although the majority of RDI's under-developed and undeveloped real estate is not currently generating any revenues, those assets account for 50% of our current $26.00 price target and could represent as much as 57% of our upside valuation scenario of $30.50.

Figure 1: RDI Revenue Mixes by Segment and Geography (2015)



Source: Company reports

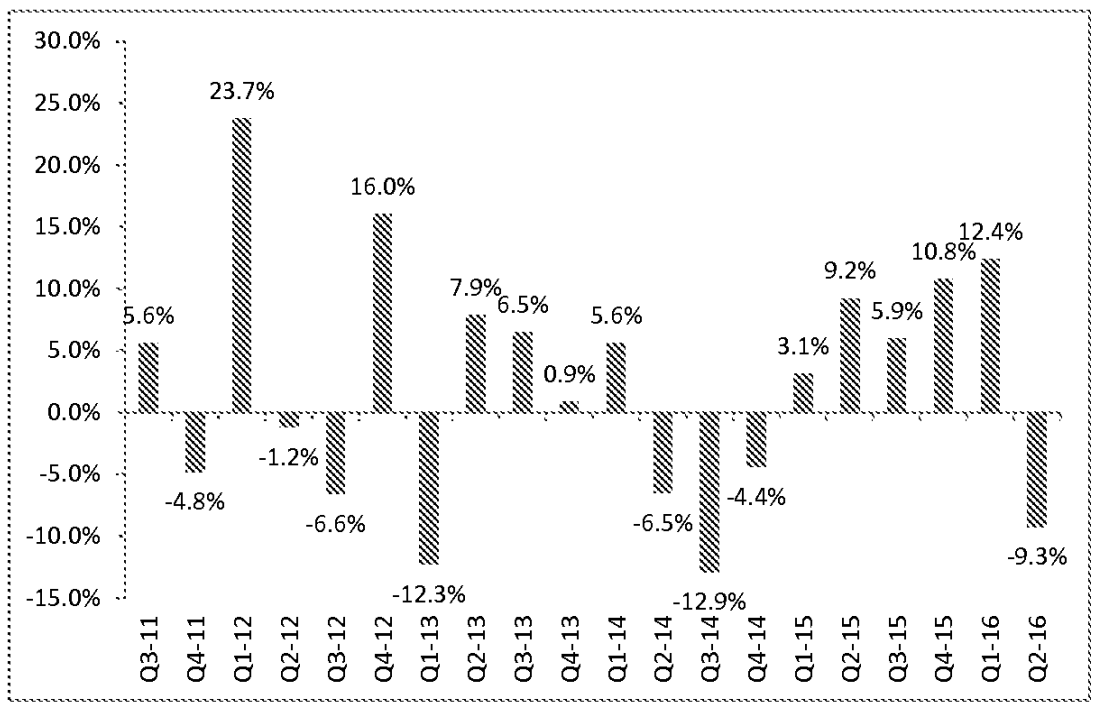
Following the death of James J. Cotter, Sr. in September 2014 (who was Chairman and CEO), the company's Board initially appointed his son James J. Cotter, Jr. as CEO, his daughter Ellen Cotter as Chairman and his other daughter Margaret Cotter as Vice Chairman. However, in June 2015, the Board terminated the employment of James J. Cotter, Jr. and eventually instated Ellen Cotter as the company's permanent President and CEO. Although this episode has led to litigation and disputes amongst the siblings and company in terms of who has the right to determine the direction of RDI and vote the shares of trust, we are comfortable all members of the family ultimately want to take RDI in the same direction – with the dispute really centering on who gets to be in charge. We view this issue as solely a headline confusion issue over anything that would impact the company's results/outlook.

In the midst of this family squabbling, major shareholder and industry participant, Mark Cuban (who owns approximately 13% of RDI's voting shares), changed his passive 13G filing to an active 13D filing on 8/3/15. In our opinion, not only did this move help to highlight the inherent value in the RDI story and position in the industry, but could play a role in the company unlocking asset values for shareholders in the coming years.

Box Office Trends Remain Solid

Going out to the movies remains one of the more popular, and affordable, forms of entertainment globally with domestic box office and international box office revenues reaching record levels in 2015 of $11.1B and $27.2B, respectively. Without a doubt, there will always be a potentially meaningful level of quarterly volatility in box office trends that are influenced by the strength of film slates, films that vastly outperform or underperform expectations as well as external draws on attention (e.g., Olympics, school seasons, etc.). As Figure 2 demonstrates, during the past five years, 60% of the quarters have experienced positive box office moves with gains averaging +9.0% with the remaining 40% of the quarters in negative territory with an average decline of -7.3%.

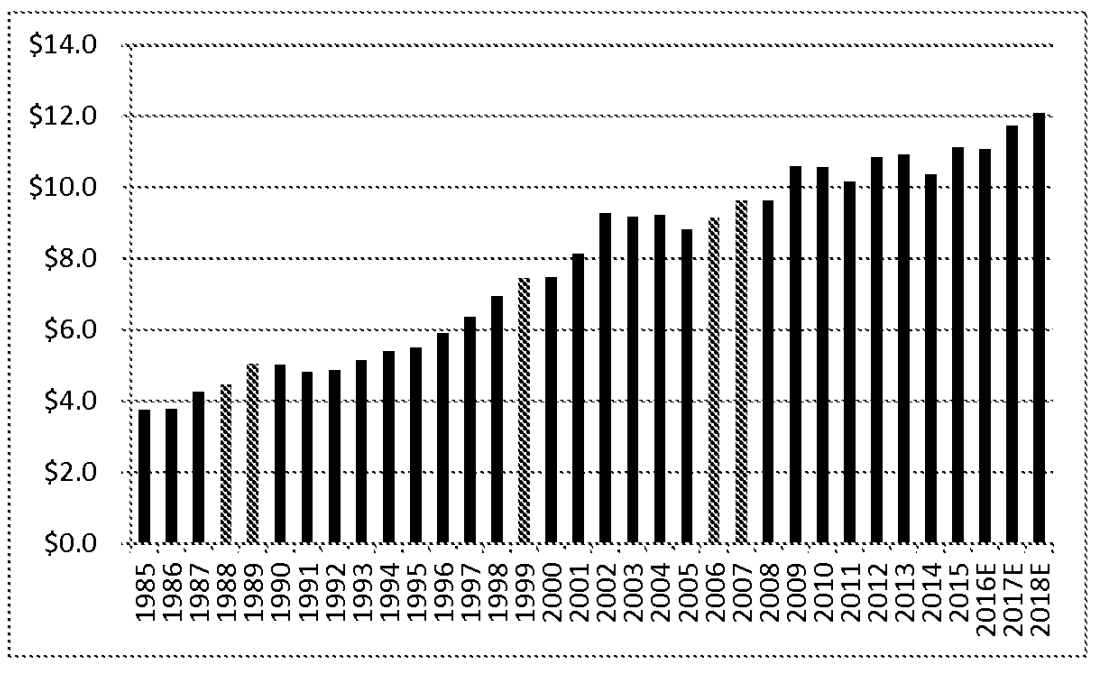
Figure 2: Quarterly Box Office Swings Have Historically Been Wild



Sources: MPAA, BoxOfficeMojo and B. Riley & Co

Given that (sometime extreme) level of quarterly box office volatility, we continue to believe focusing on longer-term trends represents a stronger indicator of box office trends as opposed to shorter periods (which can blur true trends and provide opportunistic entry points if shares are pushed lower by short-sighted investors). For this reason, we believe Figure 3 is more telling of continued consumer demand and helps to demonstrate the overall box office strength over the past 30 years even in the face of multiple recessions and periods of economic weakness.

Figure 3: Long-Term Domestic Box Office Trends Have Remained Solid



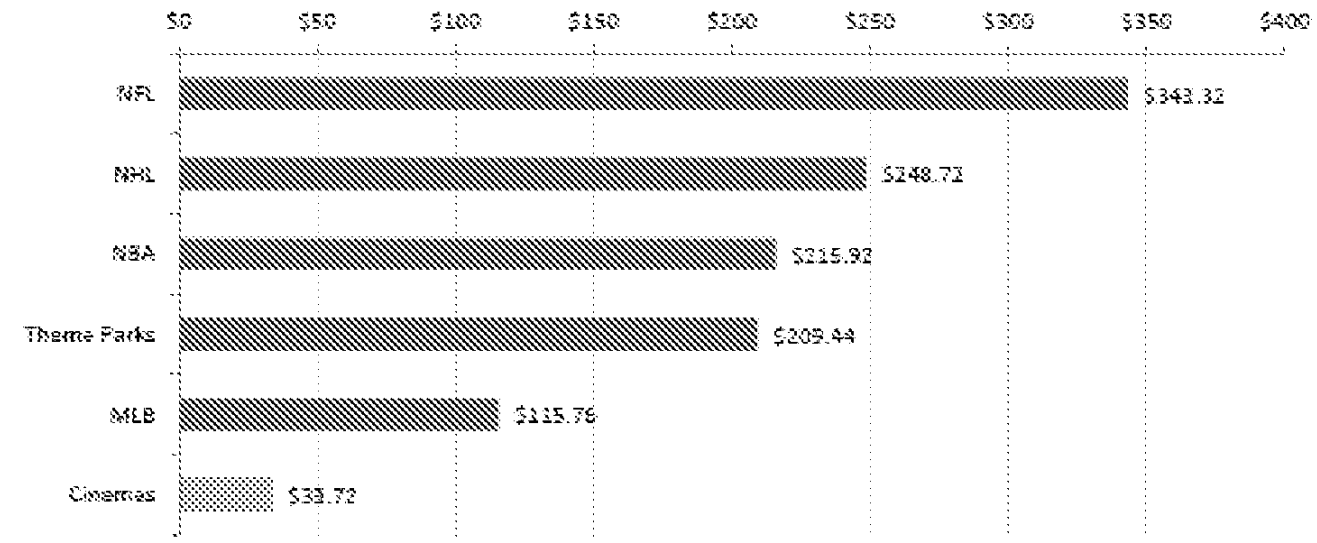
Note: Figures in $Billions; Red years indicate recessionary periods in the U.S. economy
Sources: MPAA and B. Riley & Co.

In fact, as shown in Figure 3, the box office actually set new annual records during two of the five recession years over that 30 year period (2001 and 2009) and was essentially flat during two other recession years (1990 and 2008). Given the affordable nature of going to the movies, we continue to believe strength of slate remains more important to demand trends than any economic impacts. According to our

analysis of domestic disposable personal income growth and box office growth over the past 25 years (from 1991 to 2015), there was actually a –2.9% correlation between disposable personal income growth and box office growth. However, if we lag the data by one year to gauge the impact of current year disposable personal income growth on the next year's movie-going trends, the correlation improves meaningfully to 43.7%, but is still well below statistically significant levels, in our opinion.

According to the National Association of Theatre Owners (NATO), the nationwide average cost for a family of four to go to the movies was about $31.72 in 2015, which remains substantially lower than either visiting a theme park or attending a game of the four major sports leagues (NFL, NHL, NBA or MLB) as shown in Figure 4. Given the relatively low cost of going to the movies compared to other out-of-home entertainment choices, we actually believe the more important driver of the movie-going decision remains the quality of the slate.

Figure 4: Average Entertainment Ticket Prices for a Family of Four (2015)



Note: Dollar figures for NBA & NHL are for the last complete season and theme park data is for the 2014-2015 period.
Sources: NATO, Sports Leagues, International Theme Park Services

As another demonstration of the power of the film slate to drive results (as well as the potential for surprise box office hits), there were widespread investor concerns at the start of this year that box office revenues would likely to decline in 2016 following a record-breaking year in 2015 that benefited from three films breaking the top ten all-time domestic list and two of those breaking the top five (*Star Wars: The Force Awakens* at #1, *Jurassic World* at #4 and *Avengers: Age of Ultron* at #10). However, we did not share those concerns (see our 1/19/16 industry report *Quickly Grab a Seat…You Don't Want to Miss This Movie; Disagree with Consensus Industry-Wide Concerns…*) and believe the YTD domestic box office gain of +5.2% helps prove out the validity of our analysis – especially with Q3 box office trends running ahead of expectations and a solid Q4 on the horizon. While our exhibitor models are still based on flattish 2016 industry box office revenues, clearly the bias has moved to the upside over the past couple of quarters.

Figure 5: Strong Levels of Known Franchises to Drive 2017-2018 Revenues

Sources: Company reports, BoxOfficeMojo.com and B. Riley & Co.

Not only are we increasingly optimistic around the potential for box office growth in 2016, but remain very positive on the likelihood that 2017 (or possibly 2015 in hindsight) will represent the beginning of a multi-year up-cycle for domestic/global box office trends. Although there has been increased investor/media concerns this year around the box office weakness experienced by a number of well-known film

franchises and sequels (with the "class of 2016" projected to decline as much as 30% from the predecessor films according to our analysis), clearly the overall box office strength is not only enough to push through that single-year headwind, but we continue to believe the historical trends and forecasting ability of key film franchises/sequels remains impressive. With that in mind, we continue to focus on the impressive slate of franchises scheduled to hit screens in 2017-2018 as a driver of consumers into theaters (e.g., *Star Wars*, *Avatar*, Marvel Universe, DC Comics Universe, *Jurassic World*, Disney Live Action films, etc.). And as the chart in Figure 5 demonstrates (along with the better-than-expected trends experienced YTD in 2016), we believe a strong franchise class of films helps to create an impressive box office base that can both be built upon and can withstand underperformance fluctuations of any individual film(s).

Lastly, over the next 12-18 months, we believe organic theater growth from the stronger domestic exhibitors is likely to be supplemented by increasing M&A activity – some of which we have already seen recently with the move by AMC Entertainment (AMC; Buy; $37.00 PT) to acquire both Carmike Cinemas (CKEC; Neutral; $32.75 PT) domestically and Odeon/UCI in Europe. While we continue to believe domestic M&A activity is likely to be driven by concerns among smaller/regional exhibitors that may be unable to spend to compete effectively with the larger exhibitors' strategies of upgrading the movie-going experience, we could see the larger, more capitalized exhibitors look to proactively grow their theater bases domestically and overseas in order to take advantage of both the positive near-term and longer-term box office trends. In addition, heading into, what we project to be, record box office years in 2017/2018, we would not be surprised if some operators also see an opportunity to cash out. While we are expecting RDI to look to open one new theater annually within each of its major regions, we would also expect management to be opportunistic around larger acquisitions that present themselves in the coming years.

Figure 6: Exhibition Sector M&A History (>$25MM Transaction Value)

Date	Target	Acquiror	Price	Theaters	Screens	Price per Theater	Price per Screen
03/04/16	Carmike Cinemas	AMC Entertainment	$ 1,230.6	276	2,954	$ 4.46	$ 0.42
10/06/15	Sundance Cinemas	Carmike Cinemas	$ 36.0	5	37	$ 7.20	$ 0.97
07/14/15	Starplex Cinemas	AMC Entertainment	$ 172.0	33	346	$ 5.21	$ 0.50
05/15/14	Digital Cinema Destinations	Carmike Cinemas	$ 59.0	21	206	$ 2.81	$ 0.29
11/04/13	Muvico Entertainment	Carmike Cinemas	$ 31.8	9	147	$ 3.53	$ 0.22
04/29/13	Clearview Cinemas	Bow Tie Cinemas	N/A	41	211	N/A	N/A
02/19/13	Hollywood Theaters	Regal Entertainment	$ 238.0	43	513	$ 5.53	$ 0.46
11/29/12	Great Escape Theatres	Regal Entertainment	$ 91.0	25	301	$ 3.64	$ 0.30
11/26/12	Rave Cinemas	AMC Entertainment	$ 88.7	10	156	$ 8.87	$ 0.57
11/16/12	Rave Cinemas	Cinemark Holdings	$ 240.0	32	483	$ 7.50	$ 0.50
10/01/12	Rave Reviews Cinemas	Carmike Cinemas	$ 119.4	16	251	$ 7.46	$ 0.48
05/20/12	AMC Entertainment	Wanda Group	$ 2,600.0	346	5,034	$ 7.51	$ 0.52
05/24/10	AMC Theatres	Regal Entertainment	$ 55.0	5	63	$ 11.00	$ 0.87
05/24/10	Kerasotes Theatres	AMC Entertainment	$ 276.8	92	928	$ 3.01	$ 0.30
03/18/09	Muvico Entertainment	Cinemark Holdings	$ 49.0	4	82	$ 12.24	$ 0.60
04/30/08	Consolidated Theatres	Regal Entertainment	$ 210.0	28	400	$ 7.50	$ 0.53
04/03/08	Douglas Theatres	Marcus Theatres	$ 40.5	7	83	$ 5.79	$ 0.49
10/08/07	Pacific Theatres	Reading International	$ 72.0	15	181	$ 4.80	$ 0.40
04/19/07	CEC Theatres	Marcus Theatres	$ 75.7	11	122	$ 6.88	$ 0.62
10/05/06	Century Theatres	Cinemark Holdings	$ 1,041.2	77	1,017	$ 13.52	$ 1.02
09/15/06	AMC Theatres	Regal Entertainment	$ 34.1	2	26	$ 17.05	$ 1.31
01/26/06	Loews Cineplex	AMC Entertainment	$ 537.2	112	1,308	$ 4.80	$ 0.41
07/21/05	Eastern Federal Theatres	Regal Entertainment	$ 125.2	21	230	$ 5.96	$ 0.54
04/28/05	R/C Theatres	Regal Entertainment	$ 31.5	7	76	$ 4.50	$ 0.41
09/30/04	Signature Theatres	Regal Entertainment	$ 196.7	30	309	$ 6.56	$ 0.64
05/04/04	Northeastern Theaters	Regal Entertainment	$ 26.9	7	75	$ 3.84	$ 0.36
03/28/03	Hoyts Cinemas	Regal Entertainment	$ 213.1	52	554	$ 4.10	$ 0.38
					Averages	**$ 5.95**	**$ 0.49**

Note: Price per theater/screen metrics are in $Millions.
Sources: Company reports and B. Riley & Co.

U.S. Cinema Operations

The company operates 26 theaters with 237 screens in the U.S. under the Reading Cinemas, Angelika Film Center, Consolidated Theatres, and City Cinemas brands – with the addition of Olino in Hawaii later this year. Of these 26 theaters, 24 are wholly-owned, one is within a consolidated subsidiary and one is managed by the company without any ownership interest. Aside from two Angelika Film Center locations in Texas (Dallas and Plano), the remainder of the company's theaters are located on the East Coast, West Coast and Hawaii. And while RDI is currently the 11th largest exhibitor by box office, the circuit could move into the top 10 should AMC complete the proposed acquisition of CKEC later this year.

Figure 7: RDI U.S. Theater Locations/Screens by State

	Theaters	Screens
Hawaii	8	90
California	7	88
New York	6	23
Texas	2	13
New Jersey	1	12
Virginia	1	8
Washington, D.C.	1	3

Source: Company reports

Similar to what we have seen from other major domestic exhibitors recently, RDI has recognized the attractive opportunity to boost spending at existing theater locations to drive increased attendance and per cap spending – given the high fixed cost already in place that can be leveraged further. With that in mind, management intends to spend $40-43MM over the next three years on cap-ex to reseat auditoriums with more comfortable recliners (and reserved seating), enhance food and beverage options (including the addition of alcohol and local cuisine options) as well as install more large-format screens, including both IMAX screens (IMAX; Buy; $42.50 PT) and RDI's own TITAN XC offering.

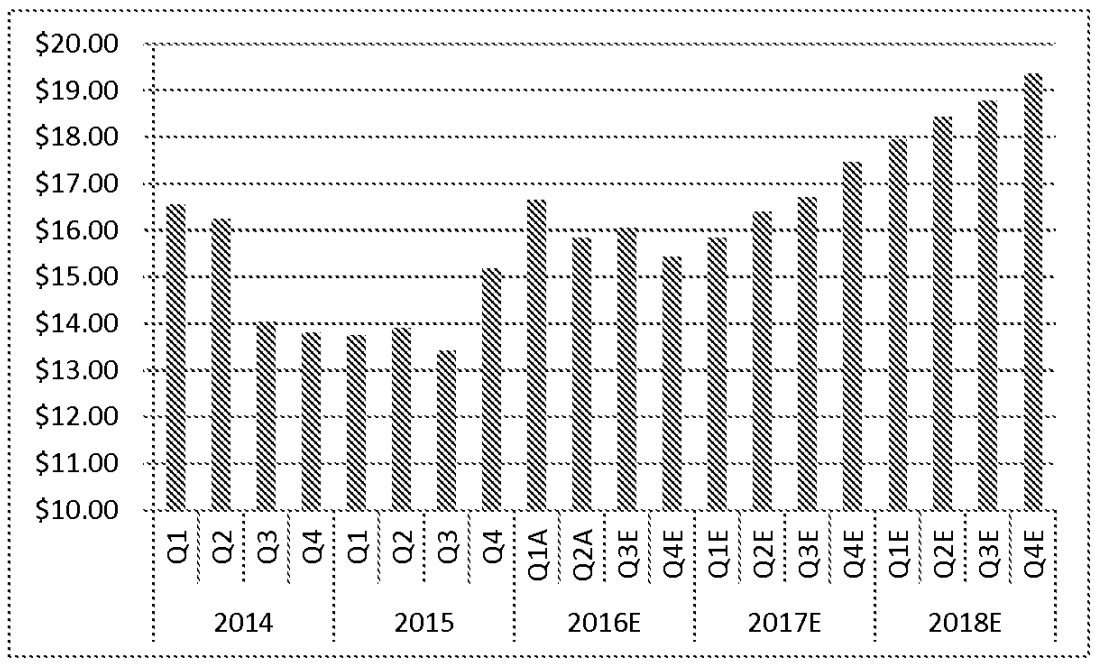
In our opinion, a perfect example of these efforts is the remodeled and rebranded Angelika Film Center & Café in Carmel Mountain, California (northern San Diego), which reopened in October 2015 (see pictures in Figure 8). In an effort to drive more attendance and spending, the company installed new recliner seats in all 12 auditoriums, turned an unused portion of land in front of the theater into an exclusive patio area (with food and beverage service), built a lounge on the second floor and enhanced the food and beverage offerings (with full service bars both downstairs and upstairs). In addition to already drawing attention as San Diego's "Best Movie Theater and Best Entertainment Venue of 2016" by the Union-Tribune Readers Poll, management noted that F&B/concession spending per patron is now running around the $8.00 range compared to a prior company average of around $3.50-4.00. We would expect additional efforts such as this (in both remodels and new builds) to help drive improved revenue/EBITDA trends for the Cinema division in the coming years (especially with a strong underlying film slate as a tailwind).

Figure 8: Remodeled Angelika Theater in San Diego

Source: Company reports

With the assumption of one additional theater added in the U.S. each year, box office per screen changes of +2.7%, +4.8% and +3.0% in 2016, 2017 and 2018 along with continued gains in concession per cap trends, we are projecting annual revenues from this segment to improve from $132.8MM in 2016 to $162.0MM in 2018. And through the combination of positive fixed cost leverage and the incremental food and beverage margins, we are projecting EBITDA to improve from $15.4MM in 2016 to $19.4MM in 2018.

Figure 9: RDI Domestic Cinema LTM EBITDA Trends/Projections



Sources: Company reports and B. Riley & Co.

Figure 10: Comparison of RDI to Other Domestic Exhibitors

	RGC	AMC	CNK	CKEC	MCS	RDI
Theaters	564	386	341	273	53	26
Screens	7,307	5,334	4,576	2,938	670	237
Screens / Theater	12.96	13.82	13.42	10.76	12.64	9.12
Box Office / Screen	$277,483	$371,677	$298,326	$166,983	$260,710	$339,985

Sources: Company reports and B. Riley & Co.
Notes: CNK and RDI figures are for domestic operations only. Box office metrics are for the most recent LTM periods.

Australia/New Zealand Cinema Operations

The company operates 19 theaters and 141 screens in Australia under the Reading Cinemas brand as well as 9 theaters and 54 screens in New Zealand under the Reading Cinemas and Rialto brands. Of these 28 theaters, the company owns the land underneath 11 of the locations (six in Australia and five in New Zealand). RDI is currently the 4th largest exhibitor by box office revenues in Australia as well as the 3rd largest exhibitor by box office revenues in New Zealand.

Figure 11: RDI Australia/New Zealand Theater Locations/Screens by Region

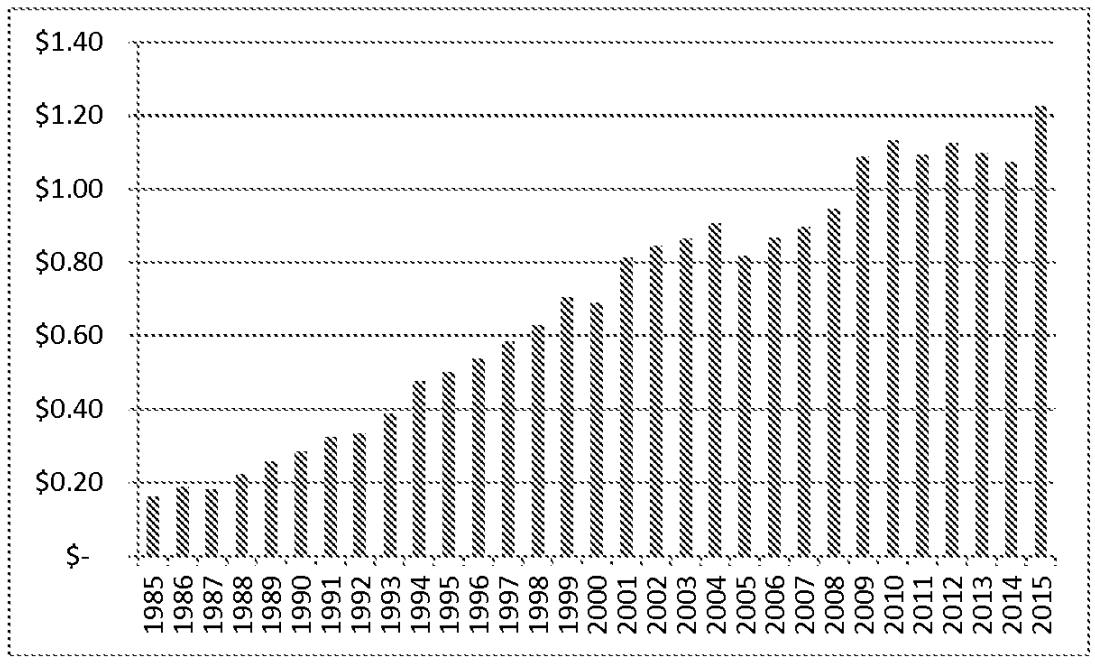
	Theaters	Screens
Victoria	6	43
New South Wales	6	43
Queensland	3	24
Western Australia	2	16
Southern Australia	2	15
North Island (NZ)	5	32
South Island (NZ)	4	22

Source: Company reports

Although the Australian industry's box office revenues are only 8% of the U.S. market and New Zealand is only about 15% of the Australian market, we actually believe RDI can benefit from its exposure to the combination of those two markets as 1) they both have comparable market dynamics to the U.S. (e.g., English speaking, similar genre demand, etc.); 2) local film content strength can help provide a slight counter-cycle benefit to the U.S. market; and 3) Australia has been growing at a faster rate than the U.S. – both over the past 30 years (+7.0% vs. +3.7%) and more recently over the past 10 years (+1.5% vs. +0.8%).

While we remain positive on the box office potential of the U.S. market (and the major exhibitors' ability to increasingly monetize the current attendee base), we acknowledge that part of our optimism with both the AMC and Cinemark (CNK; Buy; $47.00 PT) stories stem from those two exhibitors' current or pending exposure to overseas markets with more long-term growth potential than the U.S. (note that about 25% of CNK's revenues come from Latin America and AMC is in the process of acquiring Odeon/UCI in Europe).

Figure 12: Attractive Long-Term Australian Box Office Trends



Note: Figures in AUD Billions
Sources: Motion Picture Distributors Association of Australia

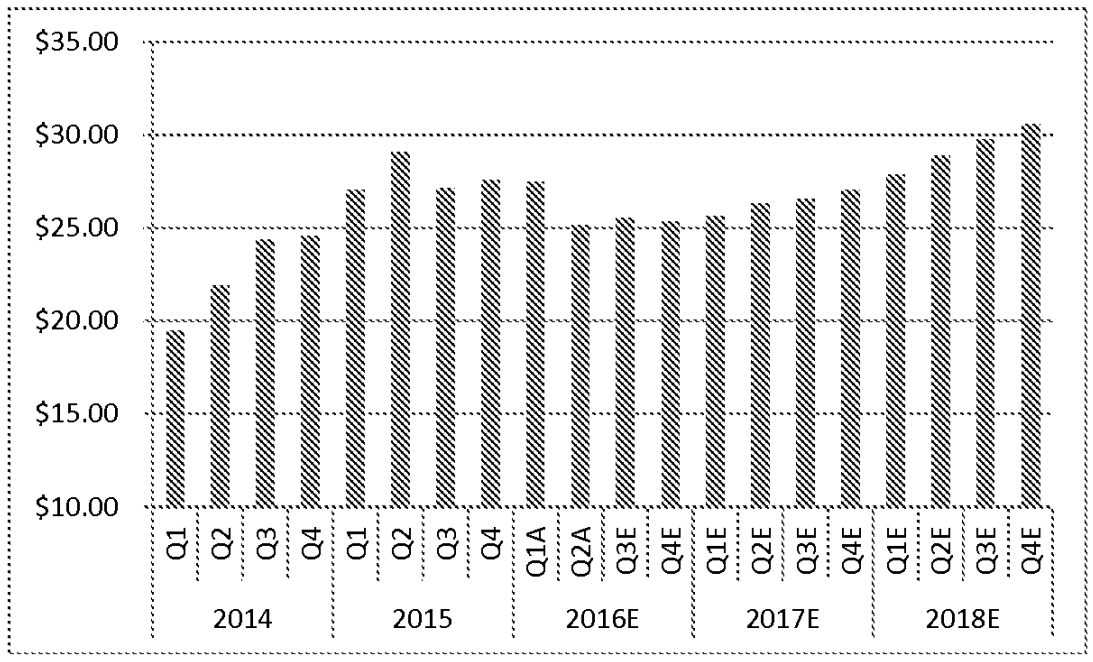
Similar to in the U.S., management has also been improving the draw and amenities of its theaters within Australia and New Zealand with a plan to spend a combined $24-36MM in cap-ex over the next three years in those markets ($16-18MM in Australia and $6-8MM in New Zealand). While there are still improvements to be made in the coming years, one could argue that the Australian/New Zealand markets are ahead of the U.S. on a number of fronts, including alcohol availability (in 50% of Australian theaters and 30% of New Zealand theaters vs. 25% of U.S. theaters) and extended F&B service (with 11 theaters in Australia/New Zealand serving local food vs. 5 in the U.S. and 8 theaters in Australia/New Zealand featuring waiter service).

Figure 13: Concession Counter at Reading Cinemas – Waurn Ponds, Victoria, Australia

Source: Company reports

With the assumption of one additional theater added in Australia each year and in New Zealand every other year (to be slightly more conservative given the size of the country), box office per screen changes of -3.4%, +5.3% and +3.5% in 2016, 2017 and 2018 along with continued gains in concession per cap trends, we are projecting annual revenues from this segment to improve from $106.8MM in 2016 to $128.9MM in 2018. And through the combination of positive fixed cost leverage and the incremental food and beverage margins, we are projecting EBITDA to improve from $25.4MM in 2016 to $30.6MM in 2018.

Figure 14: RDI Australia/New Zealand Cinema LTM EBITDA Trends/Projections



Sources: Company reports and B. Riley & Co.

Real Estate Operations and Future Development

Although RDI's Real Estate reporting segment accounts for only 8% of revenues and 21% segment-level EBITDA, we actually believe this can be extremely deceiving in terms of future value creation given the number of undeveloped and underdeveloped assets held by the company that are not currently generating revenues/EBITDA (or are at levels well below their potential). Current revenue/EBITDA generation in the Real Estate is driven by property rental income in each of the company's three markets (i.e., third-party retail leases) as well as live theater rental and ancillary income in the U.S. (including the Royal George Theatre in Chicago, the Minetta Lane Theatre in NYC and the Orpheum Theatre in NYC, which has been showing *Stomp* since 1994).

Below are the company's future development opportunities as well as those currently in progress. In the subsequent sections of this report, we highlight what we believe to represent the most important development projects for the company in the coming years that, we believe, have the strongest visibility in terms of project scope and time to completion (as well as potential valuation creation.

United States:

44 Union Square. RDI owns the property at the corner of Park Avenue South and 17th Street in New York City (Union Square). The plan is to redevelop the site into over 73,300 sq. ft. of net leasable space divided between retail space (41%) and office space (59%) over seven floors (see Figure 17). With most city approvals in hand, management anticipates that construction will be completed by Q2-18. See additional details in the section "*Development Project: 44 Union Square (New York City)*".

Cinemas 1, 2, 3. RDI owns a 75% interest in the property at 60th Street and 3rd Avenue in New York City that houses its City Cinemas 1, 2, 3. The company completed a preliminary feasibility study and is in negotiations with the owner of a 2,600 sq. ft. property adjacent to the site (currently housing a Greek restaurant) for a larger development that could potentially include high-rise residential, retail or even a hotel (and may no longer include a cinema). See additional details in the section "*Development Project: Cinemas 1,2,3 (New York City)*".

Coachella. RDI owns a 50% interest in 202 acres in Coachella, California (about 140 miles east of Los Angeles near Palm Desert), which is on the balance sheet at a book value of $5.5MM. As this land has been zoned for residential and mixed-use development, we believe the most likely outcome is for the company to sell this land prior to development.

Reading Viaduct. RDI owns the historic Reading Railroad train trellis in Philadelphia, which is approximately 4,400 feet long, an average of 70 feet wide and 25 feet above the street level (plus adjacent parcels totaling an additional 63,000 sq. ft.). The company has been in

discussions to create a similar experience as New York City's "High Line" in the Meatpacking District. We have conservatively assigned no value to the potential development/sale of this property.

Australia:

Reading Newmarket. RDI's property at Newmarket in Brisbane currently includes 93,000 sq. ft. of gross leasable area that is anchored by a Coles Supermarket and includes a pub operated by Australian Leisure and Hospitality Group ("Newmarket Hotel") and 35 other specialty tenants. The company received approval in June 2015 (and RDI Board approval in August) for the construction of a new 8-screen Reading cinema, 10,000 sq. ft. of additional food and beverage retail space and 142 additional parking spaces. Construction began in Q2-16 and is expected to be completed by Q4-17. The company also acquired a 23,000 sq. ft. adjacent parcel housing an office building. The projected construction budget is AUD $37.2MM (USD $28.3MM).

Redyard/Auburn. RDI's property at Auburn (Sydney subsidiary) currently includes 117,000 sq. ft. of gross leasable area, including a Reading Cinema, Fitness First and 7 off-price fashion/sports retailers. The company entered into lease agreements for an additional 15,000 sq. ft. of retail space (increasing the total to 132,000 sq. ft., or by about 13%) with construction expected to be completed by Q4-17. RDI also holds an additional 108,000 sq. ft. of land available for future development or a potential sale. The projected construction budget is USD $14-16MM.

Cannon Park. RDI's property at Cannon Park currently includes a total of 133,000 sq. ft. of gross leasable area, including a Reading Cinemas, Kingpin Bowling and 11 food and beverage operators. This property was acquired in two parcels in December 2015 for AUD $33.6MM (USD $24.3MM). In addition to remodeling the cinema, RDI plans on upgrading the common areas.

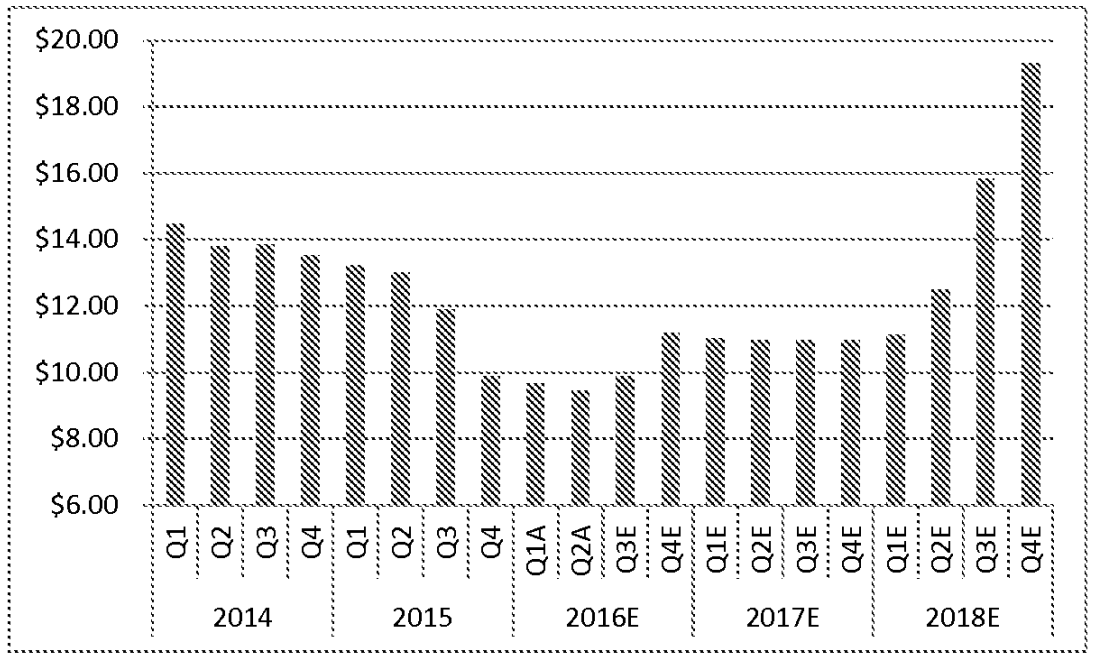
Burwood. RDI previously owned 50.6 acres in Burwood, Victoria, which was sold in May 2014 for AUD $65.0MM (USD $47.4MM) with a balance due of AUD $58.5MM (USD $42.6MM) due by closing in December 2017 – with mandatory prepayments required should the property be sold by the buyer.

New Zealand:

Courtenay Central. RDI's property at Courtenay Central (Wellington) currently includes 110,000 sq. ft. of gross leasable area and the company received approval in May 2015 to add a 36,000 sq. ft. Countdown Supermarket (the lease has been signed with construction budgets approved) and 4,000 sq. ft. of additional retail. Improvements to the parking garage are expected to be completed in Q4-16 with the remainder completed by Q4-17. The projected construction budget is USD $22-25MM.

Manakau. RDI owns 70.4 acres in Manakau, Auckland (adjacent to the Auckland Airport), which is held on the balance sheet with a book value of USD $11.8MM. In August, the Auckland Council issued a final decision approving a positive zoning change on this land from agricultural use to light industrial use. We anticipate the company will most likely sell this land prior to development and have incorporated this assumption in our sum-of-the-parts analysis.

Figure 15: RDI Real Estate LTM EBITDA Trends/Projections



Sources: Company reports and B. Riley & Co.

As demonstrated by Figure 15, we expect revenue trends in the Real Estate segment to essentially be status quo through Q3-17 as the company moves forward with its various development projects in the U.S., Australia and New Zealand. However, we estimate that the three overseas expansion projects opening in Q4-17 (Reading Newmarket, Redyard/Auburn and Courtenay Central) have the potential to generate a combined $1.2MM in annual revenue beginning in 2018 with minimal incremental operating expenses.

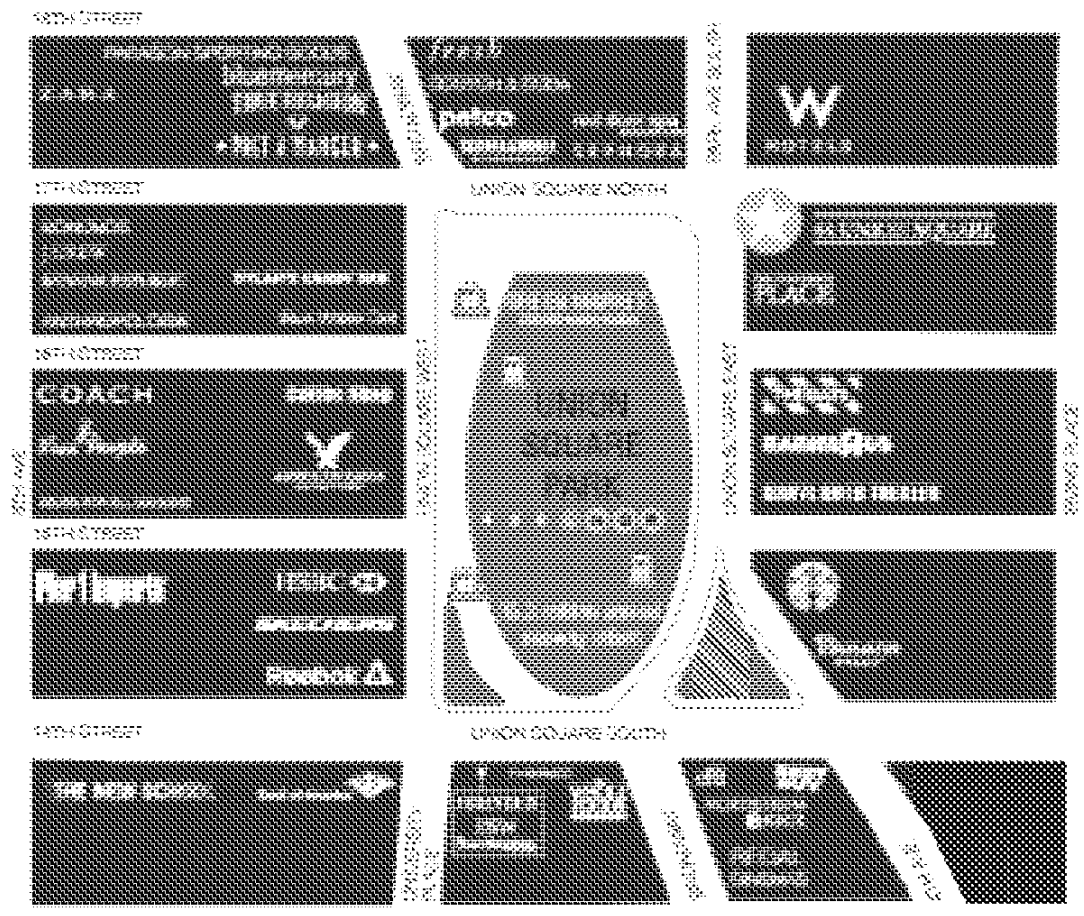
More importantly, using potentially conservative assumptions for monthly lease rates, we believe the Union Square property could begin to generate annual revenues of approximately $32-33MM beginning in Q2-18 – with a full year contribution in 2019. And with an assumed operating income contribution margin in the 40% range, the incremental $16-17MM in annual EBITDA should represent a meaningful boost to the current run rate in the $33MM range.

Development Project: 44 Union Square (New York City)

RDI owns the property at the corner of Park Avenue South and 17th Street in New York City (see Figure 16). The company acquired the fee interest in the property at 44 Union Square in New York City ("Union Square") in February 2001 and has since been generating revenues from both a live theater operating at the location as well as a number of third party retail tenants. Union Square was purchased for $7.7MM and is currently held on the balance sheet with a gross book value of $11.8MM. The current plan is to redevelop the site into over 73,300 sq. ft. of net leasable space divided between retail and office space over seven floors (see Figure 17).

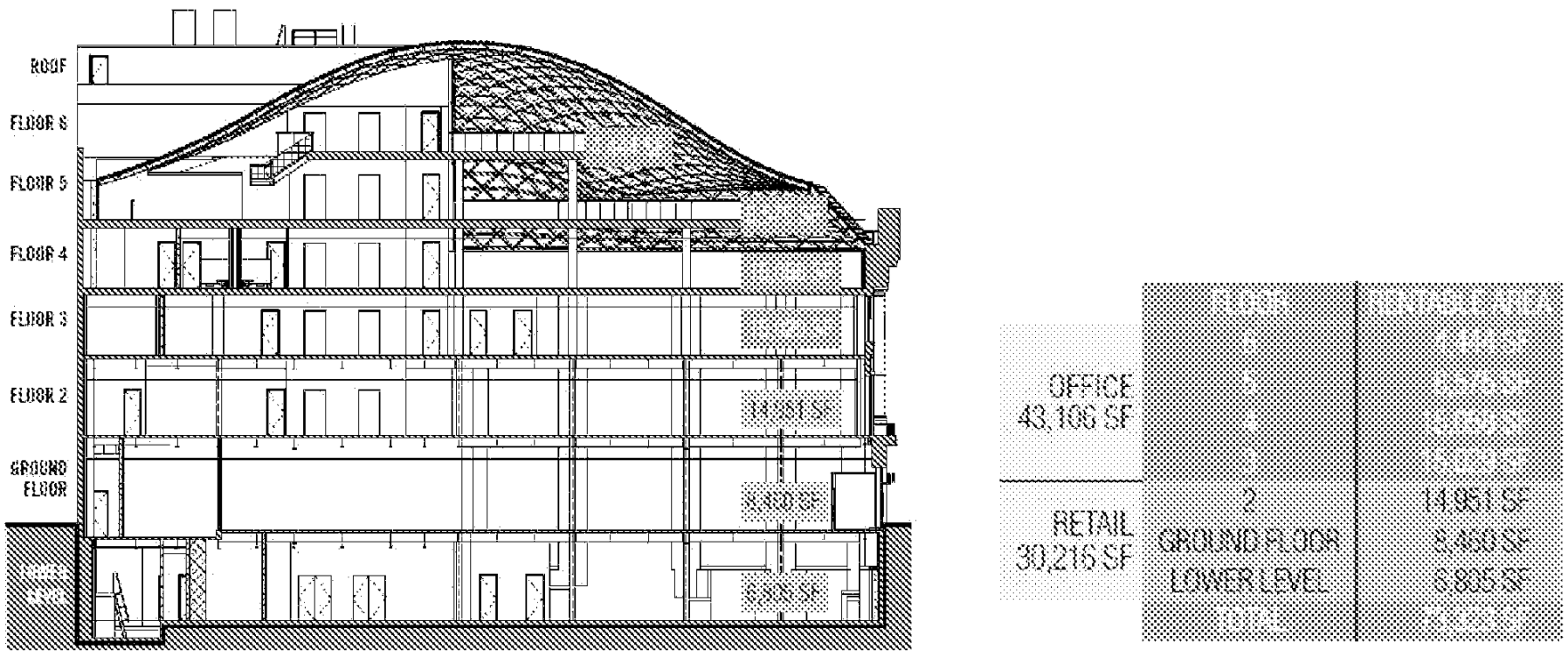
The company closed down the live theater and terminated the remainder of the retail tenants around the end of 2015 and has begun retail leasing and marketing efforts through commercial brokers. With the majority of city approvals in hand, management anticipates construction should be completed by Q2-18. Although we would be surprised if the available office and retail space at Union Square was not 100% leased by the time construction is completed, our model takes a more conservative approach and assumes that full occupancy is not achieved until Q4-18.

Figure 16: 44 Union Square NYC Location and Rendering



Source: Company Reports

Figure 17: 44 Union Square Retail/Office Space Floor Plan

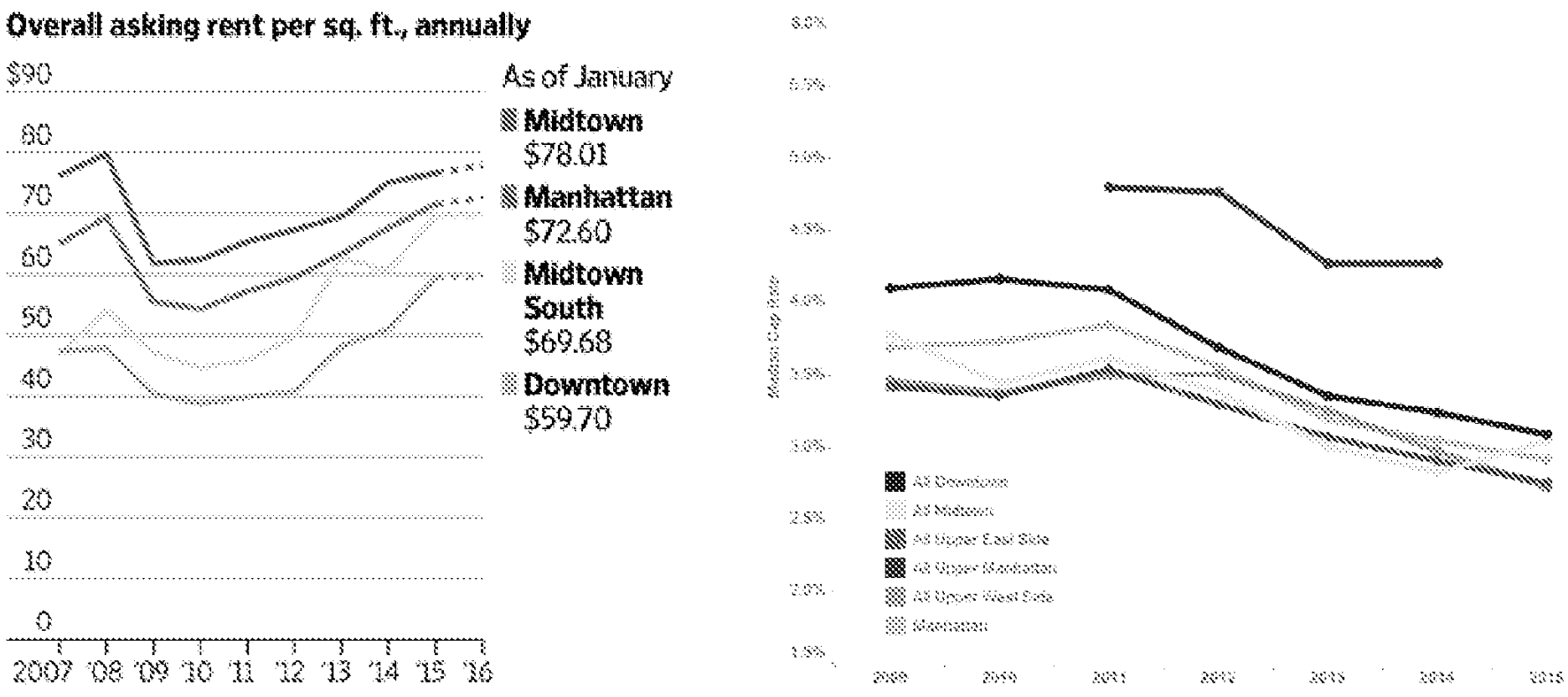


Source: Company Reports

As shown in Figure 18, office lease rates in New York City have experienced a strong 35%+ rebound since the post-recession troughs in 2009/2010. In our model for Union Square, we are assuming monthly lease rates for the office spaces in the $7-10 per square foot range and the property opening at 50% occupancy in Q2 and ramping to 100% occupancy by the end of the year. We believe this is the correct conservative approach, but as we move through 2017 and approach the Q2-18 planned opening, we can adjust as necessary as visibility improves.

Not surprisingly, retail rents around New York City have experienced some downward pressure over the past year with declines in the mid-single to mid-double digit range. With that in mind, we are assuming monthly average rents for the Union Square retail floors in the range of $75-80 per square foot (comparable to levels around that area) and will look for better clarity around those assumptions as leases are signed and we move closer to opening. Similar to the office spaces, we are assuming the retail spaces open at less than full occupancy and are modeling 75% occupancy at open and ramping to 100% by year-end 2018.

Figure 18: NYC Office Rent Trends Have Improved as Cap Rates Have Moved Lower



Sources: Cushman & Wakefield, StreetEasy and Wall Street Journal

RDI-A03062

Without a doubt, potentially the most important input drivers to the projected value of the Union Square property (or any property for that matter) is the assumed cap rate – with small changes in cap rate potentially having meaningful impacts on the valuation output. Cap rates are the expected returns from investing/buying properties and as valuations of properties continue to rise in New York City, the expected returns (or cap rates) move lower. Although this is not a positive trend for buyers, it is one for sellers or owners of property (such as RDI). And as also shown in Figure 18, cap rates around New York City have been on a fairly consistent decline since coming out of the 2008/2009 recession and are around the 3.0% level. While we have chosen to take a relatively conservative stance with our assumed value of the Union Square project in our sum-of-the-parts analysis (as shown in Figure 20) with an assumed longer-term cap rate of 5.0%, we acknowledge the potential for a significantly higher valuation should the company choose to monetize the property more quickly following its development in 2018.

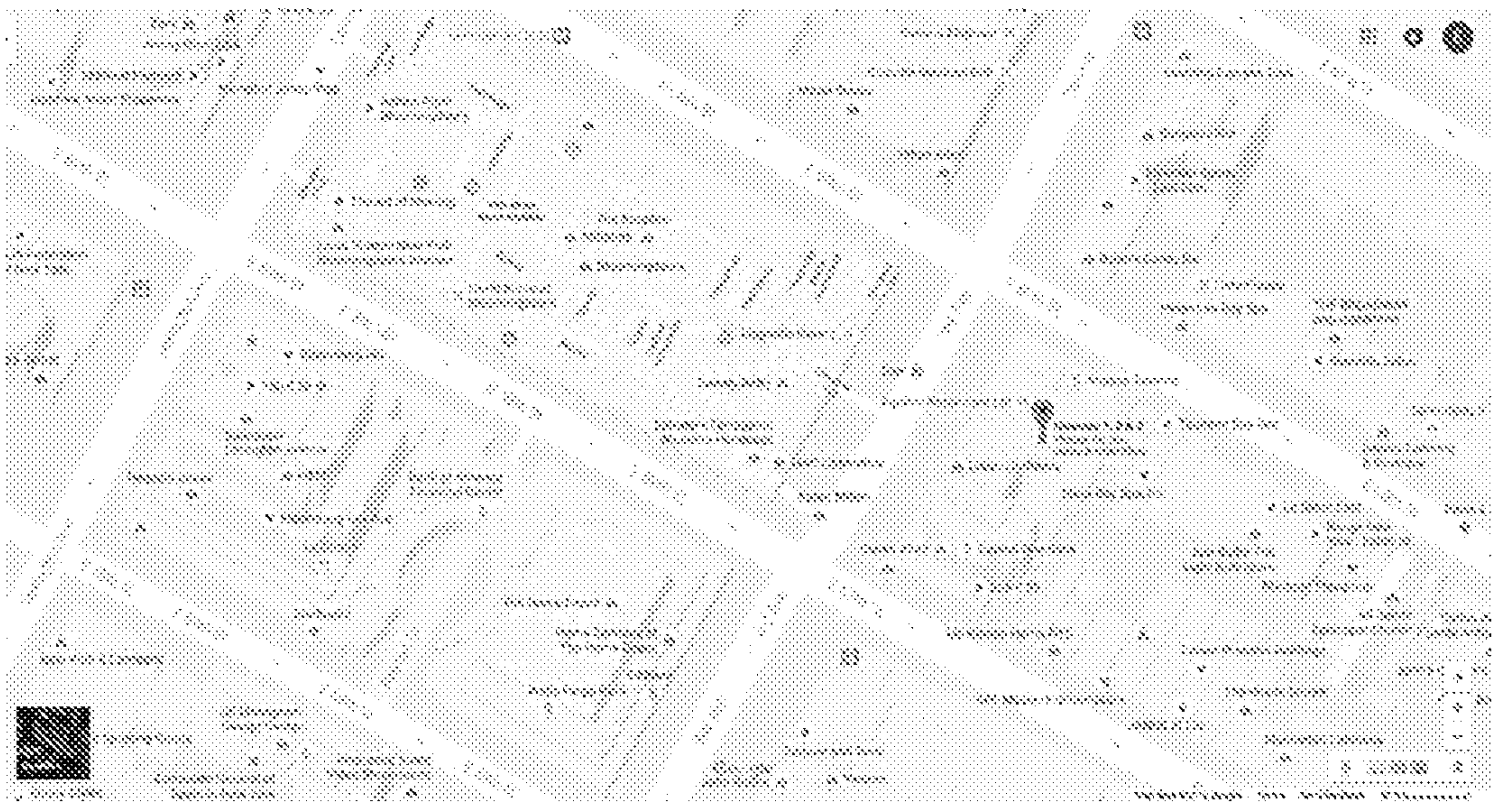
Development Project: Cinemas 1, 2, 3 (New York City)

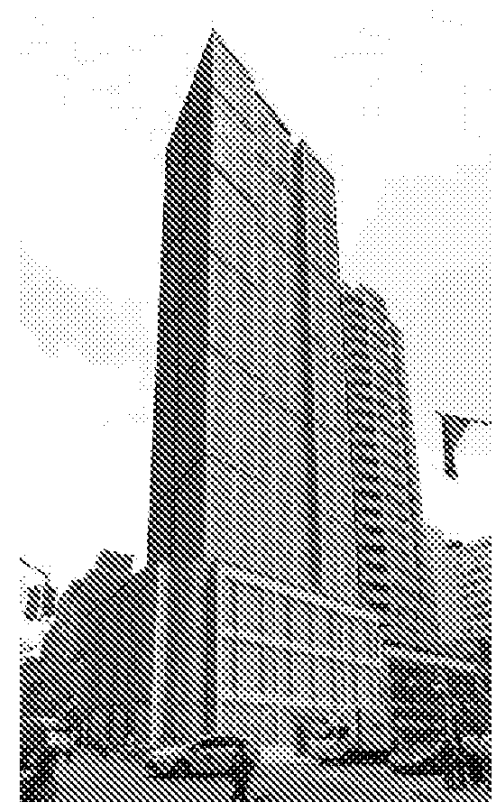
RDI owns a 75% interest in the property at 60th Street and 3rd Avenue in New York City that houses its City Cinemas 1, 2, 3. The company completed a preliminary feasibility study and is in negotiations with the owner of a 2,600 sq. ft. property adjacent to the site (currently housing a Greek restaurant) for a larger development that could potentially include high-rise residential, retail or a hotel (and may no longer include a cinema). Although we are optimistic about RDI's ability to develop this asset into a higher-value property in the coming years, current plans require cooperation of the adjacent property's owner. Assuming a JV partnership can be formed between the two parties, RDI would then own something less than 75% of the entire property for future development.

Given the various uncertainties involved around forming the partnerships, obtaining any necessary city plan approvals (note the currently proposed project would require relocating a NYC subway station entrance) as well as a timeline that could potentially push this potential project to at least a 2020 completion, we have chosen to conservatively assume the current cinema/retail operations remain in place until enough progress is made where we would feel comfortable adjusting our model and estimates. However, while we believe this is the correct approach towards our published estimates, we also believe this does not provide for an accurate projection of the potential value creation opportunity should the company go forward with its plans or choose to sell the property to another developer ahead of time.

Based on the current proposal to expand the property to 140,000 sq. ft. of gross buildable area, we estimate this could require as much as $98MM in cap-ex, but yield a property worth as much as $154MM in a pure sale transaction. Assuming a net incremental value creation of $56MM and RDI retaining a 70% ownership of the entire property (after taking into account both required partnerships), we estimate the incremental value to RDI shareholders could be roughly $39MM, or $1.68 per share. However, we acknowledge this may be an overly conservative calculation and that the ultimate value of the property as an operating entity could be much higher – but we have only chosen to include this lower-end estimate in our "Potential Upside Valuation" as shown in Figure 20.

Figure 19: Location of Cinemas 1, 2, 3 and Proposed High-Rise Rendering





Sources: Google Maps and Company reports

Estimates and Valuation Outlook

As RDI management only really began an investor relations outreach program earlier this year – including participation at investor conferences and holding conference calls for Q1 and Q2 results – management has yet to provide any formal revenue/earnings guidance. However, we would not expect this to change given that no other exhibition-based company provides forward guidance. However, management does provide the necessary guidance/information around planned developments and associated cap-ex spending plans that are necessary in the analysis of its value creation opportunities. Also note that with no other sell-side analysts currently providing research coverage on RDI, our initial estimates will immediately become the consensus estimates.

2016: Our initial 2016 revenue, EBITDA and EPS estimates are $253.9MM, $32.9MM and $0.29. Our 2016 estimates are based on the current Cinema and Real Estate segment operations continuing through year end given that none of the major development projects are scheduled to open prior to Q4-17.

2017: Our initial 2017 revenue, EBITDA and EPS estimates are $277.2MM, $34.4MM and $0.31. Our 2017 estimates are also mainly based on the current Cinema and Real Estate segment operations continuing throughout the year given that none of the major development projects are scheduled to open prior to Q4-17. However, the EPS is increasingly impacted by the debt taken on to complete the various development projects.

2018: Our initial 2018 revenue, EBITDA and EPS estimates are $324.0MM, $46.8MM and $0.44. Our 2018 estimates are based on the continued growth in the core Cinema and Real Estate segment operations supplemented by a full year contribution from the various Australia and New Zealand development projects/expansions as well as roughly half a year contribution from the Union Square project.

Figure 20: RDI Sum-of-the-Parts Valuation Analysis

Core Operations	Projected 2018 EBITDA	Valuation Multiple	Valuation per Share
U.S. Cinemas	$19.4	8.5x	$4.54
Australia/New Zealand Cinemas	$30.6	10.0x	$9.13
Real Estate*	$11.7	18.5x	$7.79
Corporate Overhead (Non-Allocated)	($14.8)	11.1x	($7.09)
Core Operations Total			$14.37
Discount from 2018 to 2017 (a)		10%	$13.06
Near-Term Value Creation	**Book Value of Property**	**Projected Value or Net Profit**	**Net Valuation per Share**
44 Union Square (U.S.)	$11.8	$261.1	$11.19
Burwood Sale Cash Receivable (Australia)	$38.7	$42.1	$1.80
Near-Term Value Creation Total (b)	$50.5	$303.1	$12.99
Current Price Target (a+b)			$26.05
Future Value Creation	**Book Value of Property**	**Projected Value or Net Profit**	**Net Valuation per Share**
Cinemas 1, 2, 3 (U.S.)	$18.8	$39.2	$1.68
Coachella Property (U.S.)	$2.8	$7.4	$0.32
Manukau Property (New Zealand)	$11.8	$57.1	$2.45
Future Value Creation (c)	$33.3	$103.6	$4.44
Potenital Upside Valuation (a+b+c)			$30.49

* Real Estate EBITDA in SOTP excludes 44 Union Square to avoid double-counting valuation contribution

Sources: Company reports and B. Riley & Co.

As demonstrated by Figure 20, our projected valuation for RDI is based on a sum-of-the-parts analysis that combines a valuation for the core Cinema and Real Estate operating segments based on EBITDA multiples, a projected valuation for the 44 Union Square development project as well as the cash balance to be received from the previous sale of land in Burwood. While this drives projected upside to $26.00, we acknowledge this does not provide any value for two other likely land sales (Coachella and Manakau) as well as the potential Cinemas

1, 2, 3 development project. However, until visibility around timing on each of those is stronger, we have chosen to conservatively exclude those from our official price target of $26.00, but instead allow for those to represent incremental valuation upside in the coming years of roughly $4.50 per share to push shares above the $30.00 level.

In our opinion, RDI has been more commonly recognized as a leading cinema operator in the U.S., Australia and New Zealand with positions of #11, #4 and #3 in those markets, respectively. However, while we remain optimistic on the outlook for global box office trends as an impressive film slate should drive a multi-year box office up-cycle both in the U.S. and abroad, we believe this focus is likely to overlook the significant shareholder value that management is projected to create in the coming years through various development projects and property monetization efforts in those same three markets. With a lack of sell-side research coverage before today and management only making an outward effort towards investors starting this year, we believe RDI has been overlooked and seems extremely underappreciated and undervalued.

We are initiating coverage on Reading International (RDI) with a Buy rating and price target of $26.00.

RDI-A03065

Reading International, Inc.

Consolidated Statements of Operations

($ in millions except per share amounts)

	2016E				2017E				2018E				Fiscal Year				
	Q1A	Q2A	Q3E	Q4E	Q1E	Q2E	Q3E	Q4E	Q1E	Q2E	Q3E	Q4E					
Fiscal Year: December	Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec	2014	2015	2016E	2017E	2018E
Cinema	$ 61.3	$ 63.4	$ 56.1	$ 58.7	$ 64.8	$ 70.8	$ 61.2	$ 66.7	$ 71.2	$ 77.8	$ 68.0	$ 73.9	$ 237.9	$ 242.3	$ 239.6	$ 263.4	$ 290.9
Real estate	3.5	3.5	3.3	4.0	3.4	3.3	3.2	3.8	3.5	6.4	11.1	12.1	16.9	15.0	14.3	13.7	33.1
Total operating revenue	**64.8**	**66.9**	**59.4**	**62.7**	**68.2**	**74.1**	**64.3**	**70.6**	**74.6**	**84.2**	**79.2**	**86.1**	**254.7**	**257.3**	**253.9**	**277.2**	**324.0**
Operating expense																	
Cinema	48.0	48.8	45.6	46.2	50.8	54.7	50.0	52.7	55.8	60.1	55.4	58.2	188.4	190.0	188.6	208.2	229.5
Real estate	2.1	2.2	2.0	2.5	2.2	2.2	2.0	2.6	2.3	4.1	6.9	7.6	9.8	10.9	8.9	9.1	20.8
Depreciation and amortization	3.8	3.8	3.7	3.8	3.8	3.8	3.9	4.7	4.8	5.7	5.8	5.9	15.5	14.6	15.2	16.3	22.3
General and administrative	6.2	6.0	6.1	6.2	6.2	6.3	6.4	6.5	6.6	6.7	6.8	6.9	18.9	18.7	24.4	25.5	26.9
Total operating expense	60.1	60.8	57.5	58.6	63.1	67.1	62.3	66.5	69.5	76.6	74.9	78.6	232.6	234.2	237.0	259.1	299.5
Operating income	4.7	6.1	2.0	4.1	5.0	6.9	2.0	4.1	5.2	7.6	4.3	7.4	22.2	23.2	16.8	18.1	24.5
EBITDA	**9.1**	**10.2**	**5.7**	**7.8**	**8.9**	**10.8**	**5.9**	**8.8**	**10.0**	**13.3**	**10.1**	**13.4**	**40.4**	**44.8**	**32.9**	**34.4**	**46.8**
Interest income (expense), net	(1.9)	(1.8)	(1.8)	(1.8)	(1.8)	(1.8)	(1.8)	(1.8)	(1.8)	(2.2)	(2.5)	(2.4)	(8.0)	(7.3)	(7.2)	(7.0)	(8.7)
Net gain on sale of assets	0.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	11.0	0.4	0.0	0.0
Other income (expense), net	(0.1)	(0.0)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.6	(0.4)	(0.1)	0.0	0.0
Income before income tax and unconsolidated JVs	3.2	4.3	0.2	2.3	3.3	5.2	0.3	2.3	3.4	5.3	2.0	5.1	14.8	26.4	9.9	11.1	15.8
Equity earnings of unconsolidated JVs and entities	0.3	0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0	1.2	0.6	0.0	0.0
Income before income taxes	3.5	4.6	0.2	2.3	3.3	5.2	0.3	2.3	3.4	5.3	2.0	5.1	15.9	27.6	10.5	11.1	15.8
Income tax expense	(1.2)	(1.7)	(0.1)	(0.8)	(1.2)	(1.8)	(0.1)	(0.8)	(1.2)	(1.9)	(0.7)	(1.8)	9.8	(4.9)	(3.8)	(3.9)	(5.5)
Net income	2.2	2.9	0.1	1.5	2.1	3.4	0.2	1.5	2.2	3.5	1.3	3.3	25.6	22.7	6.8	7.2	10.3
Net loss attributable to noncontrolling interests	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.0	0.0
Net income to Reading Int'l common stockholders	2.2	3.0	0.1	1.5	2.1	3.4	0.2	1.5	2.2	3.5	1.3	3.3	25.7	22.8	6.8	7.2	10.3
Diluted EPS	**$0.09**	**$0.13**	**$0.01**	**$0.06**	**$0.09**	**$0.14**	**$0.01**	**$0.06**	**$0.09**	**$0.15**	**$0.05**	**$0.14**	**$1.08**	**$0.97**	**$0.29**	**$0.31**	**$0.44**
Shares outstanding (in millions)	23.5	23.5	23.5	23.5	23.5	23.5	23.5	23.5	23.5	23.5	23.5	23.5	23.7	23.5	23.5	23.5	23.5
Percent of total operating revenue																	
Operating expense																	
Cinema	78.2%	76.9%	81.3%	78.7%	78.5%	77.4%	81.7%	78.9%	78.4%	77.2%	81.4%	78.7%	79.2%	78.4%	78.7%	79.0%	78.9%
Real estate	61.6%	63.0%	61.5%	62.9%	64.8%	66.9%	64.7%	67.1%	66.2%	64.0%	61.7%	62.6%	57.9%	72.8%	62.3%	65.9%	63.0%
Depreciation and amortization	5.9%	5.7%	6.3%	6.0%	5.6%	5.2%	6.0%	6.7%	6.4%	6.8%	7.4%	6.9%	6.1%	5.7%	6.0%	5.9%	6.9%
General and administrative	9.6%	9.0%	10.2%	9.8%	9.2%	8.5%	10.0%	9.2%	8.8%	7.9%	8.5%	8.0%	7.4%	7.2%	9.6%	9.2%	8.3%
Total operating expense	92.8%	90.9%	96.7%	93.5%	92.6%	90.6%	96.8%	94.2%	93.1%	91.0%	94.6%	91.3%	91.3%	91.0%	93.4%	93.5%	92.4%
Operating income	7.2%	9.1%	3.3%	6.5%	7.4%	9.4%	3.2%	5.8%	6.9%	9.0%	5.4%	8.7%	8.7%	9.0%	6.6%	6.5%	7.6%
EBITDA	**14.1%**	**15.3%**	**9.6%**	**12.5%**	**13.0%**	**14.5%**	**9.2%**	**12.5%**	**13.4%**	**15.8%**	**12.8%**	**15.6%**	**15.9%**	**17.4%**	**13.0%**	**12.4%**	**14.5%**
Interest income (expense), net	-2.9%	-2.6%	-3.0%	-2.8%	-2.6%	-2.4%	-2.7%	-2.5%	-2.4%	-2.7%	-2.9%	-2.7%	-3.5%	-2.8%	-2.8%	-2.5%	-2.7%
Net gain on sale of assets	0.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	4.3%	0.2%	0.0%	0.0%
Other income (expense), net	-0.1%	-0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.6%	-0.2%	0.0%	0.0%	0.0%
Income before income tax and unconsolidated JVs	4.9%	6.4%	0.4%	3.7%	4.8%	7.0%	0.4%	3.3%	4.6%	6.3%	2.5%	5.9%	5.8%	10.3%	3.9%	4.0%	4.9%
Equity earnings of unconsolidated JVs and entities	0.5%	0.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.4%	0.5%	0.2%	0.0%	0.0%
Income before income taxes	5.3%	6.9%	0.4%	3.7%	4.8%	7.0%	0.4%	3.3%	4.6%	6.3%	2.5%	5.9%	6.2%	10.7%	4.2%	4.0%	4.9%
Income tax expense	-35.6%	-36.3%	-35.0%	-35.0%	-35.0%	-35.0%	-35.0%	-35.0%	-35.0%	-35.0%	-35.0%	-35.0%	61.7%	-17.9%	-35.8%	-35.0%	-35.0%
Net income	3.4%	4.4%	0.2%	2.4%	3.1%	4.5%	0.3%	2.1%	3.0%	4.1%	1.6%	3.8%	10.1%	8.8%	2.7%	2.6%	3.2%
Net loss attributable to noncontrolling interests	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Net income to Reading Int'l common stockholders	3.4%	4.4%	0.2%	2.4%	3.1%	4.5%	0.3%	2.1%	3.0%	4.1%	1.6%	3.8%	10.1%	8.8%	2.7%	2.6%	3.2%
Year-over-year growth																	
Total operating revenue	6.9%	-8.1%	2.9%	-5.2%	5.2%	10.7%	8.2%	12.5%	9.5%	13.6%	23.0%	22.0%	-1.3%	1.0%	-1.3%	9.2%	16.9%
EBITDA	-0.6%	-50.5%	-9.3%	-9.2%	-2.9%	5.4%	3.5%	12.7%	12.5%	23.7%	71.2%	51.5%	3.0%	10.9%	-26.5%	4.5%	36.1%
Diluted EPS	-28.6%	-81.5%	-64.1%	-54.5%	-4.1%	13.3%	26.5%	1.2%	3.9%	3.2%	641.2%	118.6%	181.5%	-10.4%	-70.1%	5.3%	43.1%

09/05/16

Sources: Company reports and B. Riley & Co. estimates

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Reading International, Inc.

Balance Sheets

($ in 000s, except per share figures)

	2013	2014	2015	2016 Quarterly Detail Q1	Q2	Q3	Q4	2016	2017 Quarterly Detail Q1	Q2	Q3	Q4	2017	2018
Assets														
Current assets:														
Cash and cash equivalents	$ 37,696	$ 50,248	$ 19,702	$ 16,330	$ 9,624	$ 7,693	$ 7,463	$ 7,463	$ 9,478	$ 9,613	$ 12,067	$ 6,483	$ 6,483	$ 4,352
Receivables	9,087	11,348	10,036	11,380	7,860	8,917	9,405	9,405	10,226	11,113	9,650	10,585	10,585	12,909
Inventory	941	1,010	1,122	969	1,037	832	878	878	954	1,037	901	988	988	1,205
Investment in marketable securities	55	54	51	51	52	52	52	52	52	52	52	52	52	52
Restricted cash	782	1,433	160	17	17	17	17	17	17	17	17	17	17	17
Deferred tax asset	3,273	0	0	0	0	0	0	0	0	0	0	0	0	0
Prepaid and other current assets	3,283	3,426	5,429	5,898	5,802	4,023	4,105	4,105	4,419	4,700	4,361	4,654	4,654	5,503
Land held for sale - current	0	10,112	421	0	0	0	0	0	0	0	0	0	0	0
Total current assets	55,117	77,631	36,921	34,645	24,392	21,535	21,920	21,920	25,146	26,533	27,048	22,779	22,779	24,038
Operating property, net	191,660	186,889	210,298	217,075	219,995	232,329	250,117	250,117	267,859	283,592	303,280	326,602	326,602	350,070
Land held for sale - non current	11,052	42,588	37,966	40,004	38,727	38,727	38,727	38,727	38,727	38,727	38,727	0	0	0
Investment and development property, net	74,230	26,124	23,002	23,326	34,860	34,860	34,860	34,860	34,860	34,860	34,860	34,860	34,860	34,860
Investment in unconsolidated JVs and entities	6,735	6,169	5,370	5,656	5,410	5,410	5,410	5,410	5,410	5,410	5,410	5,410	5,410	5,410
Investment in Reading International Trust I	838	838	838	838	838	838	838	838	838	838	838	838	838	838
Goodwill	22,159	21,281	19,715	20,002	20,118	20,118	20,118	20,118	20,118	20,118	20,118	20,118	20,118	20,118
Intangible assets	13,440	11,486	9,889	9,430	9,199	9,199	9,199	9,199	9,199	9,199	9,199	9,199	9,199	9,199
Deferred tax assets	5,566	22,267	25,649	25,582	25,983	25,983	25,983	25,983	25,983	25,983	25,983	25,983	25,983	25,983
Other assets	6,010	6,313	3,615	3,744	3,700	3,700	3,700	3,700	3,700	3,700	3,700	3,700	3,700	3,700
TOTAL ASSETS	386,807	401,586	373,263	380,302	383,222	392,698	410,872	410,872	431,840	448,960	469,163	449,489	449,489	474,216
Liabilities and Stockholders' Equity														
Current liabilities:														
Accounts payable and accrued liabilities	18,608	19,517	23,638	23,889	19,047	20,116	20,524	20,524	22,093	23,501	21,807	23,268	23,268	27,514
Film rent payable	6,438	9,328	9,291	9,162	10,469	8,420	8,806	8,806	9,715	10,613	9,177	10,009	10,009	11,090
Notes payable - current portion	75,538	38,104	14,887	14,943	22,908	22,908	22,908	22,908	22,908	22,908	22,908	22,908	22,908	22,908
Taxes payable	8,308	4,593	5,275	6,971	4,404	4,404	4,404	4,404	4,404	4,404	4,404	4,404	4,404	4,404
Deferred current revenue	11,864	14,239	14,591	13,073	12,365	12,484	13,167	13,167	14,316	15,558	13,510	14,820	14,820	18,073
Other current liabilities	6,155	6,969	7,640	7,850	7,993	7,993	7,993	7,993	7,993	7,993	7,993	7,993	7,993	7,993
Total current liabilities	126,911	92,750	75,322	75,888	77,186	76,325	77,802	77,802	81,430	84,977	79,799	83,402	83,402	91,983
Notes payable - long-term portion	65,009	98,019	87,101	85,474	86,085	96,085	111,085	111,085	126,085	136,085	161,085	136,085	136,085	141,085
Subordinated debt	27,913	27,913	27,125	27,178	27,232	27,232	27,232	27,232	27,232	27,232	27,232	27,232	27,232	27,232
Noncurrent tax liabilities	12,478	17,045	16,457	16,633	16,633	16,633	16,633	16,633	16,633	16,633	16,633	16,633	16,633	16,633
Other liabilities	32,749	33,561	30,062	29,265	29,110	29,110	29,110	29,110	29,110	29,110	29,110	29,110	29,110	29,110
Total liabilities	265,060	269,288	236,067	234,438	236,246	245,385	261,862	261,862	280,490	294,037	313,859	292,462	292,462	306,043
Common stock	240	243	246	246	246	246	246	246	246	246	246	246	246	246
Additional paid-in capital	137,849	140,237	143,815	143,957	144,155	144,155	144,155	144,155	144,155	144,155	144,155	144,155	144,155	144,155
Accumulated deficit	(57,952)	(52,851)	(8,878)	(7,252)	(4,280)	(3,948)	(2,247)	(2,247)	94	3,667	4,048	5,771	5,771	16,917
Treasury shares	(4,912)	(8,582)	(13,524)	(13,524)	(13,524)	(13,524)	(13,524)	(13,524)	(13,524)	(13,524)	(13,524)	(13,524)	(13,524)	(13,524)
Accumulated other comprehensive income	41,515	28,039	11,806	18,147	16,133	16,133	16,133	16,133	16,133	16,133	16,133	16,133	16,133	16,133
Noncontrolling interests	4,607	4,612	4,331	4,290	4,246	4,246	4,246	4,246	4,246	4,246	4,246	4,246	4,246	4,246
Total stockholders' equity	121,747	132,298	137,196	145,864	146,976	147,313	149,009	149,009	151,350	154,923	155,304	157,027	157,027	158,173
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 386,807	$ 401,586	$ 373,263	$ 380,302	$ 383,222	$ 392,698	$ 410,872	$ 410,872	$ 431,840	$ 448,960	$ 469,163	$ 449,489	$ 449,489	$ 474,216

09/05/16

Sources: Company reports and B. Riley & Co. estimates

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Reading International, Inc.

Statements of Cash Flows

($ in 000s, except per share figures)

				2016 Quarterly Detail					2017 Quarterly Detail					
	2013	2014	2015	Q1	Q2	Q3	Q4	2016	Q1	Q2	Q3	Q4	2017	2018
Cash flows from operating activities:														
Net income (loss)	$ 9,145	$ 25,644	$ 22,694	$ 2,224	$ 2,925	$ 137	$ 1,494	$ 6,780	$ 2,137	$ 3,366	$ 173	$ 1,513	$ 7,189	$ 10,284
(Income) loss recognized on foreign currency	(415)	0	0	0	0	0	0	0	0	0	0	0	0	0
Equity (earnings) loss of unconsolidated JVs and entities	(1,969)	(1,815)	(1,204)	(302)	(306)	0	0	(608)	0	0	0	0	0	0
Distributions of earnings from unconsolidated JVs	1,095	857	1,074	253	261	0	0	514	0	0	0	0	0	0
Loss provision on impairment of asset	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(Gain) loss on sale of assets	56	(35)	(11,023)	(393)	0	0	0	(393)	0	0	0	0	0	0
Change in valuation allowance for net deferred tax assets	2,198	(14,828)	(8,067)	(631)	(558)	0	0	(1,188)	0	0	0	0	0	0
Gain on sale of marketable securities	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Gain on cinema acquisition and settlement	(1,936)	0	0	0	0	0	0	0	0	0	0	0	0	0
Depreciation and amortization	15,197	15,468	14,562	3,808	3,827	3,737	3,783	15,155	3,829	3,837	3,883	4,749	16,299	22,315
Other amortization	2,601	2,077	919	405	429	429	429	1,692	429	429	429	429	1,716	1,716
Stock based compensation expense	950	1,413	1,458	143	198	200	202	743	204	206	208	210	828	862
Changes in operating assets and liabilities:														
Receivables	281	(2,759)	620	(1,157)	3,435	(1,057)	(488)	733	(621)	(887)	1,463	(935)	(1,180)	(2,324)
Prepaid and other assets	(35)	(893)	(3,386)	1,420	2,045	1,983	(127)	5,321	(390)	(364)	475	(379)	(658)	(3,066)
Accounts payable and accrued expenses	556	148	6,479	(25)	(4,745)	1,069	408	(3,293)	1,569	1,408	(1,694)	1,461	2,744	4,246
Film rent payable	133	3,117	282	(220)	1,322	(2,049)	386	(561)	909	898	(1,436)	832	1,203	1,081
Taxes payable	(3,294)	(6,743)	(683)	1,489	(8,499)	0	0	(7,010)	0	0	0	0	0	0
Deferred revenue and other liabilities	(276)	2,677	(293)	(2,592)	(284)	119	683	(2,074)	1,149	1,242	(2,048)	1,309	1,652	3,253
Net cash provided by operating activities	25,183	28,343	28,574	4,418	4,050	4,569	6,770	19,807	9,015	10,135	1,454	9,189	29,793	40,369
Cash flows from investing activities:														
Cash paid for acquisitions	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cash received from cinema acquisition	1,936	0	0	0	0	0	0	0	0	0	0	0	0	0
Purchases of and addition to operating property	(20,092)	(18,918)	(53,119)	(4,184)	(20,305)	(16,500)	(22,000)	(62,989)	(22,000)	(20,000)	(24,000)	(28,500)	(94,500)	(47,500)
Change in restricted cash	1,609	(813)	1,292	147	19	0	0	166	0	0	0	0	0	0
Purchase (proceeds from) notes receivable	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Sale of marketable securities	2,000	0	0	0	0	0	0	0	0	0	0	0	0	0
Distributions of investment in unconsolidated JVs	0	208	228	0	186	0	0	186	0	0	0	0	0	0
Proceeds from sale of property	395	5,422	21,889	831	0	0	0	831	0	0	0	38,727	38,727	0
Cinema sale proceeds from noncontrolling shareholder	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Purchase of (proceeds from) time deposits	8,000	0	0	0	0	0	0	0	0	0	0	0	0	0
Net cash provided by investing activities	(6,152)	(8,898)	(29,710)	(3,206)	(20,100)	(16,500)	(22,000)	(61,806)	(22,000)	(20,000)	(24,000)	10,227	(55,773)	(47,500)
Cash flows from financing activities:														
Proceeds from (repayment of) borrowings	(15,623)	1,033	(34,739)	(4,567)	8,900	10,000	15,000	29,303	15,000	10,000	25,000	(25,000)	25,000	5,000
Capitalized borrowing costs	(563)	(1,338)	(248)	(12)	0	0	0	(12)	0	0	0	0	0	0
Repurchase of Class A Nonvoting Common Stock	0	(4,029)	(3,310)	0	0	0	0	0	0	0	0	0	0	0
Proceeds from exercise of stock options	248	978	492	0	0	0	0	0	0	0	0	0	0	0
Noncontrolling interest contributions (distributions)	(1,889)	104	(158)	(55)	15	0	0	(40)	0	0	0	0	0	0
Net cash provided by financing activities	(17,775)	(3,252)	(37,963)	(4,664)	8,915	10,000	15,000	29,251	15,000	10,000	25,000	(25,000)	25,000	5,000
Effect of exchange rate on cash	(2,161)	(2,618)	(1,048)	80	429	0	0	509	0	0	0	0	0	0
Net increase (decrease) in cash and cash equivalents	(908)	12,552	(39,346)	(3,372)	(6,706)	(1,931)	(230)	(12,238)	2,015	135	2,454	(5,584)	(980)	(2,131)
Cash and cash equivalents at beginning of period	38,531	37,696	50,248	19,702	16,330	9,624	7,693	19,702	7,463	9,478	9,613	12,067	7,463	6,483
Cash and cash equivalents at end of period	$ 37,696	$ 50,248	$ 19,702	$ 16,330	$ 9,624	$ 7,693	$ 7,463	$ 7,463	$ 9,478	$ 9,613	$ 12,067	$ 6,483	$ 6,483	$ 4,352

09/05/16

Sources: Company reports and B. Riley & Co. estimates

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Appendix A

Disclosure for Reading International, Inc.

I, Eric Wold , certify that this report reflects my personal beliefs about this company and that no portion of my compensation was, is or will be directly or indirectly related to the specific recommendations or views discussed in this report.

Disclosure

- B. Riley & Co., LLC does and seeks to do business with companies covered in its research reports.
- A portion of this analyst's compensation is based on the sales, trading and investment banking activities of B. Riley & Co., LLC.
- From time to time, certain non-FINRA member affiliates of B. Riley & Co., LLC may receive compensation for performing non-investment banking related services for companies covered in its research reports.

Ratings Distribution as of September 7, 2016 | **% with Investment Banking Relationships**

Rating	Number of Companies	Percent of Total	Rating	Number of Companies	Percent of Total
Buy	157	68.0%	Buy	7	100.0%
Neutral	73	31.6%	Neutral	0	0.0%
Sell	1	0.4%	Sell	0	0.0%
Total	**231**	**100%**	**Total**	**7**	**100%**

Explanation of B. Riley & Co. LLC's Rating System

- **Buy:** We generally expect "Buy" rated stocks to materially outperform both the S&P 500 and Russell 2000 as well as other stocks in their sector. Further, we believe that the potential reward relative to the potential risk is particularly attractive.
- **Neutral:** We generally believe "Neutral" rated stocks will perform roughly in line with the S&P 500 and Russell 2000 over the intermediate and long term.
- **Sell:** We generally expect "Sell" rated stocks to materially underperform both the S&P 500 and Russell 2000 as well as other stocks in their sector. Further, we believe that the potential reward relative to the potential risk is particularly unattractive.

Risks and Considerations

- **Acquisition/Integration** - The Company actively evaluates potential acquisitions as part of its growth strategy. Acquisitions pursued by the Company could be dilutive to financial results and result in a difficult, dilutive or expensive integration.
- **Acquisition/Integration** - The Company recently completed acquisition(s). If the Company fails to successfully integrate the acquisition, the deal may lead to disappointing returns.
- **Competition** - The industry is highly competitive and many of the Company's competitors have greater resources.
- **Cyclical Nature of the Company's Business** - Revenue from the Company's businesses have historically correlated positively with both US and world GDP. A cyclical downturn in GDP growth domestically and/or abroad may lead to a material deterioration in the Company's results.
- **Discretionary Spending** - The products the Company sells are largely discretionary in nature and any slowdown in consumer spending would have an unfavorable impact on the Company.
- **Economy** - Macro-economic issues such as increasing oil and gas prices and a possible drop in consumer spending could have a negative impact on the Company's business.
- **Growth Plan** - There are many factors that may impact the company's ability to achieve its stated growth objectives.
- **Licensee Risk** - There is always a risk that a licensee could execute poorly and temporarily hurt the brand for its respective category/classification. Licenses also are subject to renewal.
- **Pricing Pressure** - The Company's business could be affected by pricing pressure within the market.
- **Product Concentration** - A large percentage of the Company's revenues are from one line of products. Any weakness in those sales would have a significant negative impact on the Company's results.
- **Real Estate** - A significant percentage of the Company's loans are real estate oriented. Any deterioration in real estate values would impair the value of real estate-based collateral.
- **Regional Focus** - The Company's operations are clustered in one part of the United States. Thus, its earnings are more vulnerable to any regional economic shock and/or slowdown.
- **Seasonality** - The Company's results are highly seasonal.

- **Weather** - The weather can significantly impact the Company's results.
- **General Industry** - The Company could miss our estimates and/or their financial guidance.
- **Further Potential Risks** - See the Company's SEC filings, particularly its 10-K filing, for a discussion of further potential risks.

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EIGHTH JUDICIAL DISTRICT COURT

CLARK COUNTY, NEVADA

JAMES J. COTTER, JR. individually and derivatively on behalf of Reading International, Inc.,

Plaintiffs,

v.

MARGARET COTTER, ELLEN COTTER, GUY ADAMS, EDWARD KANE, DOUGLAS McEACHERN, WILLIAM GOULD, JUDY CODDING, MICHAEL WROTNIAK, and DOES 1 through 100, inclusive,

Defendants.

AND

READING INTERNATIONAL, INC., a Nevada corporation,

Nominal Defendant.

Case No.: A-15-719860-B
Dept. No.: XI

Case No.: P-14-082942-E
Dept. No.: XI

Related and Coordinated Cases

BUSINESS COURT

INDIVIDUAL DEFENDANTS' MOTION FOR PARTIAL SUMMARY JUDGMENT (NO. 4) ON PLAINTIFF'S CLAIMS RELATED TO THE EXECUTIVE COMMITTEE

Judge: Hon. Elizabeth Gonzalez
Date of Hearing: 10/25/16
Time of Hearing: 8:30 AM

TO ALL PARTIES, COUNSEL, AND THE COURT:

Pursuant to Nevada Rule of Civil Procedure 56, Defendants Margaret Cotter, Ellen Cotter, Guy Adams, Edward Kane, Douglas McEachern, Judy Codding, and Michael Wrotniak (collectively, the "Individual Defendants"), by and through their counsel of record, Cohen|Johnson|Parker|Edwards and Quinn Emanuel Urquhart & Sullivan, LLP, hereby submit this Motion for Partial Summary Judgment (No. 4) as to the First, Second, Third, and Fourth Causes of Action in Plaintiff's Second Amended Complaint ("SAC"), to the extent that they assert claims and damages related to the Executive Committee.

This Motion is based upon the following Memorandum of Points and Authorities, the accompanying Declaration of Noah S. Helpern and exhibits thereto, the pleadings and papers on file, and any oral argument at the time of a hearing on this motion.

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Dated: September 23, 2016

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NOTICE OF MOTION

TO: **TO ALL PARTIES, COUNSEL, AND THE COURT:**

PLEASE TAKE NOTICE that the above Motion will be heard on October 25, 2016 at 8:30 AM in Department XXVII of the above designated Court or as soon thereafter as counsel can be heard.

Dated: September 23, 2016

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Nev. Rev. Stat. § 78.125(1) 1, 4

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MEMORANDUM OF POINTS AND AUTHORITIES

I. INTRODUCTION

Nevada law and Reading International, Inc.'s ("RDI" or "the Company") bylaws both expressly authorize the establishment of committees that, like RDI's Executive Committee, "have and may exercise the powers of the board of directors in the management of the business and affairs of the corporation." Nev. Rev. Stat. § 78.125(1). Nonetheless, Plaintiff James Cotter, Jr. ("Plaintiff") claims that the Individual Defendants breached their fiduciary duties by allowing the existence of a "repopulat[ed] and reactivat[ed]" Executive Committee. Plaintiff urges that the existence of the Executive Committee is a breach of the directors' fiduciary duties because the Executive Committee allegedly makes decisions that should be made by RDI's whole Board of Directors (the "RDI Board" or "Board").

The undisputed material facts relating the claim, however, require that judgment be granted in Individual Defendants' favor. First, Plaintiff does not dispute that the Executive Committee is authorized by law, or that the Executive Committee has the same powers now as when he served as chair of the Executive Committee. The only difference is that Ellen Cotter—the current CEO—has replaced him on the Executive Committee.

Second, the business judgment rule and Nevada Revised Statute § 78.138(7) protect directors who make rational business judgments. Here, the business judgment rule shields the Individual Defendants from personal liability because the RDI Board's decision to have an Executive Committee can be attributed to rational business purposes—*e.g.*, serving the Company in between meetings of the RDI Board. Third, to prevail on a claim for breach of fiduciary duty, Plaintiff must show damages to RDI. Clearly, the "reconstitution" and "reactivation" of the Executive Committee, without more, cannot be said to have damaged RDI. Plaintiff must show that RDI was damaged by some decision by the Executive Committee. To the extent Plaintiff can even identify any decisions made by the Executive Committee that he disagrees with, none of those decisions have caused any damage to RDI. The Executive Committee's decisions to set a record date and to appoint a member of the Audit and Conflicts Committee are administrative

decisions for which Plaintiff cannot identify any meaningful impact on RDI, and about which his purported damages expert is completely silent.

Accordingly, because the Executive Committee is duly authorized by law, and Plaintiff cannot show any improper or injurious decisions made by the Committee, summary judgment should be granted on Plaintiff's claims relating to the Executive Committee.

II. FACTUAL BACKGROUND

A. Prior to Plaintiff's Termination, the Executive Committee Exists and Has the Power to Make Important Decisions

RDI's corporate bylaws authorize the establishment of committees that, like RDI's Executive Committee, "have and may exercise the power of the Board of Directors in the management of the business and affairs of the Corporation . . . ." (*See* Attached Declaration of Noah S. Helpern ("HD") ¶ 2(a).)[1] Section 10 of Article II of RDI's Bylaws provide, in relevant part:

> The Board of Directors may, by resolution adopted by a majority of the whole Board, designate one or more committees of the Board of Directors, each committee to consist of at least one or more directors of the Corporation which, to the extent provided in the resolution, shall have and may exercise the power of the Board of Directors in the management of the business and affairs of the Corporation . . . .

(*Id.* ¶ 2.) The Executive Committee was "authorized, to the fullest extent permitted by Nevada law, to take action on matters between meetings of the full board." (*Id.* ¶ 3(a).)

Plaintiff admits that RDI's Executive Committee predates Plaintiff's termination as President and CEO of RDI. (*See id.* ¶ 4(a).) Prior to his termination, Plaintiff was a member and chair of the Executive Committee, along with members Margaret Cotter, Edward Kane, and Guy Adams. (*Id.* ¶¶ 3(b), 4(a)-(b).)

During the time that he was chair of the Executive Committee, Plaintiff assumed that the Executive Committee could be used to make "very important decision[s] that needed to be made

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[1] The documentary and testimonial evidence supporting this Motion is attached to the Declaration of Noah S. Helpern. The citations to the "HD" refer to the paragraph of that Declaration that authenticate and correspond to the relevant supporting evidence.

by the board" under certain circumstances. (*Id.* ¶ 4(c).) Plaintiff admits that he "did not object to the executive committee having that power[.]" (*Id.* ¶ 5(b).)

B. The RDI Board Adopts a Resolution Providing that the Executive Committee Shall Be Comprised of Ellen Cotter, Margaret Cotter, Edward Kane, and Guy Adams

On June 12, 2015, after Plaintiff's termination as President and CEO of RDI, the RDI Board adopted a resolution that provided that the Executive Committee shall be comprised of Ellen Cotter, Margaret Cotter, Edward Kane, and Guy Adams. (*Id.* ¶ 6(a).) Except for Plaintiff, all Board members approved the motion. (*Id.*) Ellen Cotter asked William Gould if he would like to be a member of the "reconstituted" Executive Committee, but he declined, stating he did not have time for it. (*Id.* ¶¶ 7(b), 8(a).)

The "reconstituted" Executive Committee has "the authority to take any and all actions that the Board may take (other than as restricted by Nevada law and the Bylaws of the Company) between the regular and special meetings of the Board of Directors." (*Id.* ¶ 6(b).) As Plaintiff admits, the "reconstituted" Executive Committee has the same power that the Executive Committee had in 2015 when Plaintiff was a member of the Executive Committee. (*Id.* ¶ 5(a).)

C. Plaintiff Struggles to Identify Decisions by the Executive Committee to Which He Objects

In his pleadings, Plaintiff has not identified any actions taken by the Executive Committee. Asked, on the first day of his deposition, if it was correct that he could not recall any actions or decisions by the executive committee that were reported back to the Board to which he objected, Plaintiff answered: "There were a number of actions taken by the executive committee that I cannot recall at this point, **yes, that's correct**." (*Id.* ¶ 4(d) (emphasis added).) In his subsequent testimony, Plaintiff changed his answer—51 days later—to identify two actions: (1) "the determination of the record date, a simple determination that . . . could easily have been made by the board"; and (2) the use of the Executive Committee to appoint Michael Wrotniak, a member who Plaintiff felt was unqualified, to serve on RDI's Audit Committee. (*Id.* ¶ 5(c).)

III. LEGAL STANDARD

Summary judgment is warranted under Nevada Rule of Civil Procedure 56 whenever the "pleadings, depositions, answers to interrogatories, admissions, and affidavits, if any, that are properly before the court demonstrate that no genuine issue of material fact exists, and the moving party is entitled to judgment as a matter of law." *Wood v. Safeway, Inc.*, 121 Nev. 724, 731 (2005). "The substantive law controls which factual disputes are material and will preclude summary judgment; other factual disputes are irrelevant." *Id.*; *see also Anderson v. Liberty Lobby, Inc.*, 477 U.S. 242, 248 (1986) ("Factual disputes that are irrelevant or unnecessary will not be counted."). A factual dispute is "genuine" only "when the evidence is such that a rational trier of fact could return a verdict for the nonmoving party." *Holcomb v. Ga. Pac., LLC*, 289 P.3d 188, 192 (Nev. 2012) (citation omitted).

While the pleadings and other proof are "construed in the light most favorable to the nonmoving party," *LaMantia v. Redisi*, 118 Nev. 27, 29 (2002), that party "bears the burden to more than simply show that there is some metaphysical doubt as to the operative facts in order to avoid summary judgment." *Wood*, 121 Nev. at 732 (citation and internal quotation marks omitted) (rejecting the "slightest doubt" standard). The nonmoving party "is not entitled to build a case on the gossamer threads of whimsy, speculation, and conjecture," *id.* (citation omitted), but instead must identify "admissible evidence" showing "a genuine issue for trial." *Posadas v. City of Reno*, 109 Nev. 448, 452 (1993); *Shuck v. Signature Flight Support of Nev., Inc.*, 126 Nev. 434, 436 (2010) ("bald allegations without supporting facts" are insufficient); *LaMantia*, 118 Nev. at 29 (nonmovant must "show specific facts, rather than general allegations and conclusions"). A nonmoving party that fails to make this showing will "have summary judgment entered against him." *Wood*, 121 Nev. at 732 (citation omitted).

IV. ARGUMENT

A. There Was No Breach Because the Executive Committee Is Authorized Under Nevada Law

Summary judgment is appropriate for Plaintiff's claims related to the Executive Committee because Nevada law expressly authorizes the establishment of committees by boards of directors. Nevada Revised Statute § 78.125(1) provides:

> Unless it is otherwise provided in the articles of incorporation, the board of directors may designate one or more committees which, to the extent provided in the resolution or resolutions or in the bylaws of the corporation, have and may exercise the powers of the board of directors in the management of the business and affairs of the corporation.[2]

In addition to being expressly permitted by Nevada law, the Executive Committee is also authorized by RDI's Bylaws, which provide, in relevant part:

> The Board of Directors may, by resolution adopted by a majority of the whole Board, designate one or more committees of the Board of Directors, each committee to consist of at least one or more directors of the Corporation which, to the extent provided in the resolution, shall have and may exercise the power of the Board of Directors in the management of the business and affairs of the Corporation . . . .

(HD ¶ 2(a).) The Executive Committee has "the authority to take any and all actions that the Board may take (other than as restricted by Nevada law and the Bylaws of the Company) between the regular and special meetings of the Board of Directors." (*Id.* ¶ 6(b).)

Plaintiff served on the Executive Committee, which was already in existence when Plaintiff joined it; Plaintiff even chaired the Executive Committee. (*See id.* ¶¶ 3(b), 4(a).) In fact, when Plaintiff chaired the Executive Committee, three out of four of the members of that Executive Committee are on what Plaintiff alleges in his Second Amended Complaint to be the "reconstituted" Executive Committee; the only difference is that Ellen Cotter replaced Plaintiff. (*See id.* ¶¶ 3(b), 4(b), 6(a).) Plaintiff admits that, while on the Executive Committee, he assumed that it could be used to make "very important decision[s] that needed to be made by the board" under certain circumstances, and Plaintiff admits that he "did not object to the executive

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[2] Notably, the report of Plaintiff's purported expert, Myron Steele, fails to cite any case law in support of Plaintiff's argument that Individual Defendants breached fiduciary duties in connection with the Executive Committee. *See* Report of Myron Steele at 29.

committee having that power[.]" (*Id.* ¶¶ 4(c), 5(b).) Plaintiff also admits that, in his view, the "reconstituted" Executive Committee has the same power that the "prior" Executive Committee had. (*Id.* ¶ 5(a).) Accordingly, under Nevada law, RDI's Bylaws, and Plaintiff's own admissions, the Executive Committee is properly authorized to carry out its duties, including the setting of a record date and the appointment of members to the Audit and Conflicts Committee.

B. Individual Defendants Are Protected by the Business Judgment Rule

The business judgment rule is a "presumption that in making a business decision the directors of a corporation acted on an informed basis, in good faith and in the honest belief that the action taken was in the best interests of the company." *Shoen v. SAC Holding Corp.*, 122 Nev. 621, 632 (2006) (citation omitted); *see also* NRS 78.138(3) (codifying the rule under Nevada law). "The business judgment rule postulates that if directors' actions can arguably be taken to have been done for the benefit of the corporation, then the directors are presumed to have been exercising their sound business judgment rather than to have been responding to self-interest motivation." *Horwitz v. Sw. Forest Indus., Inc.*, 604 F. Supp. 1130, 1135 (D. Nev. 1985). "An application of the traditional business judgment rule places the burden on the 'party challenging the [board's] decision to establish facts rebutting the presumption.'" *Unitrin, Inc. v. Am. Gen. Corp.*, 651 A.2d 1361, 1373 (Del. 1995) (citing *Aronson v. Lewis,* 473 A.2d 805, 812 (Del. 1984)). "[T]he business judgment rule shields directors from personal liability if, upon review, the court concludes the directors' decision can be attributed to any rational business purpose." *Id.* at 1374. "[E]ven a bad decision is generally protected by the business judgment rule." *Shoen*, 122 Nev. at 636.

1. The Executive Committee Serves a Rational Business Purpose

Here, the business judgment rule shields the Individual Defendants from personal liability because the RDI Board's decision to "reconstitute" the Executive Committee can be attributed to two "rational business purpose[s]." First, the "reconstitution" of the Executive Committee can be attributed to the rational business purpose of serving the Company in between meetings of the RDI Board and/or dealing with issues that might not require convening the entire Board. Director William Gould testified that the Executive Committee "was to take care of matters that

came to the board – would be necessary for a group to look at in between board meetings." (HD ¶ 10(a).)

Second, the Executive Committee also serves as a sounding board for RDI's CEO. Ellen Cotter testified that the RDI Board "wanted to have an executive committee in place to support whoever the interim C.E.O. was." (*Id.* ¶ 9(a).) Ellen Cotter "thought that having an executive committee was a way for the C.E.O. to have a sounding board." (*Id.* ¶ 7(a).)

2. <u>In the Absence of Gross Negligence, Defendants Did Not Lose the Protections of the Business Judgment Rule</u>

The Nevada Supreme Court has stated that, "[w]ith regard to the duty of care, the business judgment rule does not protect the gross negligence of uninformed directors and officers[.]" *Shoen*, 122 Nev. at 640. Gross negligence is the "'reckless indifference to or a deliberate disregard of the whole body of stockholders' or actions which are 'without the bounds of reason'." *Kahn v. Roberts*, No. C.A. 12324, 1995 WL 745056, at *4, 8, 9 (Del. Ch. Dec. 6, 1995) (finding "no evidence from which any reasonable person could infer Defendants were grossly negligent" and granting defendants' motion for summary judgment dismissing plaintiff's claims for breach of the duty of care and breach of duty of candor) (citations omitted), *aff'd sub nom. Kahn on Behalf of DeKalb Genetics Corp. v. Roberts*, 679 A.2d 460 (Del. 1996).

Plaintiff alleges that Individual Defendants "abdicated, or caused other directors to abdicate, their fiduciary responsibilities as directors by creating and acting through the EC Committee[,]" (SAC ¶ 177(b)), but Plaintiff cannot produce any evidence of gross negligence. There is no evidence of "reckless indifference to or a deliberate disregard of the whole body of stockholders' or actions which are 'without the bounds of reason'." *Kahn*, 1995 WL 745056, at *4. As demonstrated above, the RDI Board's decision to "reconstitute" the Executive Committee is within the "bounds of reason," and Plaintiff cannot point to any evidence that the Individual Defendants' actions were "so egregious" as to be grossly negligent. *See McMillan v. Intercargo Corp.*, 768 A.2d 492, 505 (Del. Ch. 2000) (stating that a plaintiff is "obligat[ed] to set forth facts from which one could infer that the defendants' lack of care was so egregious as to meet Delaware's onerous gross negligence standard[]" and granting directors' motion for

judgment on the pleadings). Thus, Plaintiff cannot meet the gross negligence showing required to strip the Individual Defendants of the protections of the business judgment rule.

C. In the Absence of Intentional Misconduct, Fraud, or a Knowing Violation of the Law, The Individual Defendants Are Not Liable as a Matter of Law

Even if Individual Defendants had breached some fiduciary duty by "reconstituting" the Executive Committee (they did not), another independent reason to grant Individual Defendants' motion is that they are statutorily immune to individual liability where, like here, the breach did not involve intentional misconduct, fraud, or a knowing violation of law. Nevada Revised Statute § 78.138(7) provides, in relevant part:

> [A] director or officer is not individually liable to the corporation or its stockholders or creditors for any damages as a result of any act or failure to act in his or her capacity as a director or officer unless it is proven that: . . . (b) The breach of those duties involved intentional misconduct, fraud or a knowing violation of law.

In other words, "directors and officers may only be found personally liable for breaching their fiduciary duty of loyalty if that breach involves intentional misconduct, fraud, or a knowing violation of the law." *Shoen*, 122 Nev. at 640 (citing Nev. Rev. Stat. § 78.138(7)); *In re AgFeed USA, LLC*, 546 B.R. 318, 330-31 (Bankr. D. Del. 2016) (citing *Shoen* and concluding that "the second cause of action fail[ed] to state a claim for breach of the duty of loyalty because the complaint [fell] well short of alleging intentional misconduct, fraud, or a knowing violation of the law."); *see also Stewart v. Kroeker*, No. CV04-2130L, 2006 WL 167938, at *1, 2, 6-7 (W.D. Wash. Jan. 23, 2006) (stating that "plaintiffs are required to show not only that defendants' actions or omissions constituted a breach of their fiduciary duties, but also that the 'breach of those duties involved intentional misconduct, fraud or a knowing violation of law[,]'" applying NRS § 78.138(7)(b) to multiple claims, and granting motion for summary judgment).

"As for the terms *knowing violation* and *intentional misconduct*," the Tenth Circuit has stated that "both require knowledge that the conduct was wrongful." *In re ZAGG Inc. S'holder Derivative Action*, No. 15-4001, 2016 WL 3389776, at *7, 11 (10th Cir. June 20, 2016) (affirming dismissal of complaint because Plaintiffs failed to adequately plead that presuit demand on the Board would have been futile) (emphasis in original). Thus, in order for Plaintiff

to avoid summary judgment, Plaintiff must show either that (1) each Defendant engaged in misconduct or a violation of law, knowing that the conduct was wrongful; or (2) each Defendant engaged in fraud.

1. Plaintiff Cannot Show Intentional Misconduct or a Knowing Violation of the Law

Plaintiff cannot point to cognizable evidence showing that, in connection with the "reconstituted" Executive Committee, Individual Defendants engaged in misconduct or a violation of the law, knowing that the conduct was wrongful, because no such evidence exists. Plaintiff suggests that the Executive Committee is used to make decisions without input from Plaintiff, William Gould or Timothy Storey. But neither Gould nor Storey was on the Executive Committee when Plaintiff was CEO or when Plaintiff chaired the Executive Committee. (*See* HD ¶¶ 3(b), 4(a)-(b).) Ellen Cotter actually asked Mr. Gould to serve on the Executive Committee, but he declined to do so. (*Id.* ¶¶ 7(b), 8(a).) Mr. Storey has retired from the RDI Board. (*Id.* ¶ 11(a).) Nor is there anything wrongful or illegal about Ellen Cotter—the current CEO—replacing Plaintiff—the former CEO—on the Executive Committee.

2. Plaintiff Cannot Show Fraud

Furthermore, Plaintiff does not have any cognizable evidence of fraud. Plaintiff alleges that "RDI has failed to file a Form 8-K with respect to the EC Committee, which is a development that materially deviates from the prior practices of RDI and RDI's SEC disclosures with respect to those practices." (SAC ¶ 101(c).) But Plaintiff admits that the "reconstituted" Executive Committee was not a departure from the "prior" Executive Committee. (*See* HD ¶ 5(a).) Just as the "prior" Executive Committee was "authorized, to the fullest extent permitted by Nevada law, to take action on matters between meetings of the full board[,]" the "reconstituted" Executive Committee has "the authority to take any and all actions that the Board may take (other than as restricted by Nevada law and the Bylaws of the Company) between the regular and special meetings of the Board of Directors." (*Id.* ¶¶ 3(a), 6(b).) Plaintiff does not dispute that the "reconstituted" Executive Committee has the same power as the "prior"

Executive Committee. (*See id.* ¶ 5(a).) Accordingly, Plaintiff cannot produce evidence of anything approaching fraud. The Executive Committee's powers remained unchanged.

In the absence of intentional misconduct, fraud, or a knowing violation of the law, Individual Defendants are therefore statutorily immune from any potential liability based on the "reconstituted" Executive Committee.

D. There Are No Damages to RDI Caused by the "Reconstituted" Executive Committee

Another independent reason to grant Individual Defendants' motion is that Plaintiff cannot demonstrate any injury from the "reconstituted" Executive Committee. To avoid summary judgment, Plaintiff must produce cognizable evidence showing damages, an essential element of a breach of fiduciary duty claim. *See Brown v. Kinross Gold U.S.A., Inc.*, 531 F. Supp. 2d 1234, 1245 (D. Nev. 2008) (A claim for breach of fiduciary duty requires a plaintiff to demonstrate "the existence of a fiduciary duty, the breach of that duty, and that the breach proximately caused the damages.") (applying Nevada law). Here, Plaintiff cannot demonstrate any damages from the "reconstituted" Executive Committee. Clearly, the "reconstitution" of the Executive Committee, without more, cannot be said to have damaged RDI. Plaintiff must show that RDI was damaged by some decision by the Executive Committee.

In his pleadings, Plaintiff does not identify any decisions by the Executive Committee to which he objects. The only place where Plaintiff has identified any such decisions are in changes to his deposition testimony, where Plaintiff identified two decisions: (1) "the determination of the record date, a simple determination that . . . could easily have been made by the board"; and (2) the use of the Executive Committee to appoint Michael Wrotniak, a member who Plaintiff felt was unqualified, to serve on RDI's Audit Committee. (*Id.* ¶ 5(c).)[3] Neither of these decisions, however, are alleged to have caused any damage or injury to RDI. Plaintiff's

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[3] The Executive Committee's decisions in setting the record date and appointing Michael Wrotniak are protected by the business judgment rule because they can be attributed to the rational business purposes—*e.g.*, saving the time of members of the Board by having the Executive Committee make non-substantive decisions without convening the entire RDI Board.

purported damages expert is silent on damages from the "reconstituted" Executive Committee. *See* Report of Tiago Duarte-Silva.

Thus, Plaintiff cannot demonstrate injury—a deficiency fatal to all claims to the extent they are based on the "reconstituted" Executive Committee.

V. CONCLUSION

For the foregoing reasons, the Individual Defendants respectfully request that the Court grant them summary judgment as to the First, Second, Third, and Fourth Causes of Action set forth in Plaintiff's SAC, to the extent that they assert claims and damages related to the Executive Committee.

Dated: September 23, 2016

COHEN|JOHNSON|PARKER|EDWARDS

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DECLARATION OF COUNSEL NOAH S. HELPERN IN SUPPORT OF THE INDIVIDUAL DEFENDANTS' MOTION FOR PARTIAL SUMMARY JUDGMENT (NO. 4) ON PLAINTIFF'S CLAIMS RELATED TO THE EXECUTIVE COMMITTEE

I, Noah Helpern, state and declare as follows:

1. I am a member of the Bar of the State of California, and am an attorney with the law firm of Quinn Emanuel Urquhart & Sullivan, LLP ("Quinn Emanuel"), attorneys for Defendants Margaret Cotter, Ellen Cotter, Guy Adams, Edward Kane, Douglas McEachern, Judy Codding, and Michael Wrotniak. I make this declaration based upon personal, firsthand knowledge, except where stated to be on information and belief, and as to that information, I believe it to be true. If called upon to testify as to the contents of this Declaration, I am legally competent to testify to its contents in a court of law.

2. Attached hereto as Exhibit 1 is a true and correct copy of the Amended and Restated Bylaws of Reading International, Inc., in which the following pages are relevant:

a. 6 (Section 10 of Article II of RDI's Bylaws provides, in part: "The Board of Directors may, by resolution adopted by a majority of the whole Board, designate one or more committees of the Board of Directors, each committee to consist of at least one or more directors of the Corporation which, to the extent provided in the resolution, shall have and may exercise the power of the Board of Directors in the management of the business and affairs of the Corporation . . . .")

3. Attached hereto as Exhibit 2 is a true and correct copy of a Form 10-K/A filed by RDI on May 8, 2015, in which the following pages are relevant:

a. GA00005644 (The Executive Committee was "authorized, to the fullest extent permitted by Nevada law, to take action on matters between meetings of the full board.")

b. GA00005644 ("A standing executive committee currently comprised of Mr. Cotter, Jr., who serves as chair, Ms. Margaret Cotter, and Messrs. Adams and Kane, is authorized to the fullest extent permitted by Nevada law, to take action on matters between meetings of the full board.")

4. Attached hereto as Exhibit 3 is a true and correct copy of transcript excerpts from

the deposition of James J. Cotter, Jr. ("Plaintiff"), taken on May 16, 2016, in which the following pages are relevant:

a. 44:6-7 ("I was the chairman of the executive committee, appointed in May of 2014, I believe.");

b. 44:7-9 ("My sister Margaret was on the committee, Guy Adams and Ed Kane.")

c. 48:16-22 ("My assumption was that in the event that there was some calamity or some situation in which all of the directors could not meet or could not get together and there was some very important decision that needed to be made by the board in a very short amount of time, that the executive committee could be used.")

d. 49:25-50:6 (Mr. Tayback: "And as you sit here now, you can't recall any actions or decisions by the executive committee that were reported back to the board at which you were present to which you object; is that correct?" Plaintiff: "There were a number of actions taken by the executive committee that I cannot recall at this point, yes, that's correct.")

5. Attached hereto as Exhibit 4 is a true and correct copy of transcript excerpts from the deposition of Plaintiff, taken on July 6, 2016, in which the following pages are relevant:

a. 805:6-10 (Mr. Tayback: "[T]he power that the executive committee has is the power that it has now and is the power it had in 2015; correct?" Plaintiff: "Right.")

b. 805:16-18 ("I did not object to the executive committee having that power[.]")

c. 806:25-807:20 ("Well, there were a number of actions that it took, some of which I felt benefited Ellen and Margaret as stockholders, such as the determination of the record date, a simple determination that . . . could easily have been made by the board and it had been made by the executive committee. . . . I believe that it appointed Michael Wrotniak to the audit committee, and I objected to the use of the executive committee to appoint a member who I felt was unqualified to serve on the audit committee.")

6. Attached hereto as Exhibit 5 is a true and correct copy of the Minutes of the Meeting of the RDI Board of Directors held on June 12, 2015, in which the following pages are relevant:

a. RDI0054570 (adopting a resolution, approved by all board members except for

Plaintiff, stating "The Executive Committee shall be comprised of the following members of the Board of Directors of the Company: Ellen Cotter, Margaret Cotter, Ed Kane and Guy Adams.")

b. RDI0054570 (The "reconstituted" Executive Committee has "the authority to take any and all actions that the Board may take (other than as restricted by Nevada law and the Bylaws of the Company) between the regular and special meetings of the Board of Directors.")

7. Attached hereto as Exhibit 6 is a true and correct copy of transcript excerpts from the deposition of Ellen Cotter, taken on May 19, 2016, in which the following pages are relevant:

a. 335:19-336:10 ("I also thought that having an executive committee was a way for the C.E.O. to have a sounding board.")

b. 343:18-19 ("I had asked Bill Gould to be on the executive committee.")

8. Attached hereto as Exhibit 7 is a true and correct copy of transcript excerpts from the deposition of William Gould, taken on June 8, 2016, in which the following pages are relevant:

a. 25:8-23 ("Ellen asked me if I would like to be a member of the executive committee. And I said 'No, I don't have time for it.' I knew that would be an extensive job.")

9. Attached hereto as Exhibit 8 is a true and correct copy of transcript excerpts from the deposition of Ellen Cotter, taken on May 18, 2016, in which the following pages are relevant:

a. 154:7-9 (the RDI Board "wanted to have an executive committee in place to support whoever the interim C.E.O. was.")

10. Attached hereto as Exhibit 9 is a true and correct copy of transcript excerpts from the deposition of William Gould, taken on June 29, 2016, in which the following pages are relevant:

a. 400:2-7 (the Executive Committee "was to take care of matters that came to the board -- would be necessary for a group to look at in between board meetings.")

11. Attached hereto as Exhibit 10 is a true and correct copy of a Form 8-K filed by RDI on October 13, 2015, in which the following pages are relevant:

a. 2 ("Effective October 11, 2015, Tim Storey retired from the Board.")

12. This declaration is made in good faith and not for the purpose of delay.

I declare under penalty of perjury under the laws of the State of Nevada that the foregoing is true and correct.

Executed on the 23rd day of September, 2016, in Los Angeles, California.

/s/ *Noah Helpern*
Noah Helpern

IN THE SUPREME COURT OF THE STATE OF NEVADA

JAMES J. COTTER, JR., DERIVATIVELY ON BEHALF OF READING INTERNATIONAL, INC.,

Appellant,

v.

EDWARD KANE, DOUGLAS McEACHERN, WILLIAM GOULD, JUDY CODDING, AND MICHAEL WROTNIAK, READING INTERNATIONAL, INC., A NEVADA CORPORATION,

Respondents

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Related to Cases: 72261, 72356, 74759, 76981, 77648, 77333

VOLUME II

APPELLANT READING INTERNATIONAL, INC.'S APPENDIX VOLUME II of VIII FOR CASE 77733 (PAGES RDI-A00988 to RDI-A4913)

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Docket 75053 Document 2019-23830

VOL.	PAGES	DATE	DOCUMENT	FILED UNDER SEAL
I	RDI-A00001-32	6/12/2015	Complaint (Business Court)	
I	RDI-A00033-64	8/3/2015	Plaintiff's Motion to Expedite Discovery and Set a Hearing on Motion for Preliminary Injunction on Order Shortening Time	
I	RDI-A00065-68	8/20/2015	Order Granting Plaintiffs-In-Intervention Motion to Intervene	
I	RDI-A00069-86	8/28/2015	Verified Shareholder Derivative Complaint	
I	RDI-A00087-136	10/22/2015	Plaintiff James J. Cotter, Jr.'s First Amended Verified Complaint	
I	RDI-A00137-153	10/23/2015	Stipulated Confidentiality and Protective Order	
I	RDI-A00154-182	11/6/2015	Transcript of Proceedings: Mandatory Rule 16 Conference and Hearing on Motions October 29, 2015	
I	RDI-A00183-204	3/14/2016	Cotter Defendants answer to JJC First Amended Complaint	
I	RDI-A00205-226	3/29/2016	Reading International, Inc.'s Answer to James Cotter, Jr.'s First Amended Complaint	
I	RDI-A00227-250	4/5/2016	Judy Codding and Michael Wrotniak's Answer to First Amended Complaint	
I	RDI-A00251-278	6/3/2016	Transcript of Hearing on May 26, 2016 re T2's Motion for Preliminary Injunction	
I	RDI-A00279-371	7/12/2016	Joint Motion for Preliminary Approval of Settlement, Notice to Stockholders and Scheduling of Settlement Hearing on Order Shortening Time	
I	RDI-A00372-401	8/3/2016	Transcript of Proceedings: Hearing on July 28, 2016 re Motion for Preliminary Approval of Settlement and Plaintiff's Motion to Compel (filed 8/3/2016)	
I	RDI-A00402-405	8/4/2016	Order Granting Preliminary Approval of Derivative Claim Settlement	
I	RDI-A00406-436	8/8/2016	James J. Cotter, Jr.'s Motion to Vacate and Reset Pending Dates and to Reopen Discovery on Order Shortening Time	
I	RDI-A00437-450	8/17/2016	Transcript of Proceedings: Hearing on Plaintiff's Motion to Vacate Pending Dates/Reopen Discovery August 12, 2016	
I	RDI-A00451-473	8/24/2016	James J. Cotter, Jr.'s Motion to Permit Certain Discovery Concerning the Recent "Offer" on Order Shortening Time	
I	RDI-A00474-477	8/29/2016	Declaration of Whitney Tilson	
I	RDI-A00478-481	8/29/2016	Declaration of Jon Glaser	
I	RDI-A00482-538	9/2/2016	Second Amended Complaint	
I & II	RDI-A00539-1211	9/23/2016	Individual Defendants' Motion for Summary Judgment (No. 1) Re: Plaintiff's Termination and Reinstatement Claims	
II	RDI-A01212-2024	9/23/2016	Individual Defendants' Motion for Summary Judgment (No. 1) Re: Plaintiff's Termination and Reinstatement Claims (Non- Public)	Filed Under Seal
II	RDI-A02025-2297	9/23/2016	Individual Defendants' Motion for Partial Summary Judgment (No. 2) Re: The Issue of Director Independence	
II	RDI-A02298-2707	9/23/2016	Individual Defendants' Motion for Partial Summary Judgment (No. 2) Re: The Issue of Director Independence (Non-Public)	Filed Under Seal
II	RDI-A02708-2801	9/23/2016	Individual Defendants' Motion for Partial Summary Judgment (No. 3) on Plaintiff's Claims Related to the Purported Unsolicited Offer	

II	RDI-A02802-3039	9/23/2016	Individual Defendants' Motion for Partial Summary Judgment (No. 3) on Plaintiff's Claims Related to the Purported Unsolicited Offer (Non-Public)	Filed Under Seal
II	RDI-A03040-3070	9/23/2016	Declaration of Ellen Cotter in Support of the Individual Defendants' Motion for Partial Summary Judgment (No. 3) on Plaintiff's Claims Related to the Purported Unsolicited Offer	
II	RDI-A3071-3134	9/23/2016	Declaration of Ellen Cotter in Support of the Individual Defendants' Motion for Partial Summary Judgment (No. 3) on Plaintiff's Claims Related to the Purported Unsolicited Offer (Non-Public)	Filed Under Seal
II	RDI-A03135-3240	9/23/2016	Individual Defendants' Motion for Partial Summary Judgment (No. 4) on Plaintiff's Claims Related to the Executive Committee	
II	RDI-A03241-3351	9/23/2016	Individual Defendants' Motion for Partial Summary Judgment (No. 4) on Plaintiff's Claims Related to the Executive Committee (Non-Public)	Filed Under Seal
II	RDI-A03352-3522	9/23/2016	Individual Defendants Motion For Partial Summary Judgment (No. 5) On Plaintiffs Claims Related To The Appointment Of Ellen Cotter As CEO	
II	RDI-A03523-3785	9/23/2016	Individual Defendants Motion For Partial Summary Judgment (No. 5) On Plaintiffs Claims Related To The Appointment Of Ellen Cotter As CEO (Non-Public)	Filed Under Seal
II	RDI-A03786-4261	9/23/2016	Individual Defendants' Motion for Partial Summary Judgment (No. 6) Re Plaintiff's Claims Related to the Estate's Option Exercise. the Appointment of Margaret Cotter, the Compensation Packages of Ellen Cotter and Margaret Cotter, and the Additional Compensation to Margaret Cotter and Guy Adams	
II	RDI-A04262-4792	9/23/2016	Individual Defendants' Motion for Partial Summary Judgment (No. 6) Re Plaintiff's Claims Related to the Estate's Option Exercise. the Appointment of Margaret Cotter, the Compensation Packages of Ellen Cotter and Margaret Cotter, and the Additional Compensation to Margaret Cotter and Guy Adams (Non-Public)	Filed Under Seal
II & III	RDI-A04793-5617	9/23/2016	Defendant William Gould's Motion for Summary Judgment	
III	RDI-A05618-5978	9/23/2016	Plaintiff James Cotter, Jr.'s Motion for Partial Summary Judgment	
IV	RDI-A05979-6036	9/27/2016	Sealed Exhibits 15, 17, 18, 21, 22, 23, 24, 25, 26, 29, 30 to Plaintiff James Cotter, Jr.'s Motion for Partial Summary Judgment	Filed Under Seal
IV	RDI-A06037-6047	10/3/2016	Reading International, Inc.'s Joinder to the Individual Defendants' Motion for Summary Judgment No. 1 Re Plaintiff's Termination and Reinstatement Claims	
IV	RDI-A06048-6069	10/3/2016	Reading International, Inc.'s Joinder to the Individual Defendants' Motion for Summary Judgment No. 2 on the Issue of Director Independence	
IV	RDI-A06070-6076	10/3/2016	Reading International, Inc.'s Joinder to the Individual Defendants' Motion for Partial Summary Judgment No. 3 Re the Purported Unsolicited Offer	
IV	RDI-A06077-6129	10/3/2016	Reading International, Inc.'s Joinder to the Individual Defendants' Motion for Summary Judgment No. 4 Re Plaintiff's Claims Related to The Executive Committee	
IV	RDI-A06130-6135	10/3/2016	Reading International, Inc.'s Joinder to the Individual Defendants' Motion for Summary Judgment No. 5 Re Plaintiff's Claims Related to the Appointment of Ellen Cotter as CEO	

IV	RDI-A06136-6144	10/3/2016	Reading International, Inc.'s Joinder to the Individual Defendants' Motion for Partial Summary Judgment No. 6, Re Plaintiff's Claims Related to the Estate's Option Exercise, the Appointment of Margaret Cotter, the Compensation Packages of Ellen Cotter and Margaret Cotter, and the Additional Compensation to Margaret Cotter and Guy Adams	
IV	RDI-A06145-6165	10/10/2016	Cotter, Jr.'s Motion to Vacate and Reset Pending Dates and to Reopen Discovery on Shortened Time (Fourth Request)	
IV	RDI-A06166-6197	10/13/2016	Cotter, Jr.'s Opposition to Individual Defendants' Motion for Partial Summary Judgment (No. 1) Re Plaintiff's Termination and Reinstatement Claims	
IV	RDI-A06197-6366	10/13/2016	Appendix Of Exhibits In Support Of Plaintiff James J. Cotter, Jr.'S Opposition To Individual Defendants' Motion For Partial Summary Judgment (No. 1)	
IV	RDI-A06367-6554	10/13/2016	Appendix Of Exhibits In Support Of Plaintiff James J. Cotter, Jr.'S Opposition To Individual Defendants' Motion For Partial Summary Judgment (No. 1) Re: Plaintiff's Termination and Reinstatement Claims (Exs. 3, 5, 6, 9, 19, 24, 25 and 29 Filed Under Seal)	Filed Under Seal
IV	RDI-A06555-6582	10/13/2016	Cotter, Jr.'s Opposition to Individual Defendants' Motion for Partial Summary Judgment (No. 2) Re: The Issue of Director Independence	
IV	RDI-A06583-6728	10/13/2016	Appendix Of Exhibits In Support Of Plaintiff James J. Cotter, Jr.'S Opposition To Individual Defendants' Motion For Partial Summary Judgment (No. 2)	
IV	RDI-A06729-6907	10/13/2016	Appendix Of Exhibits In Support Of Plaintiff James J. Cotter, Jr.'S Opposition To Individual Defendants' Motion For Partial Summary Judgment (No. 2) Re: The Issue Of Director Independence (Exhibits 4 And 19 Filed Under Seal)	Filed Under Seal
IV	RDI-A06908-6939	10/13/2016	Cotter, Jr.'s Opposition to Individual Defendants' Motion for Partial Summary Judgment (No. 3) on Plaintiff's Claims Related to the Purported Unsolicited Offer (and Gould Joinder)	
IV	RDI-A06940-6988	10/13/2016	Appendix Of Exhibits In Support Of Plaintiff James J. Cotter, Jr.'S Opposition To Individual Defendants' Motion For Partial Summary Judgment (No. 3)	
IV	RDI-A06989-7236	10/13/2016	Appendix Of Exhibits In Support Of Plaintiff James J. Cotter, Jr.'S Opposition To Individual Defendants' Motion For Partial Summary Judgment (No. 3) On Plaintiff's Claims Related To The Purported Unsolicited Off (And Gould Joinder) (Exhibits 3, 4, 5, 8, 10, 12, 13, and 14 filed under seal)	Filed Under Seal
IV	RDI-A07237-7270	10/13/2016	Cotter, Jr.'s Opposition to Individual Defendants' Motion for Partial Summary Judgment (No. 4) on Plaintiff's Claims Related to the Executive Committee	
IV & V	RDI-A07271-7502	10/13/2016	Appendix Of Exhibits In Support Of Plaintiff James J. Cotter, Jr.'S Opposition To Individual Defendants' Motion For Partial Summary Judgment (No. 4)	
V	RDI-A07503-7761	10/13/2016	Appendix Of Exhibits In Support Of Plaintiff James J. Cotter, Jr.'S Opposition To Individual Defendants' Motion For Partial Summary Judgment (No. 4) On Plaintiff's Claims Related To The Executive Committee (Exhibits 7, 17 and 18 filed under seal)	Filed Under Seal

V	RDI-A07762-7798	10/13/2016	Cotter, Jr.'s Opposition to Individual Defendants' Motion for Partial Summary Judgment (No. 5) on Plaintiff's Claims Related to the Appointment of Ellen Cotter as CEO	
V	RDI-A07799-7928	10/13/2016	Appendix of Exhibits In Support of Plaintiff James J. Cotter, Jr.'s Opposition To Individual Defendants' Motion For Partial Summary Judgment (No. 5)	
V	RDI-A07929-8126	10/13/2016	Appendix of Exhibits In Support of Plaintiff James J. Cotter, Jr.'s Opposition To Individual Defendants' Motion For Partial Summary Judgment (No. 5) On Plaintiff's Claims Related To The Appointment Of Ellen Cotter As CEO (Exhibits 3, 4, 7, 8, 10, 12, 13, 14, 16 and 19 filed under seal)	Filed Under Seal
V	RDI-A08127-8163	10/13/2016	Cotter, Jr.'s Opposition to William Gould's Motion for Partial Summary Judgment	
V	RDI-A08164-8223	10/13/2016	Appendix of Exhibits In Support of Cotter, Jr.'s Opposition To Defendant Gould's Motion For Summary Judgment	
V	RDI-A08224-8308	10/13/2016	Appendix of Exhibits In Support of Cotter, Jr.'s Opposition To Defendant Gould's Motion For Summary Judgment (Exhibits 2, 7, 9 and 12 filed under seal)	Filed Under Seal
V	RDI-A08309-8323	10/21/2016	Order Granting Settlement with T2 Plaintiffs and Final Judgment with Exhibit 1 attached	
V	RDI-A08324-8332	10/24/2016	Transcript of Proceedings: Pretrial and Scheduling conference October 21, 2016 (filed 10/24/2016)	
V	RDI-A08333-8378	10/25/2016	Cotter, Jr.'s Reply in Support of Motion for Partial Summary Judgment	
V	RDI-A08379-8390	10/26/2016	Individual Defendant's Objections to the declaration of James J. Cotter, Jr. Submitted in Opposition to all individual defendant's motions for partial summary judgment	
V	RDI-A08391-8545	11/1/2016	Transcript of Proceedings: Hearing on Motions October 27, 2016	
V	RDI-A08546-8557	11/4/2016	Plaintiff James J. Cotter, Jr,'s Motion to Reconsider the Court's Order Approving the Settlement and Dismissal of the T2 Complaint	
V	RDI-A08558-8562	11/23/2016	Reading International, Inc.'s Status Report Re: Discovery	
V	RDI-A08563-8592	11/23/2016	Cotter RDI November 2016 Status Report	
VI	RDI-A08593-8603	12/7/2016	Transcript of Proceedings: Status Check Re Resetting of Trial Date December 1, 2016	
VI	RDI-A08604-8629	12/20/2016	Reading International, Inc.'s Answer to Second Amended Complaint	
VI	RDI-A08630-8633	12/21/2016	Order Regarding Defendants' Motions for Partial Summary Judgment Nos. 1-6 and Motion in Limine to Exclude Expert Testimony	
VI	RDI-A08634-8652	1/6/2017	Transcript of Proceedings - Status Check on 12.22.16	
VI	RDI-A08653-8663	6/14/2017	Transcript of Proceedings: Status Check June 5 2017	
VI	RDI-A08664-8667	10/4/2017	First Amended Order Setting Civil Jury Trial, Pre-Trial Conference And Calendar Call	
VI	RDI-A08668-8729	10/27/2017	Opposition of Plaintiff James J. Cotter, Jr. to Motion for Evidentiary Hearing Regarding James Cotter, Jr.'s Adequacy as Derivative Plaintiff	

VI	RDI-A08730-8773	11/9/2017	Defendants Margaret Cotter Ellen Cotter, Guy Adams, Edward Kane, Douglas McEachern, William Gould, Judy Codding, Michael Wrotniak's Supplement to Motions for Partial Summary Judgment Nos. 1, 2, 3, 5 and 6	
VI	RDI-A08774-8796	11/9/2017	Cotter, Jr.'s Motion in Limine No. 2 Regarding the Submission of Merits-Related Evidence by Nominal Defendant Reading International, Inc.	
VI	RDI-A08797-8799	11/21/2017	Reading International, Inc.'s Joinder to Margaret Cotter, Ellen Cotter, Douglas McEachern, Guy Adams, Edward Kane, Judy Coddings & Michael Wrotniak's Supplement to Motions for Partial Summary Judgment Nos. 1, 2, 3, 5 & 6	
VI	RDI-A08800-8829	11/28/2017	Defendants Margaret Cotter, Ellen Cotter, Guy Adams, Edward Kane, Douglas McEachern, William Gould, Judy Codding, Michael Wrotniak's Answer to Plaintiffs Second Amended Complaint	
VI	RDI-A08830-8843	12/1/2017	Supplemental Opposition to Motion for Summary Judgment Nos. 1 and 2 and Gould Motion for Summary Judgment	
VI	RDI-A08844-8854	12/1/2017	Declaration of Akke Levin in Support of Supplemental Opposition to Motions for Summary Judgment Nos. 1 and 2 and Gould Summary Judgment Motion	
VI	RDI-A08855-8875	12/1/2017	Plaintiff James J. Cotter Jr.'s Supplemental Opposition to So Called Summary Judgment Motion Nos. 2 & 3 and Gould Summary Judgment Motion	
VI	RDI-A08876-8897	12//17	Plaintiff James J. Cotter Jr.'s Supplemental Opposition to So Called Summary Judgment Motion Nos. 2 & 3 and Gould Summary Judgment Motion (Non-Public	Filed Under Seal
VI	RDI-A08898-9086	12/1/2017	Declaration of Akke Levin In Support of Plaintiff James J. Cotter Jr.'s Supplemental Opposition to So-Called Summary Judgment Motion Nos. 2 & 3 and Gould Summary Judgment Motion	
VI	RDI-A09087-9221	12/1/2017	Exhibits 3 through 6, 8, 9, 11 and 12 to Plaintiff James J. Cotter Jr.'s Supplemental Opposition to So-Called Summary Judgment Motion Nos. 2 & 3 and Gould Summary Judgment Motion	Filed Under Seal
VI	RDI-A09222-9237	12/1/2017	Plaintiff James J. Cotter Jr.'s Supplemental Opposition to Summary Judgment Motion Nos. 2 and 5 and Gould Summary Judgement Motion	
VI	RDI-A09238-9356	12/1/2017	Declaration of Akke Levin In Support of Plaintiff James J. Cotter Jr.'s Supplemental Opposition to Summary Judgment Motion Nos. 2 and 5 and Gould Summary Judgement Motion	
VI	RDI-A09356-9421	12/1/2017	Exhibits 7-11, 15-17 to Appendix to Plaitniff's Supplemental Opposition to Summary Judgment Nos. 2 and 5 and Gould Summary Judgment Motion	Filed Under Seal
VI	RDI-A09422-9433	12/1/2017	Plaintiff James J. Cotter Jr.'s Supplemental Opposition to Summary Judgment Motion Nos. 2 and 6 and Gould Summary Judgment Motion	
VI	RDI-A09433-9468	12/1/2017	Declaration of Akke Levin in Support of Plaintiff James J. Cotter Jr.'s Supplemental Opposition to Summary Judgment Motion Nos. 2 and 6 and Gould Summary Judgment Motion	
VI	RDI-A09469-9500	12/1/2017	Exhibits 4-11 to Appendix to Plaintiff James J. Cotter Jr.'s Supplemental Opposition to Summary Judgment Motion Nos. 2 and 6 and Gould Summary Judgment Motion	Filed Under Seal

VI	RDI-A09501-9528	12/4/2017	Reply in Support of the Individual Defendants' Renewed Motions for Partial Summary Judgment Nos. 1 and 2 - Public	
VII	RDI-A09529-9537	12/4/2017	Reply in Support of Supplemental Motions for Summary Judgment Nos. 2 and 3	
VII	RDI-A09538-9546	12/4/2017	Reply in Support of the Individual Defendants Renewed Motions for Partial Summary Judgment Nos. 2 and 5	
VII	RDI-A09545-9554	12/4/2017	Reply in Support of Supplemental Motions for Summary Judgment Nos. 2 and 6	
VII	RDI-A09555-9562	12/4/2017	Reply in Support of the Individual Defendants' Motion in Limine to Exclude Evidence that is more prejudicial than probative	
VII	RDI-A09563-9594	12/8/2017	Joint Pretrial Memorandum	
VII	RDI-A09595-9601	12/28/2017	Order Regarding Defendants' Motions for Partial Summary Judgment and Plaintiff's and Defendants' Motions in Limine	
VII	RDI-A09602-9609	1/2/2018	The Individual Defendants' Opposition to Plaintiff's Motion for Rule 54(b) Certification and Stay	
VII	RDI-A09610-9612	1/4/2018	Order Denying Plaintiff's Motion to Stay and Motion for Reconsideration	
VII	RDI-A09611-9615	1/4/2018	Order Granting Plaintiffs Motion for Rule 54(b) Certification and Stay	
VII	RDI-A09616-9632; RDI-A0932A-9632K	1/10/2018	Sealed Transcript of Proceedings: Jury Trial Day One - 1.8.18	Filed Under Seal
VII	RDI-A09633-9773	5/15/2018	Defendant's Motion to Compel Plaintiff to Produce Communications Relating to Expert Fee Payments	
VII	RDI-A09774-9795	5/18/2018	Plaintiff's Pre-Trial Memorandum	
VII	RDI-A09796-9843	5/18/2018	Defendant's Pre-Trial Memorandum	
VII	RDI-A09844-9858	5/24/2018	Transcript of Proceedings: Hearing on Defendants' Motion to Compel May 21, 2018	
VII	RDI-A09859-9907	6/1/2018	Ellen Cotter, Margaret Cotter, and Guy Adams Motion For Summary Judgment	
VII	RDI-A9908-9968	6/1/2018	Sealed Exhibits to Ellen Cotter, Margaret Cotter, and Guy Adams Motion For Summary Judgment (Exhibits B, C, D, E, H, I)	Filed Under Seal
VII	RDI-A09969-10158	6/13/2018	Plaintiff's Opposition to Ellen Cotter, Margaret Cotter, and Guy Adams' Motion for Summary Judgment on Ratification	
VII	RDI-A10159-10365	6/13/2018	Plaintiff's Opposition to Ellen Cotter, Margaret Cotter, and Guy Adams' Motion for Summary Judgment on Ratification (Non-Public)	Filed Under Seal
VII	RDI-A10366-10408	6/13/2018	Plaintiff's Opposition to Ellen Cotter, Margaret Cotter, and Guy Adams' Motion for Summary Judgment on Demand Futility	
VII	RDI-A10409-10464	6/13/2018	Plaintiff's Opposition to Ellen Cotter, Margaret Cotter, and Guy Adams' Motion for Summary Judgment on Demand Futility (Non-Public)	Filed Under Seal
VII	RDI-A10465-10507	6/13/2018	Sealed Exhibits 1 & 3 to Plaintiff's Opposition to Motion to Dismiss and Exhbits 15, 17-19 and 21 to Defendant's Motion for Summary Judgment (Demand Futility & Ratification Oppositions)	Filed Under Seal
VII	RDI-A10508-10541	6/15/2018	Ellen Cotter, Margaret Cotter, and Guy Adams' Reply in Support of Motion for Summary Judgment	
VII	RDI-A10542-10552	8/14/2018	Findings of Fact and Conclusions of Law	
VII	RDI-A10552A-10552N	8/16/2018	NOE Findings of Fact and Conclusions of Law	

VIII	RDI-A10553-10558	9/4/2018	Stipulation and Order Relating to Process for Filing Motion for Attorneys' Fees	
VIII	RDI-A10559-10641	9/7/2018	Reading International, Inc.'s Motion for Attorneys' Fees	
VIII	RDI-A10642-10647	9/12/2018	Reading s International, Inc.'s Motion for Judgment in its Favor	
VIII	RDI-A10647A-10647C	9/17/2018	Defendants' Joinder to Reading International, Inc.'s Motion for Attorneys Fees	
VIII	RDI-A10648-10707	9/27/2018	Plaintiff's Opposition to Motion for Attorneys Fees	
VIII	RDI-A10708-10720	10/1/2018	Cotter Jr.'s Opposition to Reading International, Inc's Motion for Judgment in Its Favor	
VIII	RDI-A10721-10751	10/16/2018	Reading International, Inc.'s Reply in Support of Motion for Attorneys' Fees	
VIII	RDI-A10752-10757	10/15/2018	Reading International, Inc.'s Reply in Support of Motion for Judgment in Its Favor	
VIII	RDI-A10758-10774	10/24/2018	Transcript of Proceedings: Hearing on Motions for Attorneys' Fees	
VIII	RDI-A10774A-10774E	11/6/2018	Order Granting in Part and Denying in Part Motion to Retax and Settle Costs, and Entering Judgment for Costs	
VIII	RDI-A10775-10778	11/16/2018	Order Denying Reading International, Inc.'s Motion for Attorneys' Fees	
VIII	RDI-A10779-10782	11/16/2018	Order Denying Reading International, Inc.'s Motion for Judgment in its Favor	
VIII	RDI-A10783-10790	11/20/2018	Notice of Entry of Order Denying Reading International, Inc.'s Motion for Attorneys' Fees	
VIII	RDI-A10791-10798	11/20/2018	Notice of entry of Order Denying Reading International, Inc.'s Motion for Judgment in its Favor	
VIII	RDI-A10799-10801	12/14/2018	Notice of Appeal	

CERTIFICATE OF SERVICE

This is to certify that on May 31, 2019, a true and correct copy of the foregoing document, **APPELLANT READING INTERNATIONAL, INC.'S APPENDIX VOLUME I of VIII FOR CASE 77733,** was served by via this Court's e-filing system, on counsel of record for all parties to the action below in this matter, as follows:

/s/ Andrea Lee Rosehill
An employee of Greenberg Traurig, LLP

PART III

Items 10, 11, 12, 13 and 14

Information required by Part II (Items 10, 11, 12, 13 and 14) of this From 10-K is hereby incorporated by reference from the Reading International, Inc.'s definitive Proxy Statement for its 2014 Annual Meeting of Stockholders, which will be filed with the Securities and Exchange Commission, pursuant to Regulation 14A, not later than 120 days after the end of the fiscal year.

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RDI-A00988

PART IV

Item 15 – Exhibits, Financial Statement Schedules

(a) The following documents are filed as a part of this report:

1. *Financial Statements*

The following financial statements are filed as part of this report under Item 8 – *Financial Statements and Supplementary Data*.

Description

Reports of Independent Registered Accounting Firm (page 55)

Consolidated Balance Sheets as of December 31, 2013 and 2012 (page 56)

Consolidated Statements of Operations for the Three Years Ended December 31, 2013 (page 57)

Consolidated Statements of Comprehensive Income (Loss) for the Three Years Ended December 31, 2012 (page 58)

Consolidated Statements of Stockholders' Equity for the Three Years Ended December 31, 2013 (page 59)

Consolidated Statements of Cash Flows for the Three Years Ended December 31, 2013 (page 60)

Notes to Consolidated Financial Statements (page 61)

2. *Financial Statements and Schedules for the years ended December 31, 2013, 2012, and 2011*

Schedule II – Valuation and Qualifying Accounts (page 102)

Financial Statements of Mt. Gravatt Cinemas Joint Venture (page 108)

3. *Exhibits (Listed by numbers corresponding to Item 601 of Regulation S-K (page* 125)

(b) Exhibits Required by Item 601 of Regulation S-K

See Item (a) 3. above.

(c) Financial Statement Schedule

See Item (a) 2. above.

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Following are financial statements and notes of Mt. Gravatt Cinemas Joint Venture for the periods indicated. We are required to include in our Report on Form 10-K audited financial statements for the years ended December 31, 2012, and 2011. The financial statements for 2013 are unaudited.

Mt. Gravatt Cinemas Joint Venture
Statements of Comprehensive Income
For the Years Ended December 31, 2013, 2012 and 2011

In AUS$	Note	2013 (unaudited)	2012	2011
Revenue from rendering services	5	$ 9,765,087	$ 10,689,440	$ 10,022,854
Revenue from sale of concession		3,605,822	4,015,329	3,625,410
Total revenue		13,370,909	14,704,769	13,648,264
Film expenses		(3,797,873)	(4,311,436)	(3,974,267)
Personnel expenses	6	(1,681,870)	(1,845,515)	(1,925,190)
Occupancy expenses		(1,603,302)	(1,584,751)	(1,521,307)
House expenses		(1,174,667)	(1,260,328)	(1,159,484)
Cost of concession		(853,553)	(944,355)	(851,575)
Depreciation and amortization expenses	11	(544,270)	(597,349)	(555,594)
Advertising and marketing costs		(285,815)	(313,791)	(334,325)
Management fees		(267,902)	(261,004)	(253,914)
Repairs and maintenance expense		(155,198)	(217,289)	(182,566)
Results for operating activities		3,006,459	3,368,951	2,890,042
Finance income		11,922	21,256	58,301
Net finance income	7	11,922	21,256	58,301
Profit for the period		$ 3,018,381	$ 3,390,207	$ 2,948,343
Other comprehensive income				
Other comprehensive income for the period		--	--	--
Total comprehensive income for the period		$ 3,018,381	$ 3,390,207	$ 2,948,343

The accompanying notes are an integral part of these financial statements.

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RDI-A00990

Mt. Gravatt Cinemas Joint Venture
Statements of Changes in Equity
For the Years Ended December 31, 2013, 2012 and 2011

In AUS$	Birch Carroll & Coyle Limited	Reading Exhibition Pty Ltd	Village Roadshow Exhibition Pty Ltd	Total
Members' Equity at December 31, 2010	$ 1,297,924	$ 1,297,924	$ 1,297,924	$ 3,893,772
Member distributions	(700,000)	(700,000)	(700,000)	(2,100,000)
Total other comprehensive income	--	--	--	--
Profit for the period	982,781	982,781	982,781	2,948,343
Total comprehensive income for the period	982,781	982,781	982,781	2,948,343
Members' Equity at December 31, 2011	$ 1,580,705	$ 1,580,705	$ 1,580,705	$ 4,742,115
Member distributions	(1,350,000)	(1,350,000)	(1,350,000)	(4,050,000)
Total other comprehensive income	--	--	--	--
Profit for the period	1,130,069	1,130,069	1,130,069	3,390,207
Total comprehensive income for the period	1,130,069	1,130,069	1,130,069	3,390,207
Members' Equity at December 31, 2012	$ 1,360,774	$ 1,360,774	$ 1,360,774	$ 4,082,322
Member distributions (unaudited)	(1,100,000)	(1,100,000)	(1,100,000)	(3,300,000)
Total other comprehensive income (unaudited)	--	--	--	--
Profit for the period (unaudited)	1,006,127	1,006,127	1,006,127	3,018,381
Total comprehensive income for the period (unaudited)	1,006,127	1,006,127	1,006,127	3,018,381
Members' Equity at December 31, 2013 (unaudited)	$ 1,266,901	$ 1,266,901	$ 1,266,901	$ 3,800,703

The accompanying notes are an integral part of these financial statements.

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Mt. Gravatt Cinemas Joint Venture
Statements of Financial Position
As at December 31, 2013 and 2012

In AUS$	Note	2013 (unaudited)	2012
ASSETS			
Cash and cash equivalents	8	$ 694,392	$ 898,217
Trade receivables	9	172,293	196,598
Inventories	10	126,947	173,411
Total current assets		993,632	1,268,226
Property, plant and equipment	11	3,681,951	3,923,871
Total non-current assets		3,681,951	3,923,871
Total assets		$ 4,675,583	$ 5,192,097
Trade and other payables	12	$ 636,832	$ 878,026
Employee benefits	13	172,496	162,961
Deferred revenue	14	32,297	27,683
Total current liabilities		841,625	1,068,670
Employee benefits	13	33,255	41,105
Total non-current liabilities		33,255	41,105
Total liabilities		874,880	1,109,775
Net assets		$ 3,800,703	$ 4,082,322
Equity			
Contributed equity		202,593	202,593
Retained earnings		3,598,110	3,879,729
Total equity		$ 3,800,703	$ 4,082,322

The accompanying notes are an integral part of these financial statements.

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Mt. Gravatt Cinemas Joint Venture
Statements of Cash Flows
For the Years Ended December 31, 2013, 2012 and 2011

In AUS$	Note	2013 (unaudited)	2012	2011
Cash flows from operating activities				
Cash receipts from customers		$ 14,986,613	$ 16,091,198	$ 14,889,678
Cash paid to suppliers and employees		(11,600,009)	(11,971,304)	(11,450,521)
Net cash provided from operating activities	18	3,386,604	4,119,894	3,439,157
Cash flows from investing activities				
Acquisition of property, plant and equipment	11	(302,351)	(783,266)	(1,309,432)
Interest received	7	11,922	21,256	58,301
Net cash used in investing activities		(290,429)	(762,010)	(1,251,131)
Cash flows from financing activities				
Distributions to Joint Venturers		(3,300,000)	(4,050,000)	(2,100,000)
Net cash used in financing activities		(3,300,000)	(4,050,000)	(2,100,000)
Net increase/ (decrease) in cash and cash equivalents		(203,825)	(692,116)	88,024
Cash and cash equivalents at 1 January		898,217	1,590,333	1,502,309
Cash and cash equivalents at 31 December	8	$ 694,392	$ 898,217	$ 1,590,333

The accompanying notes are an integral part of these financial statements.

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1. Reporting entity

Mt. Gravatt Cinemas Joint Venture (the "Joint Venture") is a legal joint venture between Birch Carrol & Coyle Ltd, Reading Exhibition Pty Ltd and Village Roadshow Exhibition Pty Ltd. The Joint Venture is domiciled and provides services solely in Australia. The address of the Joint Venture's registered office is 227 Elizabeth Street, Sydney NSW 2000. The Joint Venture primarily is involved in the exhibition of motion pictures at one cinema site.

The joint venture is to continue in existence until the Joint Venture is terminated and associated underlying assets have been sold and the proceeds of sale distributed upon agreement of the members. All distributions of earnings are required to be agreed upon and distributed evenly to the three Joint Venturers. The three Joint Venturers will evenly contribute any future required contributions.

2. Basis of presentation

(a) Statement of compliance

These financial statements are general purpose financial statements which have been prepared in accordance with the International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board.

The financial year end of the Joint Venture is 30 June. For purposes of the use of these financial statements by one of the Joint Venturers, these financial statements have been prepared on a 12-month period basis ending on 31 December.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis. The methods used to measure fair values are discussed further in Note 4, *Determination of fair values.*

(c) Functional and presentation currency

These financial statements are presented in Australian dollars, which is also the Joint Venture's functional currency. Amounts in the financial statements have been rounded to the nearest dollar, unless otherwise stated.

(d) Use of estimates and judgments

The preparation of financial statements in accordance with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in Note 15 *Financial instruments.*

3. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

The Joint Venture has not elected to early adopt any accounting standards and amendments. See Note 3(n).

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(a) Financial instruments

Non-derivative financial instruments comprise trade receivables, cash and cash equivalents, and trade payables.

Non-derivative financial instruments are recognised initially at fair value plus, for instruments not at fair value through profit or loss, any directly attributable transaction costs. Subsequent to initial recognition non-derivative financial instruments are measured as described below.

A financial instrument is recognised if the Joint Venture becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the Joint Venture's contractual rights to the cash flows from the financial assets expire or if the Joint Venture transfers the financial asset to another party without retaining control or substantially all risks and rewards of the asset. Regular way purchases and sales of financial assets are accounted for at trade date, i.e., the date that the Joint Venture commits itself to purchase or sell the asset. Financial liabilities are derecognised if the Joint Venture's obligations specified in the contract expire, are discharged or cancelled.

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Joint Venture's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

Accounting for finance income and expense is discussed in Note 3(k), *Finance income*.

(b) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation.

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use. Costs also may include purchases of property, plant and equipment. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment. Borrowing costs related to the acquisition or construction of qualifying assets are capitalised as part of the cost of that asset.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

(ii) Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Joint Venture and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(iii) Depreciation

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives. Land is not depreciated.

The estimated useful lives for the current and comparative periods are as follows:

Leasehold improvementsShorter of estimated useful life and term of lease
Plant and equipment3 to 20 years

Depreciation methods, useful lives and residual values are reviewed at each financial year end and adjusted if appropriate.

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(c) Leased assets

Leases in which the Joint Venture assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Other leases are operating leases and are not recognised on the Joint Venture's statement of financial position.

(d) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the first-in first-out principle, and includes expenditure incurred in acquiring the inventories, and other costs incurred in bringing them to their existing location and condition. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

(e) Impairment

(i) Financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance against the relevant asset. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

(ii) Non-financial assets

The carrying amounts of the Joint Venture's non-financial assets, other than inventories, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in profit or loss.

In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

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(f) Employee benefits

(i) Long-term employee benefits

The Joint Venture's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods plus related on-costs; that benefit is discounted to determine its present value and the fair value of any related assets is deducted.

(ii) Termination benefits

Termination benefits are recognised as an expense when the Joint Venture is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the Joint Venture has made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably.

(iii) Short-term benefits

Liabilities for employee benefits for wages, salaries, and annual leave represent present obligations resulting from employees' services provided to reporting date and are calculated at undiscounted amounts based on remuneration wage and salary rates that the Joint Venture expects to pay as at reporting date including related on-costs, such as workers compensation insurance and payroll tax.

(g) Provisions

A provision is recognised if, as a result of a past event, the Joint Venture has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

(h) Contributed equity

The Joint Venture is comprised of three parties who share an equal ownership over the Joint Venture. The Contributed Equity amount represents the initial investment in the partnership. Distribution to the partners are made on behalf of the Joint Venture and are recognised through retained earnings.

(i) Revenue

Rendering of service/sale of concessions

Revenue is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and value rebates. Revenues are generated principally through admissions and concession sales with proceeds received in cash at the point of sale. Service revenue also includes product advertising and other ancillary revenues, such as booking fees, which are recognised as income in the period earned. The Joint Venture recognises payments received attributable to the advertising services provided by the Joint Venture under certain vendor programs as revenue in the period in which services are delivered.

(j) Lease payments

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease on a basis that is representative of the pattern of benefit derived from the leased property.

(k) Finance income

Finance income comprises interest income on cash held in financial institutions. Interest income is recognised as it accrues in profit or loss using the effective interest method.

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(l) Taxes

(i) Goods and service tax

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the balance sheet.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

(ii) Income tax

Under applicable Australian law, the Joint Venture is not subject to tax on earnings generated. Accordingly the Joint Venture does not recognise any income tax expense, or deferred tax balances. Earnings of the Joint Venture are taxed at the Joint Venturer level.

(m) Film expense

Film expense is incurred based on a contracted percentage of box office results for each film. The Joint Venture negotiates terms with each film distributor on a film-by-film basis. Percentage terms are based on a sliding scale, with the Joint Venture subject to a higher percentage of box office results when the film is initially released and declining each subsequent week. Different films have different rates dependent upon the expected popularity of the film, and forecasted success.

(n) New standards and interpretations not yet adopted

The Joint Venture does not consider that any standards of interpretations issued by IASB or the IFRIC, either applicable in the current year or not yet applicable, have, or will have, a significant impact on the financial statements.

(o) Amounts paid or payable to the auditor

The amounts paid or payable to the auditor for the audit of these financial statements has been borne by one of the Joint Venturers for which these financial statements have been prepared. The auditor provided non-audit service in the current period to the value of $19,700 (unaudited).

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In AUS$	2013 (unaudited)	2012
Audit fees	$ --	$ 57,500

4. Determination of fair values

A number of the Joint Venture's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and disclosure purposes based on the following methods. Where applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

(i) Trade and other receivables

The fair value of trade and other receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date.

(ii) Non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

5. Revenue from rendering of services

In AUS$	2013 (unaudited)	2012	2011
Box office revenue	8,526,341	9,508,154	9,019,423
Screen advertising	331,472	286,501	249,524
Booking fees	218,025	268,180	200,017
Other cinema services	689,249	626,605	553,890
	$ 9,765,087	$ 10,689,440	$ 10,022,854

6. Personnel expenses

In AUS$	2013 (unaudited)	2012	2011
Wages and salaries	1,603,620	1,767,789	1,846,267
Change in liability for annual leave	56,011	65,274	57,628
Change in liability for long-service leave	22,239	12,452	21,295
	$ 1,681,870	$ 1,845,515	$ 1,925,190

7. Finance income

In AUS$	2013 (unaudited)	2012	2011
Interest income on cash at bank:	11,922	21,256	58,301
	$ 11,922	$ 21,256	$ 58,301

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8. Cash and cash equivalents

In AUS$	*Note*	2013 (unaudited)	2012
Cash at bank and on hand	15	694,392	898,217
Cash and cash equivalents in the statement of cash flows		$ 694,392	$ 898,217

The Joint Venture's exposure to interest rate risk is disclosed in Note 15(e), *Financial instruments, Market risk*.

9. Trade and other receivables

In AUS$	*Note*	2013 (unaudited)	2012
Trade receivables	15	172,293	196,598
		$ 172,293	$ 196,598

The Joint Venture's trade receivables relate mainly to the Joint Venture's screen advertiser and credit card companies.

The Joint Venture's exposure to credit risk and impairment losses related to trade receivables is disclosed in Note 15(c), *Financial instruments, Credit risk*.

10. Inventories

In AUS$	2013 (unaudited)	2012
Concession stores at cost	126,947	173,411
	$ 126,947	$ 173,411

11. Property, Plant, and Equipment

In AUS$	Plant and Equipment	Leasehold Improvements	Capital WIP	Total
Cost				
Balance at January 1, 2012	10,458,263	2,787,784	242,446	13,488,493
Additions	--	--	783,266	783,266
Transfers	94,123	4,900	(99,023)	--
Balance at December 31, 2012	$ 10,552,386	$ 2,792,684	$ 926,689	$ 14,271,759
Balance at January 1, 2013 (unaudited)	10,552,386	2,792,684	926,689	14,271,759
Additions (unaudited)	1,106,833	118,843	--	1,225,676
Transfers (unaudited)	--	--	(923,325)	(923,325)
Balance at December 31, 2013 (unaudited)	$ 11,659,219	$ 2,911,527	$ 3,364	$ 14,574,110

In AUS$	Plant and Equipment	Leasehold Improvements	Capital WIP	Total
Accumulated depreciation				
Balance at January 1, 2012	(8,688,701)	(1,061,838)	--	(9,750,539)
Depreciation and amortisation	(492,890)	(104,459)	--	(597,349)
Balance at December 31, 2012	$ (9,181,591)	$ (1,166,297)	$ --	$ (10,347,888)

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Balance at January 1, 2013 (unaudited)	(9,181,591)	(1,166,297)	--	(10,347,888)
Depreciation and amortisation (unaudited)	(436,407)	(107,864)	--	(544,271)
Balance at December 31, 2013 (unaudited)	$ (9,617,998)	$ (1,274,161)	$ --	$ (10,892,159)

In AUS$	Plant and Equipment	Leasehold Improvements	Capital WIP	Total
Carrying amounts				
At January 1, 2012	$ 1,769,563	$ 1,725,946	$ 242,446	$ 3,737,955
At December 31, 2012	1,370,795	1,626,387	926,689	3,923,871
At January 1, 2013 (unaudited)	1,370,795	1,626,387	926,689	3,923,871
At December 31, 2013 (unaudited)	2,041,221	1,637,366	3,364	3,681,951

12. Trade and other payables

In AUS$	Note	2013 (unaudited)	2012
Trade payables		221,732	413,082
Non-trade payables and accruals		415,100	464,944
	15	$ 636,832	$ 878,026

The Joint Venture's exposure to liquidity risk related to trade and other payables is disclosed in Note 15(d), *Financial instruments, Liquidity risk*. Trade payables represents payments to trade creditors. The Joint Venture makes these payments through the managing party's shared service centre and is charged a management fee for these services. Disclosure regarding the management fee is made in Note 19, *Related parties*.

13. Employee benefits

Current

In AUS$	2013 (unaudited)	2012
Liability for annual leave	96,527	102,540
Liability for long-service leave	75,969	60,421
	$ 172,496	$ 162,961

Non-current

In AUS$	2013 (unaudited)	2012
Liability for long-service leave	33,255	41,105
	$ 33,255	$ 41,105

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14. Deferred revenue

In AUS$	2013 (unaudited)	2012
Deferred revenue	32,297	27,683
	$ 32,297	$ 27,683

Deferred revenue mainly consists of advance funds received from vendors for the exclusive rights to supply certain concession items. Revenue is recognised over the term of the related contract on a straight-line basis and is classified as service revenue.

15. Financial instruments

(a) Overview

This note presents information about the Joint Venture's exposure to financial risks, its objectives, policies, and processes for measuring and managing risk, and the management of capital.

The Joint Venture's activities expose it to the following financial risks;

- credit risk;
- liquidity risk; and
- market risk.

(b) Risk management framework

The Joint Venturers' have overall responsibility for the establishment and oversight of the risk management framework and are also responsible for developing and monitoring risk management policies.

Risk management policies are established to identify and analyse the risks faced by the Joint Venture to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Joint Venture's activities. The Joint Venture, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Joint Venturers' oversee how management monitors compliance with the Joint Venture's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Joint Venture.

There were no changes in the Joint Venture's approach to capital management during the year.

(c) Credit risk

Credit risk is the risk of financial loss to the Joint Venture if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Joint Venture's receivables from customers.

The Joint Venture's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the Joint Venture's customer base, including the default risk of the industry and country, in which customers operate, has less of an influence on credit risk.

Customers that are graded as "high risk" are placed on a restricted customer list, and monitored by the Joint Venturers.

The Joint Venture operates under the managing Joint Venturer's credit policy under which each new customer is analysed individually for creditworthiness before the Joint Venture's standard payment and delivery terms and conditions are offered. The Joint Venture's review includes external ratings, when available, and in some

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cases bank references. Purchase limits are established for each customer. These limits are reviewed periodically. Customers that fail to meet the Joint Venture's benchmark creditworthiness may transact with the Joint Venture only on a prepayment basis.

Exposure to credit risk

The carrying amount of the Joint Venture's financial assets represents the maximum credit exposure. The Joint Venture's maximum exposure to credit risk at the reporting date was:

		Carrying Amount	
		2013	
In AUS$	Note	(unaudited)	2012
Trade receivables	9	$ 172,293	$ 196,598
Cash and cash equivalents	8	694,392	898,217

The Joint Venture's maximum exposure to credit risk for trade receivables at the reporting date by type of customer was:

	Carrying Amount	
	2013	
In AUS$	(unaudited)	2012
Screen advertisers	109,310	72,181
Credit card companies	56,537	114,418
Games, machine and merchandising companies	6,446	9,999
	$ 172,293	$ 196,598

Impairment losses

None of the Company's trade receivables are past due (2012: $nil). There were no allowances for impairment at 31 December 2013 (unaudited) or 2012.

(d) Liquidity risk

Liquidity risk is the risk that the Joint Venture will encounter difficulties in meeting its financial obligations as they fall due. The Joint Venture's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Joint Venture's reputation.

The only financial liabilities are trade and other payables all of which are contractually due within 12 months. The carrying value of such liabilities at 31 December 2013 is $636,830 (unaudited) and 2012: $878,026.

(e) Market risk

Market risk is the risk that changes in market prices, such as interest rates, will affect the Joint Venture's income. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Joint Venture is not subject to market risks relating to foreign exchange rates or equity prices. Furthermore, the Joint Venture does not use derivative, financial instruments to hedge fluctuations in interest rates.

Interest rate risk

At the reporting date the interest rate profile of the Joint Venture's interest-bearing financial instruments was:

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Variable rate instruments	Carrying amount	
In AUS$	2013 (unaudited)	2012
Cash at bank	$ 694,392	$ 855,715

The Joint Venture held no fixed rate instruments during financial years 2013 (unaudited) or 2012.

(f) Fair values

Fair values versus carrying amounts

The fair values of financial assets and liabilities, together with the carrying amounts shown in the statement of financial position, are as follows:

	2013 (unaudited)		2012	
In AUS$	Carrying amount	Fair value	Carrying amount	Fair value
Trade receivables	$ 172,293	$ 172,293	$ 196,598	$ 196,598
Cash and cash equivalents	694,392	694,392	898,217	898,217
Trade and other payables	636,830	636,830	878,026	878,026

The basis for determining fair values is disclosed in Note 4, *Determination of fair values*.

(g) Capital

Capital consists of contributed equity and retained earnings. The contributed equity amount represents the initial investment in the partnership. The Managing Committee's policy is to maintain a strong capital base so as to maintain creditor confidence and to sustain future development of the business. There were no externally imposed capital requirements during the financial years 2013 (unaudited) or 2012.

16. Operating leases

Leases as lessee

Non-cancellable operating lease rentals are payable as follows:

In AUS$	2013 (unaudited)	2012
Less than one year	1,277,755	1,277,754
Between one and five years	5,083,014	5,111,016
More than five years	--	1,225,244
Total	$ 6,360,769	$ 7,614,014

The Joint Venture leases the cinema property under a long term operating lease.

17. Contingencies and capital commitments

The nature of the Joint Venture's operations results in claims for personal injuries (including public liability and workers compensation) being received from time to time. As at period end there were no material current or ongoing outstanding claims.

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RDI-A01004

The Joint Venture has no capital commitments at 31 December 2013 (unaudited); (2012: $nil).

18. Reconciliation of cash flows from operating activities

In AUS$	Note	2013 (unaudited)	2012	2011
Cash flows from operating activities				
Profit for the period		3,018,381	3,390,207	2,948,343
Adjustments for:				
Depreciation and amortisation	11	544,271	597,349	555,594
Interest received	7	(11,922)	(21,256)	(58,301)
Operating profit before changes in working capital		$ 3,550,730	$ 3,966,300	$ 3,445,636
Change in trade receivables	9	24,305	(53,110)	(53,892)
Change in inventories	10	46,464	(19,512)	81,620
Change in trade and other payables	12	(241,194)	220,135	7,388
Change in employee benefits	13	1,685	17,466	9,195
Change in deferred revenue	14	4,614	(11,385)	(50,790)
Net cash from operating activities		$ 3,386,604	$ 4,119,894	$ 3,439,157

19. Related parties

Entities with joint control or significant influence over the Joint Venture.

The managing Joint Venturer is paid an annual management fee, which is presented separately in the statement of comprehensive income. The management fee paid is as per the Joint Venture agreement and is to cover the costs of managing and operating the cinema complex and providing all relevant accounting and support services. The management fee is based on a contracted base amount, increased by the Consumer Price Index for the City of Brisbane as published by the Australian Bureau of Statistics on an annual basis. Such management fee agreement is binding over the life of the agreement which shall continue in existence until the Joint Venture is terminated under agreement by the Joint Venturers.

As of 31 December 2013 (unaudited) the management fee payable was $26,040 (2012: Nil).

20. Subsequent events

Subsequent to 31 December 2013 (unaudited), there were no events which would have a material effect on these financial statements.

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RDI-A01005

Independent Auditors' Report

The Management Committee and Joint Venturers
Mt. Gravatt Cinemas Joint Venture:

Report on the Financial Statements

We have audited the accompanying financial statements of Mt. Gravatt Cinemas Joint Venture, which comprise the statement of financial position as of December 31, 2012 and the related statements of comprehensive income, changes in equity, and cash flows for the years ended December 31, 2012 and 2011, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Mt. Gravatt Cinemas Joint Venture as of December 31, 2012 and the results of its operations and its cash flows for the years ended December 31, 2012 and 2011, in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board.

/s/ KPMG
Sydney, Australia
March 4, 2013

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Exhibits

3.1	Certificate of Amendment and Restatement of Articles of Incorporation of Reading International, Inc., a Nevada corporation, as filed with the Nevada Secretary of State on May 22, 2003 (filed as Exhibit 3.8 to the Company's report on Form 10-Q for the period ended June 30, 2009, and incorporated herein by reference).
3.2.1	Amended and Restated Bylaws of Reading International, Inc., a Nevada corporation (filed as Exhibit 3.6 to the Company's Annual Report on Form 10-K for the year ended December 31, 2004, and incorporated herein by reference).
3.2.2	Amended Article V of the Amended and Restated Bylaws of Reading International, Inc. (filed as exhibit 3.2 to the Company's report on Form 8-K dated December 27, 2007, and incorporated herein by reference).
3.3	Articles of Merger of Craig Merger Sub, Inc. with and into Craig Corporation (filed as Exhibit 3.4 to the Company's Annual Report on Form 10-K for the year ended December 31, 2001).
3.4	Articles of Merger of Reading Merger Sub, Inc. with and into Reading Entertainment, Inc. (filed as Exhibit 3.5 to the Company's Annual Report on Form 10-K for the year ended December 31, 2001).
4.1*	1999 Stock Option Plan of Reading International, Inc., as amended on December 31, 2001 (filed as Exhibit 4.1 to the Company's Registration Statement on Form S-8 filed on January 21, 2004, and incorporated herein by reference).
4.2	Form of Preferred Securities Certificate evidencing the preferred securities of Reading International Trust I (filed as Exhibit 4.1 to the Company's report on Form 8-K filed on February 9, 2007, and incorporated herein by reference).
4.3	Form of Common Securities Certificate evidencing common securities of Reading International Trust I (filed as Exhibit 4.2 to the Company's report on Form 8-K filed on February 9, 2007, and incorporated herein by reference).
4.4	Form of Reading International, Inc. and Reading New Zealand, Limited, Junior Subordinated Note due 2027 (filed as Exhibit 4.3 to the Company's report on Form 8-K filed on February 9, 2007, and incorporated herein by reference).
4.5	Form of Indenture (filed as Exhibit 4.4 to the Company's report on Form S-3 on October 20, 2009, and incorporated herein by reference).
4.6*	2010 Stock Incentive Plan (filed as Exhibit 4.1 to the Company's report on Form S-8 on May 26, 2010, and incorporated herein by reference).
4.7*	Form of Stock Option Agreement (filed as Exhibit 4.2 to the Company's report on Form S-8 on May 26, 2010, and incorporated herein by reference).
4.8*	Form of Stock Bonus Agreement (filed as Exhibit 4.3 to the Company's report on Form S-8 on May 26, 2010, and incorporated herein by reference).
4.9*	Form of Restricted Stock Agreement (filed as Exhibit 4.4 to the Company's report on Form S-8 on May 26, 2010, and incorporated herein by reference).
4.10*	Form of Stock Appreciation Right Agreement (filed as Exhibit 4.5 to the Company's report on Form S-8 on May 26, 2010, and incorporated herein by reference).
4.11*	Amendment to the 2010 Stock Incentive Plan (filed as Appendix A of the Company's proxy statement on April 29, 2011, and incorporated here by reference).
10.1*	Employment Agreement, dated October 28, 1999, among Craig Corporation, Citadel Holding Corporation, Reading Entertainment, Inc., and Andrzej Matyczynski (filed as Exhibit 10.37 to the Company's Annual Report on Form 10-K for the year ended December 31, 1999 and incorporated herein by reference).
10.2	Amended and Restated Lease Agreement, dated as of July 28, 2000, as amended and restated as of January 29, 2002, between Sutton Hill Capital, L.L.C. and Citadel Cinemas, Inc. (filed as Exhibit 10.40 to the Company's Annual Report on Form 10-K for the year ended December 31, 2002 and incorporated herein by reference).

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10.3	Amended and Restated Citadel Standby Credit Facility, dated as of July 28, 2000, as amended and restated as of January 29, 2002, between Sutton Hill Capital, L.L.C. and Reading International, Inc. (filed as Exhibit 10.40 to the Company's Annual Report on Form 10-K for the year ended December 31, 2002 and incorporated herein by reference).
10.4	Amended and Restated Security Agreement dated as of July 28, 2000 as amended and restated as of January 29, 2002 between Sutton Hill Capital, L.L.C. and Reading International, Inc. (filed as Exhibit 10.42 to the Company's Annual Report on Form 10-K for the year ended December 31, 2002 and incorporated herein by reference).
10.5	Amended and Restated Pledge Agreement dated as of July 28, 2000 as amended and restated as of January 29, 2002 between Sutton Hill Capital, L.L.C. and Reading International, Inc. (filed as Exhibit 10.43 to the Company's Annual Report on Form 10-K for the year ended December 31, 2002 and incorporated herein by reference).
10.6	Amended and Restated Intercreditor Agreement dated as of July 28, 2000 as amended and restated as of January 29, 2002 between Sutton Hill Capital, L.L.C. and Reading International, Inc. and Nationwide Theatres Corp. (filed as Exhibit 10.44 to the Company's Annual Report on Form 10-K for the year ended December 31, 2002 and incorporated herein by reference).
10.7	Guaranty dated July 28, 2000 by Michael R. Forman and James J. Cotter in favor of Citadel Cinemas, Inc. and Citadel Realty, Inc. (filed as Exhibit 10.45 to the Company's Annual Report on Form 10-K for the year ended December 31, 2002 and incorporated herein by reference).
10.8	Theater Management Agreement, effective as January 1, 2002, between Liberty Theaters, Inc. and OBI LLC (filed as Exhibit 10.47 to the Company's Annual Report on Form 10-K for the year ended December 31, 2002 and incorporated herein by reference).
10.9	Omnibus Amendment Agreement, dated as of October 22, 2003, between Citadel Cinemas, Inc., Sutton Hill Capital, L.L.C., Nationwide Theatres Corp., Sutton Hill Associates, and Reading International, Inc. (filed as Exhibit 10.49 to the Company's report on Form 10-Q for the period ended September 30, 2003, and incorporated herein by reference).
10.10	Assignment and Assumption of Lease between Sutton Hill Capital L.L.C. and Sutton Hill Properties, LLC dated as of September 19, 2005 (filed as exhibit 10.56 to the Company's report on Form 8-K filed on September 21, 2005, and incorporated herein by reference).
10.11	License and Option Agreement between Sutton Hill Properties, LLC and Sutton Hill Capital L.L.C. dated as of September 19, 2005 (filed as exhibit 10.57 to the Company's report on Form 8-K filed on September 21, 2005, and incorporated herein by reference).
10.12	Second Amendment to Amended and Restated Master Operating Lease dated as of September 1, 2005 (filed as exhibit 10.58 to the Company's report on Form 8-K filed on September 21, 2005, and incorporated herein by reference).
	Purchase Agreement, dated February 5, 2007, among Reading International, Inc., Reading International Trust I, and Kodiak Warehouse JPM LLC (filed as Exhibit 10.1 to the Company's report on Form 8-K filed on February 9, 2007, and incorporated herein by reference).
10.14	Amended and Restated Declaration of Trust, dated February 5, 2007, among Reading International Inc., as sponsor, the Administrators named therein, and Wells Fargo Bank, N.A., as property trustee, and Wells Fargo Delaware Trust Company as Delaware trustee (filed as Exhibit 10.2 to the Company's report on Form 8-K dated February 5, 2007, and incorporated herein by reference).
10.15	Indenture among Reading International, Inc., Reading New Zealand Limited, and Wells Fargo Bank, N.A., as indenture trustee (filed as Exhibit 10.4 to the Company's report on Form 8-K dated February 5, 2007, and incorporated herein by reference).
10.16*	Employment Agreement, dated December 28, 2006, between Reading International, Inc. and John Hunter (filed as Exhibit 10.66 to the Company's report on Form 10-K for the year ended December 31, 2006, and incorporated herein by reference).
10.17	Reading Guaranty Agreement dated February 21, 2008 among Consolidated Amusement Theatres, Inc., a Nevada corporation, General Electric Capital Corporation, and GE Capital Markets, Inc. (filed as Exhibit 10.73 to the Company's report on Form 10-K for the year ended December 31, 2007, and incorporated herein by reference).
10.18	Pledge and Security Agreement dated February 22, 2008 by Reading Consolidated Holdings, Inc. in favor of Nationwide Theatres Corp (filed as Exhibit 10.74 to the Company's report on Form 10-K for the year ended December 31, 2007, and incorporated herein by reference).

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10.19	Promissory Note dated February 22, 2008 by Reading Consolidated Holdings, Inc. in favor of Nationwide Theatres Corp. (filed as Exhibit 10.75 to the Company's report on Form 10-K for the year ended December 31, 2007, and incorporated herein by reference).
10.20*	Form of Indemnification Agreement, as routinely granted to the Company's officers and directors (filed as Exhibit 10.77 to the Company's report on Form 10-Q for the period ended September 30, 2008, and incorporated herein by reference).
10.21	Third Amendment to Amended and Restated Master Operating Lease Agreement, dated June 29, 2010, between Sutton Hill Capital, L.L.C. and Citadel Cinemas, Inc. (filed as Exhibit 10.21 to the Company's report on Form 10-K for the year ended December 31, 2010, and incorporated herein by reference).
10.22	Amended and Restated Purchase Money Installment Sale Note, dated September 19, 2005, as amended and restated as of June 29, 2010, by Sutton Hill Properties, LLC in favor of Sutton Hill Capital, L.L.C. (filed as Exhibit 10.22 to the Company's report on Form 10-K for the year ended December 31, 2010, and incorporated herein by reference).
10.23	Amended and Restated Credit Agreement dated February 21, 2008, as amended and restated as of November 30, 2010, among Consolidated Entertainment, Inc., General Electric Capital Corporation, and GE Capital Markets, Inc. (filed as Exhibit 10.23 to the Company's report on Form 10-K for the year ended December 31, 2010, and incorporated herein by reference).
10.24	Bill Acceptance and Discount & Bank Guarantee Facility Agreement dated June 24, 2011, among Reading Entertainment Australia Pty Ltd and National Australia Bank Limited (filed as Exhibit 10.24 to the Company's report on Form 10-K for the year ended December 31, 2011, and incorporated herein by reference).
10.25	Property Finance Wholesale Term Loan Facility dated June 20, 2007, among Reading Courtenay Central Limited and Westpac New Zealand Limited (filed as Exhibit 10.25 to the Company's report on Form 10-K for the year ended December 31, 2011, and incorporated herein by reference).
10.26	Letter dated May 6, 2009, amending Property Finance Wholesale Term Loan Facility dated June 20, 2007, among Reading Courtenay Central Limited and Westpac New Zealand Limited (filed as Exhibit 10.26 to the Company's report on Form 10-K for the year ended December 31, 2011, and incorporated herein by reference).
10.27	Letter dated February 8, 2012, amending Property Finance Wholesale Term Loan Facility dated June 20, 2007, among Reading Courtenay Central Limited and Westpac New Zealand Limited (filed as Exhibit 10.27 to the Company's report on Form 10-K for the year ended December 31, 2011, and incorporated herein by reference).
10.28	Amended and Restated Note dated June 28, 2012 among Sutton Hill Properties, LLC in favor of Sovereign Bank, N.A., amending Promissory Note dated June 27, 2007, by Sutton Hill Properties, LLC in favor of Eurohypo AG, New York Branch (filed as Exhibit 10.1 to the Company's report on Form 10-Q for the period ended June 30, 2012, and incorporated herein by reference).
10.29	Amended and Restated Mortgage, Assignment of Leases and Rents, Security Agreement, and Fixture Filing ("Agreement") dated June 28, 2012 among Sutton Hill Properties, LLC in favor of Sovereign Bank, N.A., amending Agreement dated June 27, 2007, by Sutton Hill Properties, LLC in favor of Eurohypo AG, New York Branch (filed as Exhibit 10.2 to the Company's report on Form 10-Q for the period ended June 30, 2012, and incorporated herein by reference).
10.30	Credit Agreement entered into as of October 31, 2012, among Consolidated Entertainment, LLC and Bank of America (filed as Exhibit 99.1 to the Company's report on Form 8-K dated October 31, 2012, and incorporated herein by reference).
10.31	Master Lease Agreement dated October 26, 2012, between Consolidated Cinema Services LLC and Banc of America Leasing & Capital, LLC (filed herewith).
10.32	Amendment dated October 31, 2012 to the Master Lease Agreement dated October 26, 2012, between Consolidated Cinema Services LLC and Banc of America Leasing & Capital, LLC (filed herewith).
10.33	John Hunter Separation Agreement (filed as Exhibit 10.1 to the Company's report on Form 10-Q for the period ended June 30, 2013).
10.34	James J Cotter, Jr. Employment Agreement (filed as Exhibit 10.2 to the Company's report on Form 10-Q for the period ended June 30, 2013).
21	List of Subsidiaries (filed herewith).
23.1	Consent of Independent Registered Public Accounting Firm, Grant Thornton LLP (filed herewith).
23.2	Consent of Independent Auditors, KPMG (filed herewith).

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31.1	Certification of Principal Executive Officer dated March 7, 2014 pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (filed herewith).
31.2	Certification of Principal Financial Officer dated March 7, 2014 pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (filed herewith).
32.1	Certification of Principal Executive Officer dated March 7, 2014 pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (filed herewith).
32.2	Certification of Principal Financial Officer dated March 7, 2014 pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (filed herewith).
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema
101.CAL	XBRL Taxonomy Extension Calculation
101.DEF	XBRL Taxonomy Extension Definition
101.LAB	XBRL Taxonomy Extension Labels
101.PRE	XBRL Taxonomy Extension Presentation

*These exhibits constitute the executive compensation plans and arrangements of the Company.

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RDI-A01010

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

READING INTERNATIONAL, INC.

(Registrant)

Date: March 7, 2014

By: /s/ Andrzej Matyczynski
Andrzej Matyczynski
Chief Financial Officer and Treasurer
(Principal Financial and Accounting Officer)

Pursuant to the requirements of the Securities and Exchange Act of 1934, this report has been signed below by the following persons on behalf of Registrant and in the capacities and on the dates indicated.

Signature	Title(s)	Date
/s/ James J. Cotter James J. Cotter	Chairman of the Board and Director and Chief Executive Officer	March 7, 2014
/s/ Andrzej Matyczynski Andrzej Matyczynski	Principal Financial and Accounting Officer	March 7, 2014
/s/ Guy W. Adams Guy Adams	Director	March 7, 2014
/s/ Ellen M. Cotter Ellen Cotter	Director	March 7, 2014
/s/ James J. Cotter, Jr. James J. Cotter, Jr.	Director	March 7, 2014
/s/ Margaret Cotter Margaret Cotter	Director	March 7, 2014
/s/ William D. Gould William D. Gould	Director	March 7, 2014
/s/ Edward L. Kane Edward L Kane	Director	March 7, 2014
/s/ Douglas J. McEachern Douglas J. McEachern	Director	March 7, 2014
/s/ Tim Storey Tim Storey	Director	March 7, 2014
/s/ Alfred Villaseñor Alfred Villaseñor	Director	March 7, 2014

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RDI-A01011

CERTIFICATIONS

EXHIBIT 31.1

CERTIFICATION PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, James J. Cotter, certify that:

1) I have reviewed this Form 10-K of Reading International, Inc.;

2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4) The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5) The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's Board of Directors (or persons performing the equivalent functions):

   a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ James J. Cotter

James J. Cotter

Chief Executive Officer

March 7, 2014

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RDI-A01012

EXHIBIT 31.2

CERTIFICATION PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Andrzej Matyczynski, certify that:

1) I have reviewed this Form 10-K of Reading International, Inc.;

2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4) The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5) The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's Board of Directors (or persons performing the equivalent functions):

   a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Andrzej Matyczynski

Andrzej Matyczynski

Chief Financial Officer

March 7, 2014

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EXHIBIT 32.1

CERTIFICATION PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

(18 U.S.C. SECTION 1350)

In connection with the accompanying Annual Report of Reading International, Inc. (the "Company") on Form 10-K for the fiscal year ended December 31, 2013 (the "Report"), I, James J. Cotter, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ James J. Cotter

James J. Cotter

Chief Executive Officer

March 7, 2014

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RDI-A01014

EXHIBIT 32.2

CERTIFICATION PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

(18 U.S.C. SECTION 1350)

In connection with the accompanying Annual Report of Reading International, Inc. (the "Company") on Form 10-K for the fiscal year ended December 31, 2013 (the "Report"), I, Andrzej Matyczynski, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Andrzej Matyczynski

Andrzej Matyczynski

Chief Financial Officer

March 7, 2014

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RDI-A01015

EXHIBIT 21

READING INTERNATIONAL, INC. – LIST OF SUBSIDIARIES

Subsidiary (Jurisdiction of Incorporation)

A.C.N. 143 633 096 Pty Ltd (Australia)
AHGP, Inc. (Delaware)
AHLP, Inc. (Delaware)
Angelika Film Center Mosaic, LLC (Nevada)
Angelika Film Centers (Dallas), Inc. (Texas)
Angelika Film Centers (Plano) LP (Nevada)
Angelika Plano Beverage LLC (Texas)
Australia Country Cinemas Pty Ltd (Australia)
Australian Equipment Supply Pty Ltd (Australia)
Bayou Cinemas LP (Delaware)
Bogart Holdings Ltd (New Zealand)
Burwood Developments Pty Ltd (Australia)
Carmel Theatres, LLC (Nevada)
Citadel Agriculture, Inc. (California)
Citadel Cinemas, Inc. (Nevada)
Citadel Realty, Inc. (Nevada)
City Cinemas, LLC (Nevada)
Consolidated Amusement Holdings, LLC (Nevada)
Consolidated Cinema Services, LLC (Nevada)
Consolidated Cinemas Kapolei, LLC (New Zealand)
Consolidated Entertainment, LLC (Nevada)
Courtenay Car Park Ltd (New Zealand)
Craig Corporation (Nevada)
Darnelle Enterprises Ltd (New Zealand)
Dimension Specialty, Inc. (Delaware)
Epping Cinemas Pty Ltd (Australia)
Gaslamp Theatres, LLC (Nevada)
Hope Street Hospitality, LLC (Delaware)
Hotel Newmarket Pty Ltd (Australia)
Kaahumanu Cinemas, LLC (Nevada)
Kahala Cinema Company LLC (Nevada)
Liberty Live, LLC (Nevada)
Liberty Theaters, LLC (Nevada)
Liberty Theatricals, LLC (Nevada)
Minetta Live, LLC (Nevada)
Movieland Cinemas (NZ) Ltd (New Zealand)
New Zealand Equipment Supply Limited (New Zealand)
Newmarket Properties #3 Pty Ltd (Australia)
Newmarket Properties No. 2 Pty Ltd (Australia)
Newmarket Properties Pty Ltd (Australia)
Orpheum Live, LLC (Nevada)
Port Reading Co (New Jersey)
Queenstown Land Holdings Ltd (New Zealand)
RDI Employee Investment Fund LLC (California)
Reading Arthouse Distribution Ltd (New Zealand)
Reading Auburn Pty Ltd (Australia)
Reading Australia Leasing (E&R) Pty Ltd (Australia)
Reading Belmont Pty Ltd (Australia)
Reading Capital Corporation (Delaware)

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Reading Center Development Corporation (Pennsylvania)
Reading Charlestown Pty Ltd (Australia)
Reading Cinemas Courtenay Central Ltd (New Zealand)
Reading Cinemas Management Pty Ltd (Australia)
Reading Cinemas NJ, Inc. (Delaware)
Reading Cinemas of Puerto Rico, Inc. (Puerto Rico)
Reading Cinemas Pty Ltd (Australia)
Reading Cinemas Puerto Rico LLC (Nevada)
Reading Cinemas USA LLC (Nevada)
Reading Colac Pty Ltd (Australia)
Reading Company (Pennsylvania)
Reading Consolidated Holdings (Hawaii), Inc. (Hawaii)
Reading Consolidated Holdings, Inc. (Nevada)
Reading Courtenay Central Limited (New Zealand)
Reading Dandenong Pty Ltd (Australia)
Reading Dunedin Limited (New Zealand)
Reading Elizabeth Pty Ltd (Australia)
Reading Entertainment Australia Pty Ltd (Australia)
Reading Exhibition Pty Ltd (Australia)
Reading Foundation, LTD (Nevada)
Reading Holdings, Inc. (Nevada)
Reading International Cinemas LLC (Delaware)
Reading International Services Company (California)
Reading Licenses Pty Ltd (Australia)
Reading Maitland Pty Ltd (Australia)
Reading Malulani, LLC (Nevada)
Reading Management NZ Limited (New Zealand)
Reading Melton Pty Ltd (Australia)
Reading Moonee Ponds Pty Ltd (Australia)
Reading Murrieta Theater, LLC (Nevada)
Reading New Lynn Limited (New Zealand)
Reading New Zealand Ltd (New Zealand)
Reading Pacific LLC (Nevada)
Reading Properties Indooroopilly Pty Ltd (Australia)
Reading Properties Lake Taupo Ltd (New Zealand)
Reading Properties Manukau Ltd (New Zealand)
Reading Properties New Zealand Ltd (New Zealand)
Reading Properties Pty Ltd (Australia)
Reading Properties Taringa Pty Ltd (Australia)
Reading Property Holdings Pty Ltd (Australia)
Reading Queenstown Ltd (New Zealand)
Reading Real Estate Company (Pennsylvania)
Reading Restaurants New Zealand Limited (New Zealand)
Reading Rouse Hill Pty Ltd (Australia)
Reading Royal George, LLC (Delaware)
Reading Sunbury Pty Ltd (Australia)
Reading Theaters, Inc. (Delaware)
Reading Wellington Properties Ltd (New Zealand)
Rhodes Peninsula Cinema Pty Ltd (Australia)
Rialto Brands Ltd (New Zealand)
Rialto Cinemas Ltd (New Zealand)
Rialto Distribution Ltd (New Zealand)
Rialto Entertainment Ltd (New Zealand)
Ronwood Investments Ltd (New Zealand)
Rydal Equipment Co. (Pennsylvania)
S Note Liquidation Company, LLC (Nevada)

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Sails Apartments Management Ltd (New Zealand)
Shadow View Land and Farming, LLC (Nevada)
Sutton Hill Properties, LLC (Nevada)
Tobrooke Holdings Ltd (New Zealand)
Trans-Pacific Finance Fund I, LLC (Delaware)
Trenton-Princeton Traction Company (New Jersey)
Twin Cities Cinemas, Inc. (Delaware)
US Agricultural Investors, LLC (Delaware)
US Development, LLC (Nevada)
US International Property Finance Pty Ltd (Australia)
Washington and Franklin Railway Company (Pennsylvania)
Westlakes Cinema Pty Ltd (Australia)
Wilmington and Northern Railroad Company (Pennsylvania)

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EXHIBIT 23.1

Consent of Independent Registered Public Accounting Firm

We have issued our reports dated March 7, 2014, with respect to the consolidated financial statements, schedule and internal control over financial reporting included in the Annual Report of Reading International, Inc. on Form 10-K for the year ended December 31, 2013. We hereby consent to the incorporation by reference of said reports in the Registration Statements of Reading International, Inc on Form S-8 (File No. 333-36277) and on Form S-3 (File No. 333-162581).

/s/ GRANT THORNTON LLP

Los Angeles, California

March 7, 2014

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EXHIBIT 23.2

Consent of Independent Auditor

The Management Committee and Joint Venturers

Mt. Gravatt Cinemas Joint Venture:

We consent to the incorporation by reference in the registration statements No. 333-167101 on Form S-8 of Reading International, Inc., of our report dated March 4, 2013 with respect to the statement of financial position of Mt. Gravatt Cinemas Joint Venture as of December 31, 2012 and the related statements of comprehensive income, changes in equity, and cash flows for years ended December 31, 2012 and 2011, which report appears in the December 31, 2013, annual report on Form 10-K of Reading International, Inc.

/s/ KPMG

Sydney, Australia

March 7, 2014

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EXHIBIT 31.1

CERTIFICATION PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, James J. Cotter, certify that:

1) I have reviewed this Form 10-K of Reading International, Inc.;

2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4) The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5) The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's Board of Directors (or persons performing the equivalent functions):

a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ James J. Cotter

James J. Cotter

Chief Executive Officer

March 7, 2014

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EXHIBIT 31.2

CERTIFICATION PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Andrzej Matyczynski, certify that:

1) I have reviewed this Form 10-K of Reading International, Inc.;

2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4) The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5) The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's Board of Directors (or persons performing the equivalent functions):

a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Andrzej Matyczynski

Andrzej Matyczynski

Chief Financial Officer

March 7, 2014

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EXHIBIT 32.1

CERTIFICATION PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

(18 U.S.C. SECTION 1350)

In connection with the accompanying Annual Report of Reading International, Inc. (the "Company") on Form 10-K for the fiscal year ended December 31, 2013 (the "Report"), I, James J. Cotter, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ James J. Cotter

James J. Cotter

Chief Executive Officer

March 7, 2014

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EXHIBIT 32.2

CERTIFICATION PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

(18 U.S.C. SECTION 1350)

In connection with the accompanying Annual Report of Reading International, Inc. (the "Company") on Form 10-K for the fiscal year ended December 31, 2013 (the "Report"), I, Andrzej Matyczynski, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Andrzej Matyczynski

Andrzej Matyczynski

Chief Financial Officer

March 7, 2014

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EXHIBIT 22

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FORM DEF 14A

READING INTERNATIONAL INC - RDI

Filed: April 25, 2014 (period: April 25, 2014)

Official notification to shareholders of matters to be brought to a vote (Proxy)

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A
Proxy Statement Pursuant to Section 14(a) of the Securities Exchange Act of 1934

Filed by the Registrant ☑
Filed by a party other than the Registrant ☐

Check the appropriate box:
☐ Preliminary Proxy Statement
☐ Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
☑ Definitive Proxy Statement
☐ Definitive Additional Materials
☐ Soliciting Material under Sec. 240.14a-12

READING INTERNATIONAL, INC.
(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

☑ No fee required

☐ Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11
(1) Title of each class of securities to which transaction applies: _____
(2) Aggregate number of securities to which transaction applies: _____
(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined): _____
(4) Proposed maximum aggregate value of transaction: _____
(5) Total fee paid: _____

☐ Fee paid previously with preliminary materials.

☐ Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid: _____
(2) Form, Schedule or Registration Statement No.: _____
(3) Filing Party: _____
(4) Date Filed: _____

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READING INTERNATIONAL, INC.
6100 Center Drive, Suite 900
Los Angeles, California 90045

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS
TO BE HELD ON THURSDAY, MAY 15, 2014

TO THE STOCKHOLDERS:

The 2014 Annual Meeting of Stockholders (the "Annual Meeting") of Reading International, Inc., a Nevada corporation, will be held at 6100 Center Drive, Suite 900, Los Angeles, California 90045, on Thursday, May 15, 2014, at 11:00 a.m., local time, for the following purposes:

1. To elect nine Directors to our Board of Directors to serve until the 2015 Annual Meeting of Stockholders;

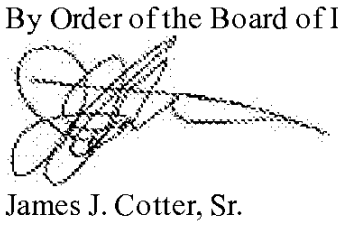
2. To act on an advisory vote on executive compensation; and

3. To transact such other business as may properly come before the meeting or any adjournment or postponement thereof.

A copy of our Annual Report on Form 10-K for the fiscal year ended December 31, 2013 is enclosed. Only holders of our class B voting common stock at the close of business on April 17, 2014 are entitled to notice of and to vote at the meeting and any adjournment or postponement thereof.

If you hold shares of our class B voting common stock, you will have received a proxy card enclosed with this notice. Whether or not you expect to attend the Annual Meeting in person, please complete, sign, and date the enclosed proxy card and return it promptly in the accompanying postage-prepaid envelope to ensure that your shares will be represented at the Annual Meeting.

By Order of the Board of Directors



James J. Cotter, Sr.
Chairman

April 25, 2014

PLEASE SIGN AND DATE THE ENCLOSED PROXY CARD AND MAIL IT PROMPTLY IN THE ENCLOSED RETURN ENVELOPE TO ENSURE THAT YOUR VOTES ARE COUNTED.

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READING INTERNATIONAL, INC.
6100 Center Drive, Suite 900
Los Angeles, California 90045

PROXY STATEMENT

Annual Meeting of Stockholders
Thursday, May 15, 2014

INTRODUCTION

This Proxy Statement is furnished in connection with the solicitation by the Board of Directors of Reading International, Inc. (the "Company," "Reading," "we," "us," or "our") of proxies for use at our 2014 Annual Meeting of Stockholders (the "Annual Meeting") to be held on Thursday, May 15, 2014, at 11:00 a.m., local time, at 6100 Center Drive, Suite 900, Los Angeles, California, and at any adjournment or postponement thereof. This Proxy Statement and form of proxy are first being sent or given to stockholders on or about April 25, 2014.

At our Annual Meeting, you will be asked to (1) elect nine Directors to our Board of Directors to serve until the 2015 Annual Meeting of Stockholders, (2) act on an advisory vote on executive compensation, and (3) act on any other business that may properly come before the Annual Meeting or any adjournment or postponement of the Annual Meeting.

As of April 17, 2014, the record date for the Annual Meeting (the "Record Date"), there were outstanding 1,495,490 shares of our class B voting common stock ("Class B Stock"). James J. Cotter, Sr., our Chairman and Chief Executive Officer, beneficially owned 1,123,888 shares of our Class B Stock on the Record Date, which shares represent a majority of the outstanding voting rights of the Company. Accordingly, Mr. Cotter, Sr. has the power, acting alone and regardless of the vote of our other stockholders, to determine the outcome of each of the proposals on the agenda for the Annual Meeting. Mr. Cotter, Sr. has advised us that he intends to follow the recommendations of our Board of Directors in casting his votes and to vote in favor of each of the proposals described in this Proxy Statement.

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE STOCKHOLDERS MEETING TO BE HELD ON MAY 15, 2014 – This Proxy Statement, along with the proxy card, and our Annual Report to Stockholders on Form 10-K for the year ended December 31, 2013 as filed with the Securities and Exchange Commission are available at our website, http://www.readingrdi.com, under "Investor Information."

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VOTING AND PROXIES

Am I eligible to vote?

If you owned shares of Class B Stock on the Record Date, you are eligible to vote, and you should have received a proxy card enclosed with this notice. If you own Class B Stock and did not receive a proxy card, please contact our Corporate Secretary at (213) 235-2240. Your shares of Class B Stock are entitled to one vote per share.

What if I own Class A Nonvoting Common Stock?

If you do not own any class B Stock, then you have received this proxy statement only for your information. You and other holders of our class A nonvoting common stock ("Class A Stock") have no voting rights with respect to the matters to be voted on at the Annual Meeting.

How will my shares be voted if I am a stockholder of record?

If you are a stockholder of record and do not vote via the Internet, by telephone or by returning a signed proxy card, your shares will not be voted unless you attend the Annual Meeting and vote your shares or designate some other person to vote on your behalf by issuance to such person of a valid proxy and such person attends the meeting and votes such shares on your behalf.

If you vote via the Internet or telephone and do not specify contrary voting instructions, your shares will be voted in accordance with the recommendations of our Board of Directors with respect to each of the Proposals. Similarly, if you sign and submit your proxy card with no instructions, your shares will be voted in accordance with the recommendations of our Board of Directors with respect to each of the Proposals.

If I am a beneficial owner of shares, can my brokerage firm vote my shares?

If you are a beneficial owner and do not vote via the Internet, by telephone or by returning a signed voting instruction card to your broker, your shares may be voted only with respect to so-called routine matters where your broker has discretionary voting authority over your shares. Brokers will have no such discretionary authority to vote on any of the Proposals. We encourage you, therefore, to provide instructions to your brokerage firm by returning the voting instruction card provided by that broker.

How do I vote in person?

If you are a stockholder of record, you may vote in person by attending the 2014 Annual Meeting.

If your shares are held in the name of a brokerage firm, bank nominee, or other institution, only it can give a proxy with respect to your shares. Accordingly, if you want to vote in person, you will need to bring that proxy with you to evidence your rights to vote such shares. If you do not have record ownership of your shares and want to vote in person at the Annual Meeting, you must obtain a proxy from the record holder of your shares and bring it with you to the Annual Meeting.

If I plan to attend the Annual Meeting, should I still submit a proxy?

Whether or not you plan to attend the Annual Meeting, we urge you to submit a proxy. Submission of a proxy will not in any way affect your right to attend the Annual Meeting and vote in person.

What if I want to revoke my proxy?

You have the right to revoke your proxy at any time before it is voted on your behalf by:

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RDI-A01031

- submitting to our Corporate Secretary at our address at 6100 Center Drive, Suite 900, Los Angeles, California 90045, prior to the commencement of the Annual Meeting, a duly executed instrument dated subsequent to such proxy revoking the same;
- submitting a duly executed proxy bearing a later date; or
- attending the Annual Meeting and voting in person.

Proxy Solicitation and Expenses

In addition to the solicitation by mail, our employees may solicit proxies in person or by telephone, but no additional compensation will be paid to them for such services. We will bear all the costs of soliciting proxies on behalf of our Board of Directors and will reimburse persons holding shares in their own names or in the names of their nominees, but not owning such shares beneficially, for the expenses of forwarding solicitation materials to the beneficial owners.

Quorum and Vote Required

The presence in person or by proxy of the holders of a majority of our outstanding shares of Class B Stock will constitute a quorum at the Annual Meeting. Each share of our Class B Stock entitles the holder to one vote on all matters to come before the Annual Meeting.

The following voting rights are associated with respect to the Proposals:

- As to Proposal 1 regarding the election of Directors, you may vote "FOR" or "WITHHOLD" with respect to all or any of the nominees.
- As to Proposal 2 regarding the approval, by non-binding vote, of the compensation of our named executive officers as disclosed in this proxy statement, you may vote "FOR," "AGAINST" or "ABSTAIN." If you elect to abstain, it will have the same effect as an "AGAINST" vote.

An automated system administered by our transfer agent will tabulate votes cast by proxy at the Annual Meeting, and the inspector of elections for the Annual Meeting will tabulate votes cast in person at the Annual Meeting.

Is my vote kept confidential?

Proxies, ballots and voting tabulations identifying stockholders are kept confidential and will not be disclosed to third parties except as may be necessary to meet legal requirements.

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RDI-A01032

PROPOSAL 1: ELECTION OF DIRECTORS

Nominees for Election

Nine Directors are to be elected at our Annual Meeting to serve until the annual meeting of stockholders to be held in 2015 or until their successors are elected and qualified. Unless otherwise instructed, the proxy holders will vote the proxies received by us "FOR" the election of the nominees below, all of whom currently serve as Directors. The nine nominees for election to the Board of Directors who receive the greatest number of votes cast for the election of Directors by the shares present and entitled to vote will be elected Directors. If any nominee becomes unavailable for any reason, it is intended that the proxies will be voted for a substitute nominee designated by the Board of Directors. We believe the nominees named will be able to serve if elected.

The names of the nominees for Director, together with certain information regarding them, are as follows:

Name	Age	Position
James J. Cotter, Sr.	76	Chairman of the Board and Chief Executive Officer (1)
James J. Cotter, Jr.	44	Vice Chairman of the Board(2)
Ellen M. Cotter	48	Director
Margaret Cotter	46	Director
Guy W. Adams	63	Director
William D. Gould	75	Director (3)
Edward L. Kane	76	Director (1)(2)(4)(5)
Douglas J. McEachern	62	Director (4)
Tim Storey	56	Director (4)(5)

(1) Member of the Executive Committee.

(2) Member of the Tax Oversight Committee.

(3) Lead Independent Director.

(4) Member of the Audit and Conflicts Committee.

(5) Member of the Compensation Committee.

James J. Cotter, Sr.

James J. Cotter, Sr. has been a Director of our Company since 1991, the Chairman of our Board since 1992, and our Chief Executive Officer since December 27, 2000. Mr. Cotter, Sr. also served as our Chief Executive Officer from August 1, 1999 to October 16, 2000, and as a Director of our Company from 1986 to 1988. Mr. Cotter, Sr. is a 50% owner of Sutton Hill Associates, a general partnership engaged in cinema-related activities primarily with our Company, a 50% member in Shadow View Land and Farming, LLC, a limited liability company in which our Company owns the remaining membership interest, and the sole voting member of Cotter Enterprises LLC (a family-owned private investment vehicle). Mr. Cotter, Sr. is the father of Ellen M. Cotter, James J. Cotter, Jr., and Margaret Cotter. Mr. Cotter also serves as a Director, officer, and/or manager of all of our consolidated subsidiaries, other than Shadow View Land and Farming, LLC, which is managed by our Company under the supervision of the Audit and Conflict Committee.

Mr. Cotter, Sr. is highly qualified to serve on our Board due to his decades of experience as an executive in the film exhibition and real estate industries, as well as experience in diverse ventures and investments. Mr. Cotter, Sr. has also served on several Boards of public and private companies, primarily engaged in banking and real estate activities. Furthermore, as the largest stockholder of the Company, his

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interests are generally aligned with those of the other stockholders of the Company, which enhances his value as a Director. In those situations where there may be a conflict of interest, such matters are referred to our Audit and Conflicts Committee comprised entirely of independent Directors.

James J. Cotter, Jr.

James J. Cotter, Jr. has been a Director of the Company since March 21, 2002, and was appointed Vice Chairman of the Board in 2007. The Board of Directors appointed Mr. James J. Cotter, Jr. to serve as the Company's President, beginning June 1, 2013. He had been Chief Executive Officer of Cecelia Packing Corporation (a Cotter family-owned citrus grower, packer, and marketer) since July 2004. Mr. Cotter, Jr. served as a Director to Cecelia Packing Corporation from February 1996 to September 1997 and as a Director of Gish Biomedical from September 1999 to March 2002. He was an attorney in the law firm of Winston & Strawn, specializing in corporate law, from September 1997 to May 2004. Mr. Cotter, Jr. is the son of James J. Cotter, Sr. and the brother of Margaret Cotter and Ellen M. Cotter.

James J. Cotter, Jr. brings to the Board his experience as a business professional and corporate attorney. In addition, with his direct ownership of approximately 671,000 shares of our Company's Class A Common Stock, Mr. Cotter, Jr. is a significant stake holder in our Company. Mr Cotter Jr. also holds options to acquire an additional 22,500 shares of Class A Common Stock.

Ellen M. Cotter

Ellen M. Cotter has been a member of the Board of Directors since March 13, 2013. She joined the Company in March 1998, is a graduate of Smith College and holds a Juris Doctorate from Georgetown Law School. Prior to joining the Company, Ms. Cotter spent four years in private practice as a corporate attorney with the law firm of White & Case in Manhattan. Ms. Cotter is the daughter of James J. Cotter, Sr. and the sister of James J. Cotter, Jr. and Margaret Cotter.

Ms. Cotter brings to the Board her 15 years of experience working in our Company's cinema operations, both in the United States and Australia. For the past 12 years, she has served as the senior operating officer of our Company's domestic cinema operations. She has also served as the Chief Executive Officer of Reading's subsidiary, Consolidated Entertainment, LLC, which operates substantially all of our cinemas in Hawaii and California. With her direct ownership of approximately 674,000 shares of Class A Stock, Ms. Cotter is a significant stake holder in our Company. Ms. Cotter also holds options to acquire an additional 95,000 shares of Class A Common Stock and 50,000 shares of Class B Voting Common Stock.

Ms. Cotter is a senior executive officer of our Company and, accordingly, will not be paid for her services as a Director, but has been granted the 20,000 stock options customarily granted to all new Directors.

Margaret Cotter

Margaret Cotter has been a Director of the Company since September 27, 2002. Ms. Cotter is the owner and President of OBI, LLC, a company that provides live theater management services to our live theaters. Pursuant to that management arrangement, Ms. Cotter also serves as the President of Liberty Theaters, the subsidiary through which we own our live theaters. Ms. Cotter manages the real estate which houses each of the four live theaters (without compensation). Ms. Cotter secures leases, manages tenancies, oversees maintenance and regulatory compliance of the properties as well as heads the day to day pre-development process and transition of our properties from live theatre operations to major realty developments. Ms. Cotter was first commissioned to handle these properties by Sutton Hill Associates which subsequently sold the business to Reading with other real estate and theaters in 2000. Ms. Cotter is also a theatrical producer who has produced shows in Chicago and New York and a Board member of the League of Off-Broadway Theaters and Producers. Ms. Cotter, a former Assistant District Attorney for King's County in Brooklyn, New

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York, graduated from Georgetown University Law Center. She is the daughter of James J. Cotter, Sr. and the sister of James J. Cotter, Jr. and Ellen M. Cotter.

Ms. Cotter brings to the Board her experience as a live theater producer, theater operator and an active member of the New York theatre community, which gives her insight into live theater business trends that affect our business in this sector. Operating and overseeing these properties for over 15 years, Ms. Cotter contributes to the strategic direction for our developments. In addition, with her direct ownership of approximately 655,000 shares of our Company's Class A Common Stock, Ms. Cotter is a significant stake holder in our Company. Ms. Cotter also holds options to acquire an additional 27,500 shares of Class A Common Stock and 35,100 shares of Class B Voting Common Stock.

Guy W. Adams

Guy W. Adams is a Managing Member of GWA Capital Partners, LLC, a registered investment adviser managing GWA Investments, LLC. The fund invests in various publicly traded securities. Over the past ten years, Mr. Adams has served as an independent Director on the Boards of Directors of Lone Star Steakhouse & Saloon, Mercer International, Exar Corporation and Vitesse Semiconductor having served in various capacities as lead Director, Audit Committee Chair and/or Compensation Committee Chair. Prior to this Mr. Adams provided investment advice to various family offices as well as investing his own capital in public and private equity transactions.

Mr. Adams received his Bachelor of Science degree in Petroleum Engineering from Louisiana State University and his Masters of Business Administration from Harvard Graduate School of Business Administration.

Mr. Adams brings many years of experience serving as an independent Director on public company Boards, and in investing and providing financial advice in making investments in public companies.

William D. Gould

William D. Gould has been a Director of the Company since October 15, 2004 and has been a member of the law firm of TroyGould PC since 1986. Previously, he was a partner of the law firm of O'Melveny & Myers. We have from time to time retained TroyGould PC for legal advice.

As an author and lecturer on the subjects of corporate governance and mergers and acquisitions, Mr. Gould brings to the Board specialized experience as a corporate attorney. Mr. Gould's corporate transactional experience and expertise in corporate governance matters ensures that we have a highly qualified advisor on our Board to provide oversight in such matters.

Edward L. Kane

Edward L. Kane has been a Director of the Company since October 15, 2004. Mr. Kane was also a Director of the Company from 1985 to 1998, and served as President from 1987 to 1988. Mr. Kane currently serves as the Chairman of our Tax Oversight Committee and of our Compensation and Stock Option Committee (which we refer to as our Compensation Committee). He also serves as a member of our Executive Committee and our Audit and Conflicts Committee. Since 1996, Mr. Kane's principal occupation has been healthcare consultant and advisor. In that capacity, he has served as President and sole shareholder of High Avenue Consulting, a healthcare consulting firm, and as the head of its successor proprietorship. At various times during the past three decades, he has been Adjunct Professor of Law at two of San Diego's Law Schools, most recently in 2008 and 2009 at Thomas Jefferson School of Law, and prior thereto at California Western School of Law.

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Mr. Kane brings to the Board his many years as a tax attorney and law professor. Mr. Kane's tax law experience has served the Company in its recent tax litigation and his expertise and guidance in such complex matters continue to be invaluable to the Company. Mr. Kane also brings his experience as a past President of Craig Corporation and of Reading Company, two of our corporate predecessors, as well as a former member of the Boards of Directors of several publicly held corporations.

Douglas J. McEachern

Douglas J. McEachern has been a Director of the Company since May 17, 2012 and Chairman of our Audit and Conflicts Committee since August 1, 2012. He has served as a member of the Board of Directors and of the Audit and Compensation Committee for Willdan Group, a NASDAQ listed engineering company, since 2009. Mr. McEachern is also the Chairman of the Board of Directors of Community Bank in Pasadena, California and a member of its Audit Committee. He also is a member of the Finance Committee of the Methodist Hospital of Arcadia. Since July 2009, Mr. McEachern has also served as an instructor of auditing and accountancy at Claremont McKenna College and of accounting at California State Polytechnic University at Pomona. Mr. McEachern was an audit partner from July 1985 to May 2009 with the audit firm, Deloitte and Touche, LLP, with client concentrations in financial institutions and real estate. Mr. McEachern was also a Professional Accounting Fellow with the Federal Home Loan Bank Board in Washington DC, from June 1983 to July 1985. From June 1976 to June 1983, Mr. McEachern was a staff member and subsequently a manager with the audit firm, Touche Ross & Co. (predecessor to Deloitte & Touche, LLP). Mr. McEachern received a B.S. in Business Administration in 1974 from the University of California, Berkeley, and an M.B.A. in 1976 from the University of Southern California.

Mr. McEachern brings to the Board his more than 36 years' experience meeting the accounting and auditing needs of financial institutions and real estate clients, including our Company. Mr. McEachern also brings his experience reporting as an independent auditor to the Boards of Directors of a variety of public reporting companies and as a Board member himself for various companies and not-for-profit organizations.

Tim Storey

Tim Storey has been a Director of the Company since December 28, 2011. Mr. Storey has served as the sole outside Director of the Company's wholly-owned New Zealand subsidiary since 2006. He has served since April 1, 2009 as a Director of DNZ Property Fund Limited, a commercial property investment fund based in New Zealand and listed on the New Zealand Stock Exchange, and was appointed Chairman of the Board of that company on July 1, 2009. From 2011 to 2012, Mr. Storey was a Director of NZ Farming Systems Uruguay, also a New Zealand listed company. NZ Farming Systems Uruguay owns and operates dairy farms in Uruguay. Prior to being elected Chairman of DNZ Property Fund Limited, Mr. Storey was a partner in Bell Gully (one of the largest law firms in New Zealand). Mr. Storey is also a principal in Prolex Advisory, a private company in the business of providing commercial advisory services to a variety of clients and related entities. Prolex Advisory has provided consulting services primarily with respect to fund management and commercial property/project transactions across a range of industries including health care, community housing, student accommodations and agriculture.

Mr. Storey brings to the Board many years of experience in New Zealand corporate law and commercial real estate matters. He serves as a Director of our New Zealand subsidiary.

Attendance at Board and Committee Meetings

During the year ended December 31, 2013, our Board of Directors met five times. The Audit and Conflicts Committee and the Compensation Committee each held six meetings, while the Tax Oversight Committee held five meetings.

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Each Director attended at least 75% of these Board Meetings and at least 75% of the meetings of all committees on which he or she served.

Code of Ethics

We have adopted a Code of Ethics applicable to our principal executive officer, principal financial officer, principal accounting officer or controller and Company employees, which is available on our website at www.readingrdi.com.

Indemnity Agreements

We currently have indemnity agreements in place with each of our current Directors and senior officers, as well as certain of the Directors and senior officers of our subsidiaries. Under these agreements, we have agreed, subject to certain exceptions, to indemnify each of these individuals against all expenses, liabilities and losses incurred in connection with any threatened, pending or contemplated action, suit or proceeding, whether civil or criminal, administrative or investigative, to which such individual is a party or is threatened to be made a party, in any manner, based upon, arising from, relating to or by reason of the fact that such individual is, was, shall be or has been a Director, officer employee, agent or fiduciary of the Company.

Compensation of Directors

During 2013, all of our Directors, except those who are working executives, received an annual fee of $35,000 for their services, including attendance at meetings of the Board and Board committees. In addition, each Director received a one-time payment of $3,000. For 2013, the Chairman of our Audit and Conflicts Committee received an additional $7,000, the Chairman of our Compensation Committee received an additional $5,000, and the Chairman of our Tax Oversight Committee received an additional $18,000.

Prior to becoming the Company's President on June 3, 2013, James J. Cotter, Jr. received $59,000 for his services as Director and Vice Chairman of the Board in 2013.

In addition, upon joining the Board, new Directors receive immediately vested options to purchase 20,000 shares of our Class A Stock at an exercise price equal to the market price of the stock at the date of grant. Our Directors are from time to time granted additional stock options as a part of their continuing compensation for their ongoing participation on our Board of Directors. These awards are based upon the recommendations of our Chairman and principal shareholder, James J. Cotter, Sr., which recommendations are reviewed and acted upon by our entire Board of Directors. Typically, in such cases, each sitting Director (other than Mr. Cotter, Sr., who does not participate in such awards) is awa rded the same number of options, and such options are granted on the same terms. Historically, we have granted our officers and Directors replacement options where their options would otherwise expire with exercise prices that were out of the money at the time of such expiration. Such awards have in each case been recommended by Mr. Cotter, Sr. to our Compensation Committee for the committee's consideration.

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Director Compensation Table

The following table summarizes the Director compensation for the year ended December 31, 2013:

Name	Fees Earned or Paid in Cash ($)	Option Awards ($)	All Other Compensation ($)	Total ($)
James J. Cotter, Sr. (1)	$ --	$ --	$ --	$ --
James J. Cotter, Jr. (1)	$ 59,000	$ --	$ --	$ 59,000
Ellen M. Cotter (1)	$ --	$ 35,000 (4)	$ --	$ 35,000
Margaret Cotter (2)	$ 38,000	$ 10,000 (5)	$ --	$ 48,000
Guy W. Adams (3)	$ --	$ --	$ --	$ --
William D. Gould	$ 38,000	$ 10,000 (5)	$ --	$ 48,000
Edward L. Kane	$ 61,000	$ 10,000 (5)	$ --	$ 71,000
Douglas J. McEachern	$ 45,000	$ 10,000 (5)	$ --	$ 55,000
Tim Storey	$ 38,000	$ 10,000 (5)	$ 21,000 (6)	$ 69,000
Alfred Villaseñor (7)	$ 38,000	$ 10,000 (5)	$ --	$ 48,000

(1) Mr. Cotter, Sr. and Ms. Ellen Cotter receive compensation only as executive officers of the Company and not in their capacities as Directors. Prior to becoming the Company's President on June 3, 2013, James J. Cotter, Jr. received $59,000 for his services as Director and Vice Chairman of the Board in 2013.
(2) In addition to her Director's fees, Margaret Cotter receives a combination of fixed and incentive management fees under the OBI Management Agreement described under the caption "Certain Transactions and Related Party Transactions - OBI Management Agreement," below.
(3) Mr. Adams joined the Board on January 14, 2014 and was granted 20,000 options on the same date.
(4) As a new Director, Ellen Cotter was granted 20,000 options on March 7, 2013.
(5) Each of these Directors was granted 5,000 options on June 21, 2013.
(6) This amount represents fees paid to Mr. Storey as the sole independent Director of our Company's wholly-owned New Zealand subsidiary.
(7) Alfred Villaseñor, who has been a Director of the Company since 1987, has decided not to put his name forward for re-election this year. Accordingly, his term will end and he will be retiring from our Board, effective upon election of his successor at our upcoming Annual Meeting.

Board Committees and Corporate Governance

Our Board of Directors has standing Executive, Audit and Conflicts, Compensation, and Tax Oversight Committees. These committees are discussed in greater detail below.

James J. Cotter, Sr. owns beneficially a majority of our Class B Stock and accordingly holds more than 50% of the voting power for the election of Directors of the Company. Therefore, our Board of Directors, has determined that our Company is a "Controlled Company" under section 5615(c)(1) of the listing rules of The NASDAQ Capital Stock Market (the "NASDAQ Rules"). After reviewing the benefits and detriments of taking advantage of the exceptions to the corporate governance rules set forth in section 5605 of the NASDAQ Rules, our Board of Directors in 2009 unanimously determined to take advantage of all of the exceptions from the NASDAQ Rules afforded to our Company as a Controlled Company.

A Controlled Company is not required to have an independent nominating committee or independent nominating process. It was noted by our Directors that the use of an independent nominating committee or independent nominating process would be of limited utility, since any nominee would need to be acceptable to Mr. Cotter, Sr. as our controlling stockholder, in order to be elected. Mr. Cotter, Sr., as the holder of a majority of the voting power of our Company, is able to unilaterally elect candidates to our Board of Directors at our annual meeting or any other meeting where our Directors are to be elected or remove a Director from the

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Board of Directors. Historically, Mr. Cotter, Sr. has identified and recommended nominees to our Board of Directors in consultation with our other incumbent Directors.

Our Board of Directors does not have a formal policy with respect to the consideration of Director candidates recommended by our stockholders. No stockholder has, in more than the past ten years, made any proposal or recommendation to the Board as to potential nominees, nor has Mr. Cotter, Sr. ever proposed, in the time he has been our principal or controlling stockholder, any nominee that our remaining Directors have found to be unacceptable. Neither our governing documents nor applicable Nevada law place any restriction on the nomination of candidates for election to our Board of Directors directly by our stockholders. In light of the facts that (i) we are a Controlled Company under the NASDAQ Rules and exempted from the requirements for an independent nominating process and (ii) our governing documents and Nevada law place no limitation upon the direct nomination of Director candidates by our stockholders, our Board of Directors believes there is no need for a formal policy with respect to Director nominations.

Our Board of Directors will consider nominations from our stockholders, provided written notice is delivered to our Secretary at our principal executive offices not less than 120 days prior to the first anniversary of the immediately preceding annual meeting of our stockholders at which Directors are elected, or such earlier date as may be reasonable in the event that our annual stockholders meeting is moved forward. Such written notice must set forth the name, age, address, and principal occupation or employment of such nominee, the number of shares of our common stock that are beneficially owned by such nominee, and such other information required by the proxy rules of the SEC with respect to a nominee of our Board of Directors.

Our Directors have not adopted any formal criteria with respect to the qualifications required to be a Director or the particular skills that should be represented on our Board of Directors, other than the need to have at least one Director and member of our Audit and Conflicts Committee who qualifies as an "audit committee financial expert," and have not historically retained any third party to identify or evaluate or to assist in identifying or evaluating potential nominees. We have no policy of considering diversity in identifying Director nominees.

Five of the current nominees are long-standing incumbent Directors, and all nine nominees were originally recommended by Mr. Cotter, Sr. No other recommendations were received by us with respect to possible nominees to our Board of Director for consideration at our upcoming Annual Meeting of Stockholders.

James J. Cotter, Sr., serves as our Chief Executive Officer and as Chairman of the Board of Directors. We believe this leadership structure is appropriate because it is more efficient than having these roles divided, and, because the first-hand knowledge of our business operations that our Chairman possesses as Chief Executive Officer, better serves our entire Board in its decision making. In lieu of separating the Chief Executive Officer and Chairman functions, the Board has designated William D. Gould t o serve as our Lead Independent Director, to chair meetings of the independent Directors, and to act as liaison between our Chairman and our independent Directors.

Our Board of Directors oversees risk by remaining well-informed through regular meetings with management and our Chairman's personal involvement in our day-to-day business including any matters requiring specific risk management oversight. Our Vice-Chairman chairs regular senior management meetings, which are typically held weekly, one addressing domestic issues and the other addressing overseas issues. The risk oversight function of our Board of Directors is enhanced by the fact that our Audit and Conflict Committee is comprised entirely of independent Directors.

We encourage, but do not require, our Board members to attend our annual meeting of stockholders. Six of our nine then-incumbent Directors attended last year's annual meeting.

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RDI-A01039

Executive Committee

A standing Executive Committee, comprised of Mr. Cotter, Sr., Mr. Kane and Mr. Villaseñor, is authorized, to the fullest extent permitted by Nevada law, to take action on matters between meetings of the full Board of Directors. In recent years, this committee has not been used to take any action on corporate matters. With the exception of matters delegated to the Audit and Conflicts Committee or the Compensation Committee, all matters requiring Board approval have been considered by the entire Board of Directors.

Audit and Conflicts Committee

Our Board of Directors maintains a standing Audit and Conflicts Committee, which we refer to as the "Audit Committee." The Audit Committee operates under a Charter adopted by the Board of Directors, and is available on our website at www.readingrdi.com. Our Board of Directors has determined that the Audit Committee is comprised entirely of independent Directors, (as defined in section 5605(a)(2) of the NASDAQ Rules), and that Mr. McEachern, the Chairman of our Audit Committee, is qualified as an Audit Committee Financial Expert. With respect to our fiscal year ended December 31, 2013, our Audit and Conflicts Committee was comprised of Messrs. McEachern, Kane, and Storey.

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Audit Committee Report

The following is the report of the Audit Committee of our Board of Directors with respect to our audited financial statements for the fiscal year ended December 31, 2013.

The information contained in this report shall not be deemed to be "soliciting material" or "filed" with the SEC or subject to the liabilities of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), except to the extent that we specifically incorporate it by reference into a document filed under the Securities Act of 1933, as amended, or the Exchange Act.

The purpose of the Audit Committee is to assist the Board in its general oversight of our financial reporting, internal controls and audit functions. The Audit Committee operates under a written Charter adopted by our Board of Directors. The Charter is reviewed periodically and subject to change, as appropriate. The Audit Committee Charter describes in greater detail the full responsibilities of the Audit Committee.

In this context, the Audit Committee has reviewed and discussed the Company's audited financial statements with management and Grant Thornton, LLP, our independent auditors. Management is responsible for: the preparation, presentation and integrity of our financial statements; accounting and financial reporting principles; establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rule 13a-15(e)); establishing and maintaining internal control over financial reporting (as defined in Exchange Act Rule 13a-15(f)); evaluating the effectiveness of disclosure controls and procedures; evaluating the effectiveness of internal control over financial reporting; and evaluating any change in internal control over financial reporting that has materially affected, or is reasonably likely to materially affect, internal control over financial reporting. Grant Thornton, LLP is responsible for performing an independent audit of the consolidated financial statements and expressing an opinion on the conformity of those financial statements with accounting principles generally accepted in the United States of America, as well as an opinion on (i) management's assessment of the effectiveness of internal control over financial reporting and (ii) the effectiveness of internal control over financial reporting.

The Audit Committee has discussed with Grant Thornton, LLP the matters required to be discussed by Auditing Standard No. 16, "Communications with Audit Committees" and PCAOB Auditing Standard No. 2, "An Audit of Internal Control Over Financial Reporting Performed in Conjunction with an Audit of Financial Statements." In addition, Grant Thornton, LLP has provided the Audit Committee with the written disclosures and the letter required by the Independence Standards Board Standard No. 1, as amended, "Independence Discussions with Audit Committees," and the Audit Committee has discussed with Grant Thornton, LLP their firm's independence.

Based on their review of the consolidated financial statements and discussions with and representations from management and Grant Thornton, LLP referred to above, the Audit Committee recommended to our Board of Directors that the audited financial statements be included in our Annual Report on Form 10-K for fiscal year 2013 for filing with the SEC.

It is not the duty of the Audit Committee to plan or conduct audits or to determine that the Company's financial statements are complete and accurate and in accordance with accounting principles generally accepted in the United States. That is the responsibility of management and the Company's independent registered public accounting firm. In giving its recommendation to the Board of Directors, the Audit Committee relied on (1) management's representation that such financial statements have been prepared with integrity and objectivity and in conformity with accounting principles generally accepted in the United States and (2) the report of the Company's independent registered public accounting firm with respect to such financial statements.

Respectfully submitted by the Audit Committee.

Douglas J. McEachern, Chairman
Edward L. Kane
Tim Storey

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RDI-A01041

Compensation Committee

Our Board of Directors has a standing Compensation Committee comprised entirely of independent Directors. The current members of this committee are Alfred Villaseñor, Tim Storey and Edward L. Kane, who serves as Chairman.

The Compensation Committee evaluates and makes recommendations to the full Board of Directors regarding the compensation of our Chief Executive Officer, James J. Cotter, Sr. and of any Cotter family member, provides from time to time advice to James J. Cotter, Sr. regarding the compensation of other executives, as requested by Mr. Cotter, Sr., and performs other compensation related functions as delegated. The Compensation Committee Report is shown below under the heading, "Compensation Committee Report."

Tax Oversight Committee

Given our operations in the United States, Australia, and New Zealand and our historic net operating loss carry forwards, our Board formed a Tax Oversight Committee to review with management and to keep the Board abreast of and informed about the Company's tax planning and such tax issues as may emerge from time to time. This committee is comprised of Messrs. Edward L. Kane and James J. Cotter, Jr. Mr. Kane serves as the Chairman of the committee.

Vote Required

The nine nominees receiving the greatest number of votes cast at the Annual Meeting will be elected to the Board of Directors.

Mr. Cotter, Sr. has advised us that he intends to vote his shares of Class B Stock in favor of each of our nominees. Since Mr. Cotter, Sr. owned a majority of the outstanding shares of Class B Stock on the Record Date, if he votes all of his shares as he has advised, each of the nominees will be elected regardless of the vote of our other stockholders.

Recommendation of the Board

THE BOARD RECOMMENDS A VOTE "FOR" EACH OF THE DIRECTOR NOMINEES.

PROPOSAL 2: ADVISORY VOTE ON EXECUTIVE COMPENSATION

The Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (the "Dodd-Frank Act") mandates that our stockholders vote whether to approve, on an advisory or non-binding basis, the compensation of our "named executive officers" as disclosed in this proxy statement. Currently, our named executive officers are Messrs. James J. Cotter, Sr., Ellen M. Cotter, Andrzej Matyczynski, Robert F. Smerling, and Wayne D. Smith. A description of the compensation paid to these individuals is set out below under the heading, "Executive Compensation."

This vote is advisory in nature and therefore not binding on us, our Compensation Committee, or our Board of Directors. Furthermore, this vote is not intended to address any specific item of compensation, but rather the overall compensation of these executive officers and our general compensation policies and practices.

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Vote Required

The affirmative vote of a majority of the shares of our Class B Stock present in person or represented by proxy and entitled to be voted on the proposal at the Annual Meeting is required for advisory approval of this proposal.

Mr. Cotter has indicated that he intends to vote his approximately 70% of the outstanding shares of our Class B Stock in accordance with the Board of Directors' recommendation and "for" such approval, and if he does, Proposal 2 will be approved.

Recommendation of the Board

OUR BOARD RECOMMENDS A VOTE "FOR" THE APPROVAL OF THE COMPENSATION OF OUR NAMED EXECUTIVE OFFICERS AS DISCLOSED IN THIS PROXY STATEMENT PURSUANT TO THE COMPENSATION DISCLOSURE RULES OF THE SEC.

BENEFICIAL OWNERSHIP OF SECURITIES

The following table sets forth the shares of Class A Stock and Class B Stock beneficially owned on the Record Date by:

- each of our incumbent Directors and Director nominees;
- each of our named executive officers set forth in the Summary Compensation Table of this Proxy Statement;
- each person known to us to be the beneficial owner of more than 5% of our Class B Stock; and
- all of our incumbent Directors and executive officers as a group.

Except as noted, we believe that each beneficial owner has sole voting power and sole investment power with respect to the shares shown.

	Amount and Nature of Beneficial Ownership (1)			
	Class A Stock		Class B Stock	
Name and Address of Beneficial Owner	Number of Shares	Percentage of Stock	Number of Shares	Percentage of Stock
James J. Cotter, Sr. (2)	3,024,097	13.7%	1,123,888	70.4%
James J. Cotter, Jr. (3)	718,232	3.3%	--	--
Ellen M. Cotter (4)	768,766	3.5%	50,000	3.2%
Margaret Cotter (5)	682,870	3.1%	35,100	2.3%
Guy Adams (6)	20,000	*	--	--
William D. Gould (7)	84,840	*	--	--
Edward L. Kane (7)	65,000	*	100	*
Douglas J. McEachern (8)	29,000	*	--	--
Tim Storey (8)	25,000	*	--	--
Alfred Villaseñor (9)	34,300	*	--	--
Andrzej Matyczynski (10)	73,244	*	--	--
Robert F. Smerling (11)	43,750	*	--	--
Wayne Smith	--	--	--	--

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Mark Cuban (12) 5424 Deloache Avenue Dallas, Texas 75220	72,164	*	207,611	13.9%
PICO Holdings, Inc. and PICO Deferred Holdings, LLC (13) 875 Prospect Street, Suite 301 La Jolla, California 92037	N/A	N/A	97,500	6.5%
All Directors and Executive Officers as a Group (12 persons)(14)	5,534,799	24.7%	1,209,088	71.9%

(1) Percentage ownership is determined based on 22,015,738 shares of Class A Stock and 1,495,490 shares of Class B Stock outstanding on the Record Date. Beneficial ownership is determined in accordance with SEC rules. Shares subject to options that are presently exercisable, or exercisable within 60 days of the Record Date, which are indicated by footnote, are deemed to be beneficially owned by the person holding the options and are deemed to be outstanding in computing the percentage ownership of that person, but not in computing the percentage ownership of any other person. An asterisk (*) denotes beneficial ownership of less than 1%.

(2) The Class B Stock shown includes 100,000 shares subject to stock options and 1,023,888 shares owned by the James J. Cotter Living Trust, of which Mr. Cotter, Sr. is the sole trustee. The shares of Class A Stock shown include 1,602,226 shares owned by the James J. Cotter Living Trust, 29,730 shares held in a pension fund in Mr. Cotter, Sr.'s name, 1,000,000 shares held by Cotter Enterprises, LLC, of which Mr. Cotter, Sr. is the sole voting member, 289,390 shares held by a trust for Mr. Cotter, Sr.'s grandchildren, of which Mr. Cotter, Sr. is the trustee, and 102,751 held by the James J. Cotter Foundation, of which Mr. Cotter, Sr. is the trustee. Mr. Cotter, Sr. has no pecuniary interest in the shares held by his grandchildren's trust or the James J. Cotter Foundation. Mr. Cotter, Sr.'s pecuniary interest in the shares held by Cotter Enterprises, LLC is limited to 10,000 of the shares held by Cotter Enterprises, LLC, representing his 1% interest in that entity. The Cotter 2005 Children's Trust U/D/T dated December 31, 2005 (the "Cotter Children's Trust") holds a 99% non-voting interest in Cotter Enterprises, LLC.

(3) The Class A Stock shown includes 22,500 shares subject to stock options, and excludes any indirect interest in the shares held by Cotter Enterprises, LLC. It also includes 25,000 shares subject to stock options exercisable on June 3, 2014.

(4) The Class A Stock shown includes 95,000 shares subject to stock options, and excludes any indirect interest in the shares held by Cotter Enterprises, LLC. The Class B Stock shown consists of shares subject to stock options.

(5) The Class A Stock shown includes 27,500 shares subject to stock options, and excludes any indirect interest in the shares held by Cotter Enterprises, LLC. The Class B Stock shown consists of shares subject to stock options.

(6) Includes 20,000 shares subject to stock options.

(7) Includes 47,500 shares subject to stock options.

(8) Includes 25,000 shares subject to stock options.

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(9) Includes 22,500 shares subject to stock options.

(10) Includes 47,600 shares subject to stock options.

(11) Includes 43,750 shares subject to stock options.

(12) Based on Mr. Cuban's Form 4 filed on July 18, 2011 and Schedule 13-G filed on February 14, 2012.

(13) Based on the PICO Holdings, Inc. and PICO Deferred Holdings, LLC Schedule 13-G filed on February 15, 2011.

(14) The Class A Stock shown includes 423,850 shares subject to stock options and the Class B Stock shown includes 185,100 shares subject to stock options.

SECTION 16(A) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Exchange Act requires our officers and Directors and persons who own more than 10% of either class of our common stock to file reports of ownership and changes in ownership with the Securities and Exchange Commission. The SEC rules also require such reporting persons to furnish us with a copy of all Section 16(a) forms they file.

Based solely on a review of the copies of the forms we have received and on written representations from certain reporting persons, during 2013, it appears that certain Section 16(a) filings were not timely made. Mr. James J. Cotter, Sr. filed four late reports on Form 4 covering five transactions. M. James J. Cotter, Jr. filed one late report on From 4 and one late report on Form 5 covering two transactions. Ellen M. Cotter filed two late reports on Form 4, pertaining to five transactions. Ms. Margaret Cotter filed one late filing on Form 4 and one late filing on Form 5 pertaining to two transactions. Messrs. William Gould, Edward L. Kane, Douglas J. McEachern and Alfred Villasenor each filed one late Form 4 relating to the grant of Director stock option to them on June 21, 2013. Mr. Andrzej J. Matyczynski made three late filings on form 4 relating to three transactions. Mr. Wayne Smith filed one late filing on from 4, relating to a single transaction. Generally speaking, these late filing related to the granting or exercise of stock options or stock grants or, in the case of the members of the Cotter family, transfers between affiliates of such Cotter Family Members and did not involve open market transactions.

EXECUTIVE OFFICERS

The following table sets forth information regarding our executive officers other than James J. Cotter, Sr., James J. Cotter, Jr., and Ellen M. Cotter, whose information is set forth above under "Proposal 1: Election of Directors – Nominees for Election."

Name	Age	Title
Andrzej Matyczynski	61	Chief Financial Officer and Treasurer
Robert F. Smerling	79	President - Domestic Cinemas
Wayne Smith	56	Managing Director – Australia and New Zealand

Andrzej Matyczynski has served as our Chief Financial Officer and Treasurer of our Company since November 1999. Prior to joining our Company, he spent 20 years in various senior roles throughout the world at Beckman Coulter Inc., a U.S. based multi-national. Mr. Matyczynski earned a Masters Degree in Business Administration from the University of Southern California.

Robert F. Smerling has served as President of our domestic cinema operations since 1994. Mr. Smerling has been in the cinema industry for 56 years and, immediately before joining our Company, served as the President of Loews Theatres Management Corporation.

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Wayne D. Smith joined the Company in April 2004 after 23 years with Hoyts Cinemas. During his time with Hoyts, he was a key driver, as Head of Property, in growing the company's Australian and New Zealand operations via an AUD$250 million expansion to more than 50 sites and 400 screens. While at Hoyts, his career included heading up the group's car parking company, cinema operations, representing Hoyts as a Director on various joint venture interests, and coordinating many asset acquisitions and disposals the company made.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

Role and Authority of the Compensation Committee

The Board of Directors of our Company has established a standing Compensation Committee, which we refer to in this section as the "Committee," consisting of two or more of our non-employee Directors. As a Controlled Company, we are exempt from the NASDAQ Rules regarding the determination of executive compensation. The Compensation Committee has no formal charter, and acts pursuant to the general authority delegated to the Committee by our Board of Directors.

The Compensation Committee recommends to the full Board of Directors the compensation of our Chief Executive Officer and of any Cotter family members. Our Board of Directors, with Directors James J. Cotter, Sr., Ellen M. Cotter, Margaret Cotter, and James J. Cotter, Jr. abstaining, typically accepts the recommendation of the Compensation Committee without modification, but reserves the right to modify the recommendations or take other action. James J. Cotter, Sr., as our Chairman and Chief Executive Officer, has been delegated responsibility by our Board to determine the compensation of our executive officers other than Cotter family members. In his discretion, however, Mr. Cotter, Sr., may seek the advice of the Compensation Committee on matters related to the compensation of other named executive officers. The Board of Directors exercises oversight of Mr. Cotter, Sr.'s executive compensation decisions as a part of his performance as our Company's Chief Executive Officer, and from time to time performs other compensation-related functions.

Throughout this proxy section, the individuals named in the Summary Compensation Table, below, are referred to as the "named executive officers."

CEO Compensation

The Compensation Committee recommends to the Board of Directors the annual compensation of our Chief Executive Officer, based primarily upon the Compensation Committee's annual review of peer group practices and the advice of an independent third-party compensation consultant who reports directly to the Compensation Committee. Consistent with the above program, the Compensation Committee utilizes three elements -- a base salary cash component, a discretionary annual cash bonus component, and a fixed stock grant component -- with respect to our Chief Executive Officer's compensation. The objective of each element is to reasonably reward Mr. Cotter, Sr. for his performance and leadership.

In 2012, the Compensation Committee engaged Towers Watson, executive compensation consultants, to analyze our Chief Executive Officer's total direct compensation compared to a peer group of companies. In preparing the analyses, Towers Watson, in consultation with our management, including Mr. James J. Cotter, Sr., identified a peer group of companies in the real estate and cinema exhibition industries, our two business segments, based on market value, industry, and business description. The Committee relied upon the Towers Watson 2012 analysis in determining our Chief Executive Officer's compensation for 2013.

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In 2007, our Board of Directors approved a supplemental executive retirement plan ("SERP) pursuant to which we agreed to provide Mr. Cotter, Sr., supplemental retirement benefits to reward him for his more than 25 years of service to our Company and its predecessors. The SERP is described in greater detail below under the caption "Supplemental Executive Retirement Plan." As this plan was adopted as a reward for past services and as the amounts to be paid under that plan are determined by application of an already agreed to formula, the Compensation Committee does not take into account the benefits under that plan in determining Mr. Cotter, Sr.'s annual compensation. The amounts reflected in the Executive Compensation Table under the heading "Change in Pension Value and Nonqualified Deferred Compensation Earnings" reflect an actuarial analysis of any increase in the present value of the SERP benefit and reflects the actuarial impact of the payment of Mr. Cotter, Sr.'s cash compensation and changes in interest rates. Since the plan is unfunded, this amount does not reflect any actual payment by our Company into the plan or the value of any assets in the plan (of which there are none). The benefits to Mr. Cotter, Sr. under the plan are tied only to the cash portion of his compensation, and not to compensation in the form of stock options or stock grants.

2013 CEO Compensation

For purposes of establishing our Chief Executive Officer's 2013 Compensation, Towers Watson in December 2012 provided the Committee an updated written assessment of Mr. Cotter Sr.'s total direct compensation compared to the following peer group of companies:

Acadia Realty Trust
Amalgamated Holdings Ltd.
Associated Estates Realty Corp.
Bluegreen Corp.
Carmike Cinemas Inc.
Cedar Shopping Centers Inc.
Cinemark Holdings Inc.
Entertainment Properties Trust
Glimcher Realty Trust
IMAX Corporation
Inland Real Estate Corp.
Kite Realty Group Trust
LTC Properties Inc.
Pennsylvania Real Estate Investment Trust
Ramco-Gershenson Properties Trust
Regal Entertainment Group
The Marcus Corporation
Urstadt Biddle Properties Inc.
Village Roadshow Ltd.

The 2012 Towers Watson analysis predicted pay levels of the peer group for 2013 using regression analysis to adjust pay data based on estimated annual revenues of $250 million. Towers Watson considers pay levels to be competitive if they are within 15% (plus or minus) of the levels among the peer companies. According to Towers Watson's assessment, Mr. Cotter Sr.'s overall compensation was in line with the 66th percentile among the peer companies. The Compensation Committee, however, does not target Mr. Cotter Sr.'s compensation to any particular percentile of compensation among the peer companies.

The Company paid Towers Watson a fee of $24,000 for its services in preparing the 2012 analysis.

Based on the above 2012 Towers Watson analysis, on January 15, 2013, the Compensation Committee recommended to the Board, and the Board subsequently accepted, the following compensation program for our Chief Executive Officer for 2013.

Salary: *$750,000*

The Compensation Committee determined to increase Mr. Cotter, Sr.'s 2013 annual base salary from $700,000 in 2012 to $750,000, or approximately 7%. According to Tower Watson's advice, most of the peer group companies were considering increases in the range of 3%. In deciding to recommend an increase in Mr. Cotter, Sr.'s annual base salary, the Compensation Committee decided to maintain Mr. Cotter Sr.'s overall total compensation increase from 2012 to within the 3% range, but make the adjustment fully on the base salary. The Compensation Committee also considered the fact that the increase would necessarily result in an increase in Mr. Cotter, Sr.'s SERP, but this did not affect the Compensation Committee's recommendation,

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since the SERP is fully vested and, except for changes in benefits resulting from changes in Mr. Cotter, Sr.'s annual cash compensation, Mr. Cotter, Sr. is no longer accruing additional benefits under the SERP.

Discretionary Cash Bonus: *Up to $500,000.*

The Compensation Committee determined to maintain the upper range of Mr. Cotter, Sr.'s usual discretionary cash bonus for 2013 at the 2012 level. No benchmarks, formulas or quantitative or qualitative measurements of any kind were specified for use in determining the amount of cash bonus to be awarded within this range. In its annual compensation review, the Compensation Committee recommends to the Board the actual amount of the cash bonus, within such range, at its discretion and based solely on its subjective evaluation of our Chief Executive Officer's performance. As it typically has done in the past, in December 2013 the Compensation Committee recommended that the full amount of the discretionary cash bonus be awarded to Mr. Cotter, Sr. for 2013. The Compensation Committee reserved the right to increase the $500,000 upper range of discretionary cash bonus amount based upon parameters discussed with Mr. Cotter, Sr.

At its January 15, 2013 meeting, the Compensation Committee also determined to recommend to the Board of Directors an additional 2013 cash bonus to Mr. Cotter, Sr. of up to $500,000 based on the achievement of specified criteria relating to the progress of the Company's proposed Cinemas and Union Square developments in New York City.

In subsequent informal discussions among the Compensation Committee members later in 2013, they discussed the progress of the Company's development, which had been delayed temporarily by subway and landmarking issues, as well as the continued importance to the Company of the proposed development and estimated appreciation in the value of the proposed development. The Compensation Committee members also considered the diversion of Mr. Cotter, Sr.'s time and attention by other business of the Company, including the successful sale of the Company's Moonee Ponds Property for AUS$23 million, which the Compensation Committee had not considered in recommending the additional $500,000 bonus for 2013.

As a result of the above, at a meeting of the Board of Directors on January 14, 2014, the Chairman of the Compensation Committee summarized the discussions among the Compensation Committee members and reported that there was a consensus among the members that Mr. Cotter, Sr. should be awarded the full additional $500,000 bonus for 2013 despite the Company's failure to meet certain criteria originally established by the Compensation Committee in January 2013 as the basis for the payment of the additional $500,000 bonus for 2013. Based on the Compensation Committee's report and recommendations, the Board of Directors, with Mr. Cotter, Sr. and Mr. Cotter, Jr. and Ellen Cotter abstaining, approved the payment to Mr. Cotter, Sr., of the full $500,000 additional bonus for 2013.

Stock Bonus: *$750,000 (125,209 shares of Class A Stock).*

In its meeting on January 15, 2013, the Compensation Committee determined that, so long as Mr. Cotter, Sr.'s employment with the Company was not terminated prior to December 31, 2013 other than as a result of his death or disability, he was to receive 125,209 shares of our Company's Class A Stock: the number of shares of Class A nonvoting common stock equal to $750,000 divided by the closing price of the stock on January 15, 2013, the date the Committee approved the stock bonus. These shares were issued on April 8, 2014.

None of our executive officers plays a role in determining the compensation of our Chief Executive Officer. When invited by the Compensation Committee, Mr. Cotter, Sr. attends meetings of the Compensation Committee. In 2013, he attended one such meeting. Before recommending any changes to our Chief Executive Officer's compensation, the Compensation Committee typically discusses the proposed changes with Mr. Cotter, Sr. and Andrzej Matyczynski, our Chief Financial Officer, occasionally attends Compensation Committee meetings as he did in 2013 to provide information as requested by the Committee.

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2014 CEO Compensation

For purposes of establishing our Chief Executive Officer's 2014 compensation, the Company engaged Towers Watson to generate an updated report, which the Company received on February 26, 2014.

The Company paid Towers Watson $7,455 for the updated report.

The Towers Watson analysis focused on the competitiveness of Mr. Cotter, Sr.'s annual base salary, total cash compensation and total direct compensation (i.e., total cash compensation plus expected value of long-term compensation) relative to, with one exception, the same peer group of 19 United States and Australian companies and published compensation survey data, and to the Company's compensation philosophy. The excepted former peer group company was Bluegreen Corp., which was acquired in 2013.

Towers Watson again predicted pay levels by using regression analysis to adjust compensation data based on estimated annual revenues of $260 million (i.e., the Company's approximate annual revenues) for all companies, excluding financial services companies. The published survey data was updated to January 1, 2014 using an annual update factor of 3%, which reflects the projected 2013 salary budget increase for the arts, entertainment and recreation industry. As in its prior reports to the Company, Towers Watson did not evaluate Mr. Cotter, Sr.'s SERP, because the SERP is fully vested and accrues no additional benefits except as Mr. Cotter, Sr.'s annual cash compensation changes.

The Towers Watson analysis indicated that Mr. Cotter, Sr.'s total direct compensation for 2013, including the $500,000 additional cash bonus to Mr. Cotter, Sr., was in line with the 66th percentile of the peer group.

The Towers Watson analysis indicated that the peer group data, with the exception of annual base salary, is above Mr. Cotter, Sr.'s annual base salary as it was in 2012 even after the 7% increase in Mr. Cotter, Sr.'s salary implemented in 2013. The peer group is partially comprised of companies that are larger than Reading and the 66th percentile level tend to reflect the larger peers. However, Towers Watson analysis also indicated that the size of the Company's peers does not materially affect the pay levels at the peer companies. The published survey data of companies of comparable size reviewed by Towers Watson is below the Company's pay levels.

Towers Watson combined the data from the peer group and the published survey data to compile "blended" market data. As compared to the blended market data, Mr. Cotter, Sr.'s cash compensation is in line with the 66th percentile while the total direct compensation, which includes the expected value of long-term incentive compensation, would have been below the 66th percentile, without the additional $500,000 cash bonus paid to Mr. Cotter, Sr. for 2013.

Because our Company is comparable to the smaller companies in the peer group, Towers Watson reviewed whether the size of the proxy peer group of companies had a meaningful impact on reported CEO pay levels, and concluded that there is a weak correlation between company size and CEO compensation. It concluded, therefore, that it is not necessary to separately adjust the peer group data based on the size of our Company, since the peer group was selected based on the acceptable revenue range. The Compensation Committee met on February 27, 2014 to consider the Towers Watson analysis. At the meeting, the Compensation Committee determined to recommend to our Board of Directors the following compensation for our Chief Executive Officer for 2014. The Board met on March 13, 2014 and accepted this recommendation without change.

Salary: *$750,000*

The Compensation Committee recommended maintaining Mr. Cotter, Sr.'s 2014 annual base salary at $750,000, its 2013 level.

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Discretionary Cash Bonus: *Up to $750,000.*

The Compensation Committee determined to increase the upper range of Mr. Cotter, Sr.'s usual discretionary cash bonus for 2014 from the 2013 level of $500,000 to $750,000. The bonus is subject to Mr. Cotter, Sr. being employed by our Company at year-end, unless his employment is terminated earlier due to his death or disability. No other benchmarks, formulas or quantitative or qualitative measurements were specified for use in determining the amount of cash bonus to be awarded within this range. As in the past, the Compensation Committee reserves the right to increase the upper range of discretionary cash bonus amount based upon exceptional results of the Company or Mr. Cotter, Sr.'s exceptional performance as determined in the Compensation Committee's discretion

Stock Bonus: *$1,200,000 (160,643 shares of Class A Stock).*

In its meeting on February 27, 2014, the Compensation Committee determined that, so long as Mr. Cotter, Sr.'s employment with the Company is not terminated prior to December 31, 2014 other than as a result of his death or disability, he is to receive 160,643 shares of our Company's Class A Stock; the number of shares of Class A nonvoting common stock equal to $1,200,000 divided by the closing price of the stock on February 27, 2104, the date the Committee approved the stock bonus.

Compensation of Other Named Executive Officers

Mr. Cotter Sr., our Chairman and Chief Executive Officer, sets the compensation of our executive officers other than himself and the members of his family. Mr. Cotter, Sr.'s decisions are not subject to approval by the Compensation Committee or the Board of Directors, but our Compensation Committee and our Board consider Mr. Cotter, Sr.'s decisions with respect to Executive Compensation in evaluating his performance as our Chief Executive Officer. Mr. Cotter, Sr. has informed the Company that he does not use any formula, benchmark or other quantitative measure to establish or award any component of executive compensation, nor does he consult with compensation consultants on the matter. Mr. Cotter, Sr. has advised the Company that he considers the following guidelines in setting the type and amount of executive compensation:

1. Executive compensation should primarily be used to:

   - attract and retain talented executives;
   - reward executives appropriately for their individual efforts and job performance; and
   - afford executives appropriate incentives to achieve the short-term and long-term business objectives established by management and our Board of Directors.

2. In support of the foregoing, the total compensation paid to our named executive officers should be:

   - fair both to our Company and to the named executive officers;
   - reasonable in nature and amount; and
   - competitive with market compensation rates.

Personal and Company performances are just two factors considered by Mr. Cotter, Sr. in establishing base salaries and awarding discretionary compensation. We have no pre-established policy or target for allocating total executive compensation between base and discretionary or incentive compensation, or between cash and stock-based incentive compensation. Historically, including in 2013, a majority of total compensation to our named executive officers was in the form of annual base salaries and discretionary cash bonuses, although stock bonuses have been granted from time to time under special circumstances. These elements are discussed further below.

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Salary: Annual base salary is intended to compensate named executive officers for services rendered during the fiscal year in the ordinary course of performing their job responsibilities. Factors that may be considered by Mr. Cotter, Sr. in setting the base salaries include (i) the negotiated terms of each executive's employment agreement or the original terms of employment; (ii) the individual's position and level of responsibility with our Company; (iii) periodic review of the executive's compensation, both individually and relative to other named executive officers and (iv) a subjective evaluation of individual job performance of the executive.

Cash Bonus: Cash bonuses may supplement the base salaries of our named executive officers and are entirely discretionary on the part of Mr. Cotter, Sr. Factors that may be considered by Mr. Cotter, Sr. in awarding cash bonuses are (i) the level of the executive's responsibilities; (ii) the efficiency and effectiveness with which he or she oversees the matters under his or her supervision; and (iii) the degree to which the officer has contributed to the accomplishment of major tasks that advance the Company's goals.

Stock Bonus: Equity incentive bonuses may be awarded to align our executives' long-term compensation to appreciation in stockholder value over time and, so long as such grants are within the parameters set by our 2010 Stock Incentive Plan, are entirely discretionary on the part of Mr. Cotter, Sr. Other stock grants are subject to Board Approval. Equity awards may include stock options, restricted stock, bonus stock, or stock appreciation rights.

If awarded, it is generally our policy to value stock options and restricted stock at the closing price of our common stock as reported on the NASDAQ Capital Market on the date the award is approved or on the date of hire, if the stock is granted as a recruitment incentive. When stock is granted as bonus compensation for a particular transaction, the award may be based on the market price on a date calculated from the closing date of the relevant transaction. Awards may also be subject to vesting and limitations on voting or other rights.

Andrzej Matyczynski, our Chief Financial Officer, has a written employment agreement with our Company that provides for a specified annual base salary and other compensation as described elsewhere in this proxy statement.

Other than Mr. Cotter, Sr.'s role in setting compensation, none of our executive officers play a role in determining the compensation of our named executive officers.

Key Person Insurance

Our Company maintains key person life insurance on certain individuals who we believe to be key to our management. These individuals include certain of our current officers, Directors and independent contractors. If such individual ceases to be an employee, Director or independent contractor of our Company, as the case may be, he or she is permitted, by assuming responsibility for all future premium payments, to replace our Company as the beneficiary under such policy. These policies allow each such individual to purchase up to an equal amount of insurance for such individual's own benefit. In the case of our employees, the premium for both the insurance as to which our Company is the beneficiary and the insurance as to which our employee is the beneficiary, is paid by our Company. In the case of named executive officers the premium paid by our Company for the benefit of such individual is reflected in the Compensation Table in the column captioned "All Other Compensation."

Retirement Benefits

We provide all of our employees, including Mr. Cotter, Sr. and our other named executive officers, a retirement savings plan qualified under Internal Revenue Code section 401(k). To be eligible to participate, employees must have completed four months of employment, and must be over 21 years of age. Employees choosing to participate can make contributions to their plan account on a pre-tax basis up to the maximum

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annual amount permitted by IRS rulings. The Company usually matches employee contributions dollar-for-dollar up to 3% of employee wages, then 50 cents per dollar between 3% and 5% of employee wages.

Supplemental Executive Retirement Plan

In March 2007, our Board of Directors approved a Supplemental Executive Retirement Plan ("SERP") pursuant to which we agreed to provide Mr. Cotter, Sr. supplemental retirement benefits to reward him for his more than 25 years of service to our Company and its predecessors. Under the SERP, following his separation from our Company, Mr. Cotter, Sr. will be entitled to receive from our Company for the remainder of his life (with a guaranteed minimum of 180 monthly payments) a monthly payment of the greater of (i) 40% of his average monthly base salary and cash bonuses over the highest consecutive 36-month period of earnings prior to Mr. Cotter, Sr.'s separation from service with us or (ii) $25,000. The beneficiaries under the SERP may be designated by Mr. Cotter, Sr. or by his beneficiary following his death. The benefits under the SERP are fully vested.

The SERP is unfunded and, as such, the SERP benefits are unsecured, general obligations of our Company. We may choose in the future to establish one or more grantor trusts from which to pay the SERP benefits. The SERP is administered by the Compensation Committee.

Other Retirement Plans

John Hunter, our former Chief Operating Officer, left the company in June 2013, and in accordance with the provisions of his employment agreement, the Company paid the vested pension benefit of $400,000 on February 3, 2014, without interest.

During 2012, Mr. Matyczynski was granted an unfunded deferred compensation plan ("DCP") that is partially vested and will vest further, assuming he remains in our continuous employ. If Mr. Matyczynski is terminated for cause, then the total vested amount reduces to zero. The incremental amount vested each year is subject to review and approval by our Board of Directors (with the concurrence of our Chairman). Assuming no changes in the incremental vesting amount by our Board of Directors, Mr. Matyczynski's DCP will vest as follows:

December 31	Total Vested Amount at the End of Each Vesting Year	
2013	$	300,000
2014	$	375,000
2015	$	450,000
2016	$	525,000
2017	$	625,000
2018	$	750,000
2019	$	1,000,000

Payment of the vested benefit is to be made in three equal annual payments, starting six months after he ceases to be employed by our Company.

We currently maintain no other retirement plan for our named executive officers.

Tax and Accounting Considerations

Deductibility of Executive Compensation

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Subject to an exception for "performance-based compensation," Section 162(m) of the Internal Revenue Code generally prohibits publicly held corporations from deducting for federal income tax purposes annual compensation paid to any senior executive officer to the extent that such annual compensation exceeds $1.0 million. The Compensation Committee and our Board of Directors consider the limits on deductibility under Section 162(m) in establishing executive compensation, but retain the discretion to authorize the payment of compensation that exceeds the limit on deductibility under this Section as in the case of Mr. Cotter, Sr.

Nonqualified Deferred Compensation

We believe we are operating, where applicable, in compliance with the tax rules applicable to nonqualified deferred compensation arrangements.

Accounting for Stock-Based Compensation

Beginning on January 1, 2006, we began accounting for stock-based payments in accordance with the requirements of Statement of Accounting Standards No. 123(R). Our decision to award restricted stock to Mr. Cotter, Sr. and other named executive officers from time to time was based in part upon the change in accounting treatment for stock options. Accounting treatment otherwise has had no significant effect on our compensation decisions.

Say on Pay and Say When Pay

At our Company's Annual Meeting of Stockholders held on May 19, 2011, we held an advisory vote on executive compensation and an advisory vote on the frequency of future executive compensation advisory votes. Our stockholders voted in favor of our Company's executive compensation and in favor of providing stockholders with an advisory vote on future executive compensation every three years. In light of the voting results and other factors, the Board determined to provide stockholders with an advisory vote on future executive compensation every three years. The Committee reviewed the results of the advisory vote on executive compensation in 2012 and did not make any changes to our compensation based on the results of the vote. The Committee will review the results of the upcoming advisory vote on executive compensation and decide whether any changes should be made going forward.

Compensation Committee Report

The Compensation Committee has reviewed and discussed with management the "Compensation Discussion and Analysis" required by Item 401(b) of Regulation S-K and, based on such review and discussions, has recommended to our Board of Directors that the foregoing "Compensation Discussion and Analysis" be included in this Proxy Statement.

Respectfully submitted,

Edward L. Kane, Chairman
Tim Storey
Alfred Villaseñor

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Summary Compensation Table

The following table presents summary information concerning all compensation payable to our named executive officers for services rendered in all capacities during the past three completed fiscal years:

	Year	Salary ($)	Bonus ($)	Stock Awards ($)	Option Awards ($)	Change in Pension Value and Nonqualified Deferred Compensation Earnings ($)	All Other Compensation ($)	Total ($)
James J. Cotter, Sr.	2013	750,000	1,000,000	750,000 (1)	--	1,455,000 (2)	25,000 (3)	3,980,000
Chairman of the Board	2012	700,000	500,000	950,000	--	2,433,000	24,000	4,607,000
and Chief Executive	2011	500,000	500,000	750,000	--	--	25,000	1,775,000
Officer								
Andrzej Matyczynski	2013	309,000	35,000	--	33,000	50,000 (5)	26,000 (4)	453,000
Chief Financial Officer	2012	309,000	--	--	33,000	250,000	25,000	617,000
and Treasurer	2011	309,000	--	--	31,000	--	22,000	362,000
Robert F. Smerling	2013	350,000	50,000	--	--	--	22,000 (4)	422,000
President – Domestic	2012	350,000	50,000	--	--	--	22,000	422,000
Cinema Operations	2011	350,000	25,000	--	--	--	18,000	393,000
Ellen M. Cotter	2013	335,000	--	--	--	--	25,000 (4)	360,000
Chief Operating Officer	2012	335,000	60,000	--	--	--	25,000	420,000
Domestic Cinemas	2011	275,000	--	--	--	--	24,000	299,000
Wayne Smith	2013	339,000	--	--	--	--	20,000 (4)	359,000
Managing Director -	2012	357,000	16,000	--	22,000	--	19,000	414,000
Australia and New Zealand	2011	353,000	26,000	--	33,000	--	40,000	452,000

(1) Based on closing price of our Class A Nonvoting Common Stock on January 15, 2013.

(2) Represents an increase in the actuarial value of Mr. Cotter. Sr.'s SERP at December 31, 2013, as estimated by Towers Watson in January 201 4. As the SERP is unfunded, this does not represent any current payment or contribution by our Company. Rather, it is simply a calculation of the increase in the present value of the formula benefits provided for in the SERP, and reflects items such as the timing of cash compensation payments made to Mr. Cotter, Sr., and interest rates from time to time. No change has been made to the SERP benefits since its inception in 2007.

(3) We own a condominium in West Hollywood, California, which is used as an executive meeting place and office. "All Other Compensation" includes our matching contributions under our 401(k) plan, the incremental cost to our Company of providing the use of the West Hollywood Condominium to Mr. Cotter, Sr. , the cost of a Company automobile used by Mr. Cotter, Sr., and health club dues paid by the Company.

(4) Represents our employer's matching contributions under our 401(k) plan, key person insurance, and any car allowances.

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(5) Represents increases in the value of the DCP for Mr. Matyczynski at December 31, 2013. As this DCP is unfunded, these amounts do not represent any current payment or contribution by our Company. Rather, it is simply a calculation of the increase in the value of the benefits provided for by the DCP.

Grants of Plan-Based Awards

The following table contains information concerning the stock grants made to our named executive officers for the year ended December 31, 2013:

Name	Grant Date	All Other Stock Awards: Number of Shares of Stock or Units	Grant Date Fair Value of Stock and Option Awards
James J. Cotter, Sr.	1/15/2013	125,209 (1)	$ 750,000

(1) Represents the value, determined by reference to the closing price of our Class A Stock on January 15, 2013, of shares issued to Mr. Cotter in satisfaction of the stock bonus portion of his compensation package for 2013. This valuation does not reflect any discount for the fact that these shares are restricted and cannot be sold for five years.

Outstanding Equity Awards

The following table contains information concerning the outstanding option and stock awards of our named executive officers as of December 31, 2013:

	Option Awards					Stock Awards	
	Class	Number of Shares Underlying Unexercised Options Exercisable	Number of Shares Underlying Unexercised Options Unexercisable	Option Exercise Price ($)	Option Expiration Date	Number of Shares or Units of Stock that Have Not Vested	Market Value of Shares or Units that Have Not Vested ($)
James J. Cotter, Sr.	B	100,000	--	$ 10.24	5/9/2017	--	--
Ellen M. Cotter	A	20,000	--	$ 5.55	3/16/2018	--	--
Ellen M. Cotter	B	50,000	--	$ 10.24	5/9/2017	--	--
Andrzej Matyczynski	A	35,100	--	$ 5.13	9/12/2020	--	--
Andrzej Matyczynski	A	12,500	37,500	$ 6.02	8/22/2022	--	--
Robert F. Smerling	A	43,750	--	$ 10.24	5/9/2017	--	--

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Option Exercises and Stock Vested

The following table contains information for our named executive officers concerning the option awards that were exercised and stock awards that vested during the year ended December 31, 2013:

	Option Awards		Stock Awards	
Name	Number of Shares Acquired on Exercise	Value Realized on Exercise ($)	Number of Shares Acquired on Vesting	Value Realized on Vesting ($)
James J. Cotter, Sr.	--	$ --	125,209	$ 937,815
Ellen M. Cotter	75,000	$ 300,750	--	$ --
Wayne Smith	50,000	$ 200,500	--	$ --

Pension Benefits

The following table contains information concerning pension plans for each of the named executive officers for the year ended December 31, 2013:

Name	Plan Name	Number of Years of Credited Service	Present Value of Accumulated Benefit ($)	Payments During Last Fiscal Year ($)
James J. Cotter, Sr.	SERP	26	$ 7,398,000	$ --
Andrzej Matyczynski	CFO DCP	4	$ 300,000	$ --

Payments Upon Termination or Change in Control

We have entered into the following termination arrangements with the following named executive officer:

Andrzej Matyczynski. Pursuant to his employment agreement, Mr. Matyczynski is entitled to a severance payment equal to six months' salary in the event his employment is involuntarily terminated.

Wayne Smith. Pursuant to his employment agreement, Mr. Smith is entitled to a severance payment equal to six months' salary if the Reading Board terminates his employment for not meeting the standards of anticipated performance.

No other named executive officers have termination benefits in their employment agreements. None of our employment agreements with our named executive officers have provisions relating to change in control.

Compensation Committee Interlocks and Insider Participation

The current members of our Compensation Committee are Alfred Villaseñor, Tim Storey and Edward L. Kane, who serves as Chairman. There are no "interlocks," as defined by the SEC, with respect to any member of our Compensation Committee.

CERTAIN TRANSACTIONS AND RELATED PARTY TRANSACTIONS

The members of our Audit and Conflicts Committee are Edward Kane, Tim Storey, and Douglas McEachern, who serves as Chairman. Management presents all potential related party transactions to

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the Conflicts Committee for review. Our Conflicts Committee reviews whether a given related party transaction is beneficial to our Company, and approves or bars the transaction after a thorough analysis. Only Committee members disinterested in the transaction in question participate in the determination of whether the transaction may proceed.

Sutton Hill Capital

In 2001, we entered into a transaction with Sutton Hill Capital, LLC ("SHC") regarding the leasing with an option to purchase of certain cinemas located in Manhattan including our Village East and Cinemas 1, 2 & 3 theaters. In connection with that transaction, we also agreed to lend certain amounts to SHC, to provide liquidity in its investment, pending our determination whether or not to exercise our option to purchase and to manage the 86th Street Cinema on a fee basis. SHC is a limited liability company owned in equal shares by James J. Cotter and a third party and of which Mr. Cotter is the managing member. The Village East is the only cinema that remains subject to this lease and during 2013, 2012, and 2011, we paid rent to SHC for this cinema in the amount of $590,000 annually.

On June 29, 2010, we agreed to extend our existing lease from SHC of the Village East Cinema in New York City by 10 years, with a new termination date of June 30, 2020. The Village East lease includes a sub-lease of the ground underlying the cinema that is subject to a longer-term ground lease between SHC and an unrelated third party that expires in June 2031 (the "cinema ground lease"). The extended lease provides for a call option pursuant to which Reading may purchase the cinema ground lease for $5.9 million at the end of the lease term. Additionally, the lease has a put option pursuant to which SHC may require Reading to purchase all or a portion of SHC's interest in the existing cinema lease and the cinema ground lease at any time between July 1, 2013 and December 4, 2019. SHC's put option may be exercised on one or more occasions in increments of not less than $100,000 each. We are advised by SHC that they intend to exercise their put option this year. In 2005, we acquired from a third party the fee interest and from SHC its interest in the ground lease estate underlying and the improvements constituting the Cinemas 1, 2 & 3. In connection with that transaction, we granted to SHC an option to acquire a 25% interest in the special purpose entity formed to acquire these interests at cost. On June 28, 2007, SHC exercised this option, paying the option exercise price through the application of their $3.0 million deposit plus the assumption of its proportionate share of SHP's liabilities giving it a 25% non-managing membership interest in SHP. We manage this cinema property for a management fee equal to 5% of its gross income.

In 2005, we acquired from a third party the fee interest and from SHC its interest in the ground lease estate underlying and the improvements constituting the Cinemas 1, 2 & 3. In connection with that transaction, we granted to SHC an option to acquire a 25% interest in the special purpose entity formed to acquire these interests at cost. On June 28, 2007, SHC exercised this option, paying the option exercise price through the application of their $3.0 million deposit plus the assumption of its proportionate share of SHP's liabilities giving it a 25% non-managing membership interest in SHP.

OBI Management Agreement

Pursuant to a Theater Management Agreement (the "Management Agreement"), our live theater operations are managed by OBI LLC ("OBI Management"), which is wholly owned by Ms. Margaret Cotter who is the daughter of James J. Cotter and a member of our Board of Directors.

The Management Agreement generally provides that we will pay OBI Management a combination of fixed and incentive fees, which historically have equated to approximately 21% of the net cash flow received by us from our live theaters in New York. Since the fixed fees are applicable only during such periods as the New York theaters are booked, OBI Management receives no compensation with respect to a theater at any time when it is not generating revenue for us. This arrangement provides an incentive to OBI Management to keep the theaters booked with the best available shows, and mitigates the negative cash flow that would result from having an empty theater. In addition, OBI Management manages our Royal George live theater complex

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in Chicago on a fee basis based on theater cash flow. In 2013, OBI Management earned $401,000, which was 20.1% of net cash flows for the year. In 2012, OBI Management earned $390,000, which was 19.7% of net cash flows for the year. In 2011, OBI Management earned $398,000, which was 19.4% of net cash flows for the year. In each year, we reimbursed travel related expenses for OBI Management personnel with respect to travel between New York City and Chicago in connection with the management of the Royal George complex.

OBI Management conducts its operations from our office facilities on a rent-free basis, and we share the cost of one administrative employee of OBI Management. Other than these expenses and travel-related expenses for OBI Management personnel to travel to Chicago as referred to above, OBI Management is responsible for all of its costs and expenses related to the performance of its management functions. The Management Agreement renews automatically each year unless either party gives at least six months' prior notice of its determination to allow the Management Agreement to expire. In addition, we may terminate the Management Agreement at any time for cause.

Live Theater Play Investment

From time to time, our officers and Directors may invest in plays that lease our live theaters. The play STOMP has been playing in our Orpheum Theatre since prior to the time we acquired the theater in 2001. Messrs. James J. Cotter and Michael Forman own an approximately 5% interest in that play, an interest that they have held since prior to our acquisition of the theater.

Shadow View Land and Farming LLC

During 2012, Mr. James J. Cotter, our Chairman, Chief Executive Officer and controlling shareholder, contributed $2.5 million of cash and $255,000 of his 2011 bonus as his 50% share of the purchase price of a land parcel in Coachella, California and to cover his 50% share of certain costs associated with that acquisition. This land is held in Shadow View Land and Farming, LLC, in which Mr. Cotter owns a 50% interest. We are the managing member of Shadow View Land and Farming, LLC, with oversight provided by the Audit and Conflicts Committee of our Board of Directors.

Certain Family Relationships

Mr. Cotter, Sr., our controlling stockholder, has advised the Board of Directors that he considers his holdings in our Company to be long-term investments to be passed onto his heirs. The Directors believe that it is in the best interests of our Company and our stockholders for his heirs to become experienced in our operations and affairs. Accordingly, all of Mr. Cotter, Sr.'s children are currently involved with our Company and all serve on our Board of Directors.

Certain Miscellaneous Transactions

We have loaned Mr. Robert Smerling, the President of our domestic cinema operations, $70,000 pursuant to an interest-free demand loan that antedated the effective date of the Sarbanes-Oxley prohibition on loans to Directors and officers.

INDEPENDENT PUBLIC ACCOUNTANTS

Our independent public accountants, Grant Thornton, LLP, have audited our financial statements for the fiscal year ended December 31, 2013, and are expected to have a representative present at the Annual Meeting who will have the opportunity to make a statement if he or she desires to do so and is expected to be available to respond to appropriate questions.

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Audit Fees

The aggregate fees for professional services for the audit of our financial statements, audit of internal controls related to the Sarbanes-Oxley Act, and the reviews of the financial statements included in our Forms 10-K and 10-Q provided by Grant Thornton LLP for 2013 and 2012 were approximately $550,000 and $593,000, respectively.

Audit-Related Fees

Grant Thornton, LLP did not provide us any audit related services for both 2013 and 2012.

Tax Fees

Grant Thornton, LLP did not provide us any products or any services for tax compliance, tax advice, or tax planning for both 2013 and 2012.

All Other Fees

Grant Thornton, LLP did not provide us any other services than as set forth above for both 2013 and 2012.

Pre-Approval Policies and Procedures

Our Audit Committee must pre-approve, to the extent required by applicable law, all audit services and permissible non-audit services provided by our independent registered public accounting firm, except for any de minimis non-audit services. Non-audit services are considered de minimis if (i) the aggregate amount of all such non-audit services constitutes less than 5% of the total amount of revenues we paid to our independent registered public accounting firm during the fiscal year in which they are provided; (ii) we did not recognize such services at the time of the engagement to be non-audit services; and (iii) such services are promptly submitted to our Audit Committee for approval prior to the completion of the audit by our Audit Committee or any of its member(s) who has authority to give such approval. Our Audit Committee pre-approved all services provided to us by Grant Thornton LLP for 2013 and 2012.

STOCKHOLDER COMMUNICATIONS

Annual Report

A copy of our Annual Report on Form 10-K for the fiscal year ended December 31, 201 3 is being provided with this Proxy Statement.

Stockholder Communications with Directors

It is the policy of our Board of Directors that any communications sent to the attention of any one or more of our Directors in care of our executive offices will be promptly forwarded to such Directors. Such communications will not be opened or reviewed by any of our officers or employees, or by any other Director, unless they are requested to do so by the addressee of any such communication. Likewise, the content of any telephone messages left for any one or more of our Directors (including call-back number, if any) will be promptly forwarded to that Director.

Stockholder Proposals and Director Nominations

Any stockholder who, in accordance with and subject to the provisions of the proxy rules of the SEC, wishes to submit a proposal for inclusion in our Proxy Statement for our 2015 Annual Meeting of

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Stockholders, must deliver such proposal in writing to the Secretary of the Company at the address of our Company's principal executive offices at 6100 Center Drive, Suite 900, Los Angeles, California 90045. Unless we change the date of our annual meeting by more than 30 days from the prior year's meeting, such written proposal must be delivered to us no later than January 6, 2015 to be considered timely. If our 2015 Annual Meeting is not within 30 days of the anniversary of our 2014 Annual Meeting, to be considered timely, stockholder proposals must be received no later than ten days after the earlier of (a) the date on which notice of the 2015 Annual Meeting is mailed, or (b) the date on which the Company publicly discloses the date of the 2015 Annual Meeting, including disclosure in an SEC filing or through a press release. If we do not receive timely notice of a stockholder proposal, the proxies that we hold may confer discretionary authority to vote against such stockholder proposal, even though such proposal is not discussed in our Proxy Statement for that meeting.

Our Board of Directors will consider written nominations for Directors from stockholders. Nominations for the election of Directors made by our stockholders must be made by written notice delivered to our Secretary at our principal executive offices not less than 120 days prior to the first anniversary of the date that this Proxy Statement is first sent to stockholders. Such written notice must set forth the name, age, address, and principal occupation or employment of such nominee, the number of shares of our Company's common stock that is beneficially owned by such nominee and such other information required by the proxy rules of the SEC with respect to a nominee of the Board of Directors.

Under our governing documents and applicable Nevada law, our stockholders may also directly nominate candidates from the floor at any meeting of our stockholders held at which Directors are to be elected.

OTHER MATTERS

We do not know of any other matters to be presented for consideration other than the proposals described above, but if any matters are properly presented, it is the intention of the persons named in the accompanying proxy to vote on such matters in accordance with their judgment.

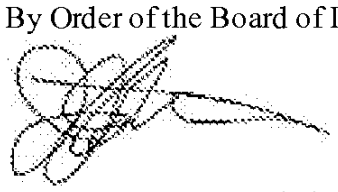
DELIVERY OF PROXY MATERIALS TO HOUSEHOLDS

As permitted by the Securities Exchange Act of 1934, only one copy of the proxy materials are being delivered to our stockholders residing at the same address, unless such stockholders have notified us of their desire to receive multiple copies of the proxy materials.

We will promptly deliver without charge, upon oral or written request, a separate copy of the proxy materials to any stockholder residing at an address to which only one copy was mailed. Requests for additional copies should be directed to our Corporate Secretary by telephone at (213) 235-2240 or by mail to Corporate Secretary, Reading International, Inc., 6100 Center Drive, Suite 900, Los Angeles, California 90045.

Stockholders residing at the same address and currently receiving only one copy of the proxy materials may contact the Corporate Secretary as described above to request multiple copies of the proxy materials in the future.

By Order of the Board of Directors,



James J. Cotter, Sr., Chairman
Dated: April 25, 2014

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PROXY CARD

Electronic Voting Instructions
You can vote by Internet or telephone!
Available 24 hours a day, 7 days a week!
Instead of mailing your proxy, you may choose one of the two voting methods outlined below to vote your proxy.
VALIDATION DETAILS ARE LOCATED BELOW IN THE TITLE BAR
Proxies submitted by the Internet or telephone must be received by 1:00 a.m., Central Time, on May 15, 2014.
Vote by Internet
Log on to the Internet and go to
www.investorvote.com/RDI
Follow the steps outlined on the secured website.
Vote by telephone
Call toll free 1-800-652-VOTE (8683) within the USA, US territories & Canada any time on a touch tone telephone. There is **NO CHARGE** to you for the call.
Follow the instructions provided by the recorded message.

Annual Meeting Proxy Card
IF YOU HAVE NOT VOTED VIA THE INTERNET OR TELEPHONE, FOLD ALONG THE PERFORATION, DETACH AND RETURN THE BOTTOM PORTION IN THE ENCLOSED ENVELOPE.

A. **Proposals**

1. Election of Directors – The Board of Directors recommends a vote FOR all the nominees listed.

Nominees:	For	Withhold		For	Withhold		For	Withhold
01 - James J. Cotter, Sr.	☐	☐	02 - James J. Cotter, Jr.	☐	☐	03 – Ellen M. Cotter	☐	☐
04 - Margaret Cotter	☐	☐	05 - Guy W. Adams	☐	☐	06 - William D. Gould	☐	☐
07 - Edward L. Kane	☐	☐	08 – Douglas J. McEachern	☐	☐	09 - Tim Storey	☐	☐

2. Advisory vote on executive officer compensation – The Board of Directors recommends a vote FOR approval of the advisory and non-binding vote on the Company's named executive officer compensation.

For	Against	Withhold
☐	☐	☐

3. Other Business. In their discretion, the proxies are authorized to vote upon such other business as may properly come before the meeting and at and with respect to any and all adjournments or postponements thereof. The Board of Directors at present knows of no other business to be presented by or on behalf of the Company or the Board of Directors at the meeting.

B. **Authorized Signatures – This section must be completed for your vote to be counted. – Date and Sign Below**

Please date this proxy card and sign above exactly as your name appears on this card. Joint owners should each sign personally. Corporate proxies should be signed by an authorized officer. Executors, administrators, trustees, etc., should give their full titles.

Date (mm/dd/yyyy) – Please print date below.	Signature 1 – Please keep signature within the box.	Signature 2 – Please keep signature within the box.

IF VOTING BY MAIL, YOU MUST COMPLETE SECTIONS A – C ON BOTH SIDES OF THIS CARD.

Source: READING INTERNATIONAL INC, DEF 14A, April 25, 2014 Powered by Morningstar® Document Research℠
The information contained herein may not be copied, adapted or distributed and is not warranted to be accurate, complete or timely. The user assumes all risks for any damages or losses arising from any use of this information, except to the extent such damages or losses cannot be limited or excluded by applicable law. Past financial performance is no guarantee of future results.

Proxy - READING INTERNATIONAL, INC.

PROXY FOR THE ANNUAL MEETING OF STOCKHOLDERS - TO BE HELD MAY 15, 2014
THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS

The undersigned hereby appoints James J. Cotter, Sr. and Andrzej Matyczynski, and each of them, the attorneys, agents, and proxies of the undersigned, with full powers of substitution to each, to attend and act as proxy or proxies of the undersigned at the Annual Meeting of Stockholders of Reading International, Inc. to be held at the offices of Reading International, Inc., 6100 Center Drive, Suite 900, Los Angeles, California 90045, on Thursday, May 15, 2014 at 11:00 a.m., local time, and at and with respect to any and all adjournments or postponements thereof, and to vote as specified herein the number of shares which the undersigned, if personally present, would be entitled to vote.

The undersigned hereby ratifies and confirms all that the attorneys and proxies, or any of them, or their substitutes, shall lawfully do or cause to be done by virtue hereof, and hereby revokes any and all proxies heretofore given by the undersigned to vote at the Annual Meeting. The undersigned acknowledges receipt of the Notice of Annual Meeting and the Proxy Statement accompanying such notice.

THE PROXY, WHEN PROPERLY EXECUTED AND RETURNED PRIOR TO THE ANNUAL MEETING, WILL BE VOTED AS DIRECTED. IF NO DIRECTION IS GIVEN, IT WILL BE VOTED "FOR" PROPOSAL 1, 2, AND IN THE PROXY HOLDERS' DISCRETION AS TO ANY OTHER MATTER THAT MAY PROPERLY COME BEFORE THE ANNUAL MEETING OR ANY POSTPONEMENT OR ADJOURNMENT THEREOF.

PLEASE SIGN AND DATE ON REVERSE SIDE

C. **Non-Voting Items**

Change of Address – Please print new address below.

Meeting Attendance
Mark the box to the right if you plan to attend the Annual Meeting. ☐

IF VOTING BY MAIL, YOU MUST COMPLETE SECTIONS A – C ON BOTH SIDES OF THIS CARD.

Source: READING INTERNATIONAL INC, DEF 14A, April 25, 2014 Powered by Morningstar® Document Research℠
The information contained herein may not be copied, adapted or distributed and is not warranted to be accurate, complete or timely. The user assumes all risks for any damages or losses arising from any use of this information, except to the extent such damages or losses cannot be limited or excluded by applicable law. Past financial performance is no guarantee of future results.

EXHIBIT 23

Reading International Announces
The Passing of James J. Cotter, Sr., the
Former Chairman and Chief Executive Officer

Los Angeles, California, - (BUSINESS WIRE) – September 15, 2014 – Reading International, Inc. (NASDAQ: RDI) is saddened to advise that our controlling shareholder and former Chairman and Chief Executive Officer, James J. Cotter, Sr. has passed away. Mr. Cotter has been the controlling force at our Company for nearly three decades. He will be missed.

He is survived by his three children, each of whom is active in our Company. James J. Cotter, Jr. continues as our Chief Executive Officer and President. Ellen Cotter continues as our Chairman and as the head of our domestic cinema operations. Margaret Cotter continues as our Vice Chairman, and as the head of our live theater operations.

About Reading International, Inc.

Reading International (http://www.readingrdi.com) is in the business of owning and operating cinemas and developing, owning and operating real estate assets. Our business consists primarily of:

- the development, ownership and operation of multiplex cinemas in the United States, Australia and New Zealand; and
- the development, ownership, and operation of retail and commercial real estate in Australia, New Zealand, and the United States, including entertainment-themed retail centers ("ETRC") in Australia and New Zealand and live theater assets in Manhattan and Chicago in the United States.

Reading manages its worldwide cinema business under various different brands:

- in the United States, under the
  - Reading brand (http://www.readingcinemasus.com),
  - Angelika Film Center brand (http://www.angelikafilmcenter.com),
  - Consolidated Theatres brand (http://www.consolidatedtheatres.com),
  - City Cinemas brand (http://www.citycinemas.com),
  - Beekman Theatre brand (http://www.beekmantheatre.com),
  - The Paris Theatre brand (http://www.theparistheatre.com);
  - Liberty Theatres brand (http://www.libertytheatresusa.com); and
  - Village East Cinema brand (http://www.villageeastcinema.com)
- in Australia, under the
  - Reading brand (http://www.readingcinemas.com.au);
  - Newmarket brand (http://www.readingnewmarket.com.au); and
  - Red Yard Entertainment Centre (http://www.redyard.com.au)
- in New Zealand, under the
  - Reading (http://www.readingcinemas.co.nz);
  - Rialto (http://www.rialto.co.nz) brands;
  - Reading Properties brand (http://www.readingproperties.co.nz);
  - Courtenay Central brand (http://www.readingcourtenay.co.nz);
  - Steer n' Beer restaurant brand (http://www.steernbeer.co.nz); and
  - Taupo Motel brand (http://www.sailstaupo.co.nz).

Forward-Looking Statements

Our statements in this press release contain a variety of forward-looking statements as defined by the Securities Litigation Reform Act of 1995. Forward-looking statements reflect only our expectations

regarding future events and operating performance and necessarily speak only as of the date the information was prepared. No guarantees can be given that our expectation will in fact be realized, in whole or in part. You can recognize these statements by our use of words such as, by way of example, *"may," "will," "expect," "believe," and "anticipate" or other similar terminology.*

These forward-looking statements reflect our expectation after having considered a variety of risks and uncertainties. However, they are necessarily the product of internal discussion and do not necessarily completely reflect the views of individual members of our Board of Directors or of our management team. Individual Board members and individual members of our management team may have different views as to the risks and uncertainties involved, and may have different views as to future events or our operating performance.

Among the factors that could cause actual results to differ materially from those expressed in or underlying our forward-looking statements are the following:

- With respect to our cinema operations:
    - The number and attractiveness to movie goers of the films released in future periods;
    - The amount of money spent by film distributors to promote their motion pictures;
    - The licensing fees and terms required by film distributors from motion picture exhibitors in order to exhibit their films;
    - The comparative attractiveness of motion pictures as a source of entertainment and willingness and/or ability of consumers (i) to spend their dollars on entertainment and (ii) to spend their entertainment dollars on movies in an outside the home environment; and
    - The extent to which we encounter competition from other cinema exhibitors, from other sources outside of the home entertainment, and from inside the home entertainment options, such as "home theaters" and competitive film product distribution technology such as, by way of example, cable, satellite broadcast, DVD rentals and sales, and so called "movies on demand;"
- With respect to our real estate development and operation activities:
    - The rental rates and capitalization rates applicable to the markets in which we operate and the quality of properties that we own;
    - The extent to which we can obtain on a timely basis the various land use approvals and entitlements needed to develop our properties;
    - The risks and uncertainties associated with real estate development;
    - The availability and cost of labor and materials;
    - Competition for development sites and tenants; and
    - The extent to which our cinemas can continue to serve as an anchor tenant which will, in turn, be influenced by the same factors as will influence generally the results of our cinema operations;
- With respect to our operations generally as an international company involved in both the development and operation of cinemas and the development and operation of real estate; and previously engaged for many years in the railroad business in the United States:
    - Our ongoing access to borrowed funds and capital and the interest that must be paid on that debt and the returns that must be paid on such capital;
    - The relative values of the currency used in the countries in which we operate;
    - Changes in government regulation, including by way of example, the costs resulting from the implementation of the requirements of Sarbanes-Oxley;
    - Our labor relations and costs of labor (including future government requirements with respect to pension liabilities, disability insurance and health coverage, and vacations and leave);
    - Our exposure from time to time to legal claims and to uninsurable risks such as those related to our historic railroad operations, including potential environmental claims and health related claims relating to alleged exposure to asbestos or other substances now or in the future recognized as being possible causes of cancer or other health-related problems;
    - Changes in future effective tax rates and the results of currently ongoing and future potential audits by taxing authorities having jurisdiction over our various companies; and

- Changes in applicable accounting policies and practices.

The above list is not necessarily exhaustive, as business is by definition unpredictable and risky, and subject to influence by numerous factors outside of our control such as changes in government regulation or policy, competition, interest rates, supply, technological innovation, changes in consumer taste and fancy, weather, and the extent to which consumers in our markets have the economic wherewithal to spend money on beyond-the-home entertainment.

Given the variety and unpredictability of the factors that will ultimately influence our businesses and our results of operation, no guarantees can be given that any of our forward-looking statements will ultimately prove to be correct. Actual results will undoubtedly vary and there is no guarantee as to how our securities will perform either when considered in isolation or when compared to other securities or investment opportunities.

Finally, we undertake no obligation to publicly update or to revise any of our forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required under applicable law. Accordingly, you should always note the date to which our forward-looking statements speak.

Additionally, certain of the presentations included in this press release may contain *"pro forma" information or "non-US GAAP financial measures." In such case, a reconciliation of this information to* our US GAAP financial statements will be made available in connection with such statements.

For more information, contact:

Andrzej Matyczynski, Chief Financial Officer
Reading International, Inc. (213) 235-2240

EXHIBIT 24

Confidential – Filed Under Seal

EXHIBIT 25

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

Current Report
Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of Earliest Event Reported): June 12, 2015

READING INTERNATIONAL, INC.
(Exact Name of Registrant as Specified in its Charter)

Nevada
(State or Other Jurisdiction of Incorporation)

1-8625	95-3885184
(Commission File Number)	(I.R.S. Employer Identification No.)
6100 Center Drive Suite 900 Los Angeles, California	90045
(Address of Principal Executive Offices)	(Zip Code)

(213) 235-2240
(Registrant's Telephone Number, Including Area Code)

n/a
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425).

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12).

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b)).

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c)).

ITEM 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers

On June 12, 2015, the board of directors (the "Board") of Reading International, Inc. ("we," "our," "us," "Reading" or the "company") terminated the employment of James J. Cotter, Jr. as our President and Chief Executive Officer, effective immediately. The Company currently intends to engage the assistance of a leading executive search firm to identify a permanent President and Chief Executive Officer, which will consider both internal and external candidates.

On June 12, 2015, our Board appointed Ellen Marie Cotter, 49, Chairperson of the Board and the Chief Operating Officer of our Domestic Cinemas Division, to serve as our interim President and Chief Executive Officer. No new compensatory arrangements were entered into with Ms. Cotter in connection with her appointment as interim President and Chief Executive Officer.

Ellen Cotter has been a member of the Board since March 7, 2013, and on August 7, 2014 was appointed as its Chairperson. Prior to joining our company in 1998, Ms. Cotter spent four years in private practice as a corporate attorney with the law firm of White & Case in Manhattan. She is a graduate of Smith College and holds a Juris Doctorate from Georgetown Law School. Ms. Cotter is the sister of James J. Cotter, Jr. and Margaret Cotter.

Under Mr. Cotter, Jr.'s employment agreement with the company, he is entitled to the compensation and benefits he was receiving at the time of a termination without cause for a period of twelve months from notice of termination. At the time of termination, Mr. Cotter Jr.'s annual salary was $335,000.

Under his employment agreement, Mr. Cotter, Jr. is required to tender his resignation as a director of our company immediately upon the termination of his employment. After a request to do so, Mr. Cotter, Jr. has not yet tendered his resignation. The company considers such refusal as a material breach of Mr. Cotter, Jr.'s employment agreement, and has given him thirty (30) days in which to resign. If he does not do so, the company will terminate further severance payments, as permitted under the employment agreement.

No new compensatory arrangements were entered into with Mr. Cotter, Jr. in connection with his termination.

ITEM 8.01 OTHER EVENTS

On June 12, 2015, Mr. Cotter, Jr. filed a lawsuit against us and each of our other directors in the District Court of the State of Nevada for Clark County, titled James J. Cotter, Jr., individually and derivatively on behalf of Reading International, Inc. vs. Margaret Cotter, et. al. The lawsuit alleges, among other allegations, that the other directors breached their fiduciary duties in taking the actions to terminate Mr. Cotter, Jr. as President and Chief Executive Officer of the company and that Margaret Cotter and Ellen Cotter aided and abetted the breach of such fiduciary duties of the other directors. The lawsuit seeks damages and other relief, including an injunctive order restraining and enjoining the defendants from taking further action to effectuate or implement the termination of Mr. Cotter, Jr. as President and Chief Executive Officer of the company and a determination that Mr. Cotter, Jr.'s termination as President and Chief Executive Officer is legally ineffectual and of no force or effect. The company believes that numerous of the factual allegations included in the complaint are inaccurate and untrue and intends to vigorously defend against the claims in this action. The company has been informed that the other directors intend to seek indemnification from the Company for any losses arising under the lawsuit, in which case the company will tender a claim under its director and officers liability insurance policy.

Exhibit 99.1

ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS

(d) The following exhibit is included with this Report and incorporated herein by reference:

Exhibit No.	Description
99.1	Press release of Reading International, Inc. of June 15, 2015

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized.

Dated: June 18, 2015

READING INTERNATIONAL, INC.

By: /s/ William D. Ellis
William D. Ellis
General Counsel and Secretary

Exhibit 99.1

Reading International Announces Appointment of Ellen Cotter as Interim Chief Executive Officer

Los Angeles, California, (Business Wire) June 15, 2015 – Reading International, Inc. (NASDAQ:RDI) announced today that its Board of Directors has appointed Ellen M. Cotter as interim President and Chief Executive Officer, succeeding James J. Cotter. Jr. The Company currently intends to engage the assistance of a leading executive search firm to identify a permanent President and Chief Executive Officer, which will consider both internal and external candidates.

Ms. Cotter is the Chairman of the Board of Directors of the Company and has served as the senior operating officer of the Company's US cinemas operations for the past 14 years. In addition, Ms. Cotter is a significant stockholder in the Company.

Ms. Cotter commented, "James Cotter, Sr., who served as our Company's Chairman and Chief Executive Officer for over 20 years, grew Reading International, Inc. to a major international developer and operator of multiplex cinemas, live theaters and other commercial real estate assets. I look forward to continuing his vision and commitment to these businesses as we move forward to conduct our search for our next Chief Executive Officer. I will work diligently to ensure that this transition is seamless to all of our stakeholders."

The Company plans to report its second quarter financial results on or before August 10, 2015.

About Ellen Cotter
Ellen M. Cotter has been a member of our Company's Board of Directors since March 2013, and in August 2014 was appointed as Chairman of the Board. She joined Reading International, Inc. in 1998 and brings to the position her 17 years of experience working in our Company's cinema operations, both in the United States and Australia. For the past 14 years, she has served as the senior operating officer of our Company's domestic cinema operations. Ms. Cotter is a graduate of Smith College and holds a Juris Doctorate from Georgetown Law School. Prior to joining our Company, Ms. Cotter was a corporate attorney with the law firm of White & Case in New York, New York.

About Reading International, Inc.
Reading International (http://www.readingrdi.com) is in the business of owning and operating cinemas and developing, owning and operating real estate assets. Our business consists primarily of:

- the development, ownership and operation of multiplex cinemas in the United States, Australia and New Zealand; and

- the development, ownership, and operation of retail and commercial real estate in Australia, New Zealand, and the United States, including entertainment-themed retail centers ("ETRC") in Australia and New Zealand and live theater assets in Manhattan and Chicago in the United States.

Reading manages its worldwide business under various different brands:

- in the United States, under the
  - o Reading brand (http://www.readingcinemasus.com);
  - o Angelika Film Center brand (http://www.angelikafilmcenter.com);
  - o Consolidated Theatres brand (http://www.consolidatedtheatres.com);
  - o City Cinemas brand (http://www.citycinemas.com);
  - o Beekman Theatre brand (http://www.beekmantheatre.com);
  - o The Paris Theatre brand (http://www.theparistheatre.com);
  - o Liberty Theatres brand (http://libertytheatresusa.com/); and
  - o Village East Cinema brand (http://villageeastcinema.com)

- in Australia, under the
  o Reading brand (http://www.readingcinemas.com.au); and
  o Newmarket brand (http://readingnewmarket.com.au)
  o Red Yard Entertainment Centre (http://www.redyard.com.au)

- in New Zealand, under the
  o Reading brand (http://www.readingcinemas.co.nz);
  o Rialto brand (http://www.rialto.co.nz);
  o Reading Properties brand (http://readingproperties.co.nz);
  o Courtenay Central brand (http://www.readingcourtenay.co.nz);
  o Steer n' Beer restaurant brand (http://steernbeer.co.nz);

Media Contact:
Andrzej Matyczynski
Tel: 213-235-2240

EXHIBIT 26

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A
Proxy Statement Pursuant to Section 14(a) of the Securities Exchange Act of 1934

Filed by the Registrant ☒
Filed by a party other than the Registrant ☐

Check the appropriate box:

☐ Preliminary Proxy Statement
☐ Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
☒ Definitive Proxy Statement
☐ Definitive Additional Materials
☐ Soliciting Material under Sec. 240.14a-12

READING INTERNATIONAL, INC.
(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

☒ No fee required

☐ Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11

(1) Title of each class of securities to which transaction applies: _____
(2) Aggregate number of securities to which transaction applies: _____
(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined): _____
(4) Proposed maximum aggregate value of transaction: _____
(5) Total fee paid: _____

☐ Fee paid previously with preliminary materials.

☐ Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid: _____
(2) Form, Schedule or Registration Statement No.: _____
(3) Filing Party: _____
(4) Date Filed: _____

EXH 39
DATE 6-29-14
WIT Gold
PATRICIA HUBBARD

READING INTERNATIONAL, INC.
6100 Center Drive, Suite 900
Los Angeles, California 90045

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS
TO BE HELD ON TUESDAY, NOVEMBER 10, 2015

TO THE STOCKHOLDERS:

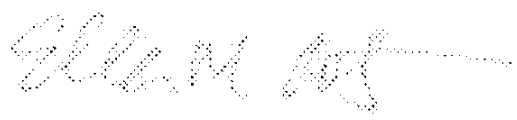
The 2015 Annual Meeting of Stockholders (the "Annual Meeting") of Reading International, Inc., a Nevada corporation, will be held at The Ritz Carlton – Marina Del Rey, located at 4375 Admiralty Way, Marina Del Rey, California 90292, on Tuesday, November 10, 2015, at 11:30 a.m., local time, for the following purposes:

1. To elect nine Directors to serve until the Company's 2016 Annual Meeting of Stockholders and thereafter until their successors are duly elected and qualified;
2. To ratify the appointment of Grant Thornton LLP as the Company's independent auditors for the fiscal year ending December 31, 2015; and
3. To transact such other business as may properly come before the Annual Meeting and any adjournment or postponement thereof.

A copy of our Annual Report on Form 10-K for the fiscal year ended December 31, 2014 is enclosed (the "Annual Report"). Only holders of record of our Class B Voting Common Stock at the close of business on October 6, 2015 are entitled to notice of and to vote at the meeting and any adjournment or postponement thereof.

Whether or not you plan on attending the Annual Meeting, we ask that you take the time to vote by following the Internet or telephone voting instructions provided or by completing and mailing the enclosed proxy as promptly as possible. We have enclosed a self-addressed, postage-paid envelope for your convenience. If you later decide to attend the Annual Meeting, you may vote your shares even if you have submitted a proxy.

By Order of the Board of Directors



Ellen M. Cotter
Chairperson of the Board

October 16, 2015

READING INTERNATIONAL, INC.
6100 Center Drive, Suite 900
Los Angeles, California 90045

PROXY STATEMENT

Annual Meeting of Stockholders
Tuesday, November 10, 2015

INTRODUCTION

This Proxy Statement is furnished in connection with the solicitation by the Board of Directors of Reading International, Inc. (the "Company," "Reading," "we," "us," or "our") of proxies for use at our 2015 Annual Meeting of Stockholders (the "Annual Meeting") to be held on Tuesday, November 10, 2015, at 11:00 a.m., local time, at The Ritz Carlton – Marina Del Rey, located at 4375 Admiralty Way, Marina Del Rey, California 90292, and at any adjournment or postponement thereof. This Proxy Statement and form of proxy are first being sent or given to stockholders on or about Tuesday, October 20, 2015.

At our Annual Meeting, you will be asked to (1) elect nine Directors to our Board of Directors (the "Board") to serve until the 2016 Annual Meeting of Stockholders, (2) ratify the appointment of Grant Thornton LLP as our independent auditors for the fiscal year ending December 31, 2015, and (3) act on any other business that may properly come before the Annual Meeting or any adjournment or postponement of the Annual Meeting.

As of October 6, 2015, the record date for the Annual Meeting (the "Record Date"), there were outstanding 1,680,599 shares of our Class B Voting Common Stock ("Class B Stock").

When proxies are properly executed and received, the shares represented thereby will be voted at the Annual Meeting in accordance with the directions noted thereon. If no direction is indicated, the shares will be voted: FOR each of the nine nominees named in this Proxy Statement for election to the Board of Directors under Proposal 1 and FOR the ratification of the appointment of Grant Thornton LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2015 under Proposal 2.

INTERNET AVAILABILITY OF PROXY DOCUMENTS

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE STOCKHOLDERS MEETING TO BE HELD ON NOVEMBER 10, 2015 – This Proxy Statement, along with the proxy card, and our Annual Report for the year ended December 31, 2014, as filed with the Securities and Exchange Commission, are available at our website, http://www.readingrdi.com, under "Investor Relations."

ABOUT THE ANNUAL MEETING AND VOTING

Why am I receiving these proxy materials?

This proxy statement is being sent to all of our stockholders of record as of the close of business on October 6, 2015, by Reading's Board of Directors to solicit the proxy of holders of our Class B Stock to be voted at Reading's 2015 Annual Meeting of Stockholders, which will be held on Tuesday, November 10, 2015, at 11:00 a.m. Pacific Time, at The Ritz Carlton – Marina Del Rey, located at 4375 Admiralty Way, Marina Del Rey, California 90292.

What items of business will be voted on at the annual meeting?

There are two items of business scheduled to be voted on at the 2015 Annual Meeting:

- PROPOSAL 1: Election of nine directors to the Board of Directors.
- PROPOSAL 2: Ratification of the appointment of Grant Thornton LLP as our independent auditors for the year ending December 31, 2015.

We will also consider any other business that may properly come before the Annual Meeting or any adjournments or postponements thereof, including approving any such adjournment, if necessary. Please note that at this time we are not aware of any such business.

How does the Board of Directors recommend that I vote?

Our Board of Directors recommends that you vote:

- On PROPOSAL 1: "FOR" the election of its nominees to the Board of Directors.
- On PROPOSAL 2: "FOR" the ratification of the appointment of Grant Thornton LLP as our independent auditors for the year ending December 31, 2015.

What happens if additional matters are presented at the Annual Meeting?

Other than the two items of business described in this Proxy Statement, we are not aware of any other business to be acted upon at the Annual Meeting. If you grant a proxy, the persons named as proxies will have the discretion to vote your shares on any additional matters properly presented for a vote at the Annual Meeting.

Am I eligible to vote?

You may vote your shares of Class B Stock at the Annual Meeting if you were a holder of record of Class B Stock at the close of business on October 6, 2015. Your shares of Class B Stock are entitled to one vote per share. At that time, there were 1,680,590 shares of Class B Stock outstanding, and approximately 85 holders of record. Each share of Class B Stock is entitled to one vote on each matter properly brought before the Annual Meeting.

What if I own Class A Nonvoting Common Stock?

If you do not own any Class B Stock, then you have received this proxy statement only for your information. You and other holders of our Class A Nonvoting Common Stock ("Class A Stock") have no voting rights with respect to the matters to be voted on at the Annual Meeting.

How can I get electronic access to the proxy materials?

This Proxy Statement, along with the proxy card, and our Annual Report for the year ended December 31, 2014 as filed with the Securities and Exchange Commission are available at our website, http://www.readingrdi.com, under "Investor Relations."

What should I do if I receive more than one copy of the proxy materials?

You may receive more than one copy of this Proxy Statement and multiple proxy cards or voting instruction cards. For example, if you hold your shares in more than one brokerage account, you may receive a separate notice or a separate voting instruction card for each brokerage account in which you hold shares. If you are a stockholder of record and your shares are registered in more than one name, you may receive more than one copy of this Proxy Statement or more than one proxy card.

To vote all of your shares of Class B Stock by proxy, you must either (i) complete, date, sign and return each proxy card and voting instruction card that you receive or (ii) vote over the Internet or by telephone the shares represented by each notice that you receive.

What is the difference between holding shares as a stockholder of record and as a beneficial owner?

Many stockholders of our Company hold their shares through a broker, bank or other nominee rather than directly in their own name. As summarized below, there are some differences in how stockholders of record and beneficial owners are treated.

Stockholders of Record. If your shares of Class B Stock are registered directly in your name with our Transfer Agent, you are considered the stockholder of record with respect to those shares and the proxy materials are being sent directly to you by Reading. As the stockholder of record of Class B Stock, you have the right to vote in person at the meeting. If you choose to do so, you can vote using the ballot provided at the Annual Meeting. Even if you plan to attend the Annual Meeting, we recommend that you vote your shares in advance as described below so that your vote will be counted if you decide later not to attend the Annual Meeting.

Beneficial Owner. If you hold your shares of Class B Stock through a broker, bank or other nominee rather than directly in your own name, you are considered the beneficial owner of shares held in street name and the proxy materials are being forwarded to you by your broker, bank or other nominee, who is considered the stockholder of record with respect to those shares. As the beneficial owner, you are also invited to attend the Annual Meeting. Because a beneficial owner is not the stockholder of record, you may not vote these shares in person at the Annual Meeting, unless you obtain a proxy from the broker, trustee or nominee that holds your shares, giving you the right to vote the shares at the meeting. You will need to contact your broker, trustee or nominee to obtain a proxy, and you will need to bring it to the Annual Meeting in order to vote in person.

How do I vote?

Proxies are solicited to give all holders of our Class B Stock who are entitled to vote on the matters that come before the meeting the opportunity to vote their shares, whether or not they attend the meeting in person. If you are a holder of record of shares of our Class B Stock, you have the right to vote in person at the meeting. If you choose to do so, you can vote using the ballot provided at the Annual Meeting. Even if you plan to attend the Annual Meeting, we recommend that you vote your shares in advance as described below so that your vote will be counted if you decide later not to attend the Annual Meeting. You can vote by one of the following manners:

- By Internet — Holders of our Class B Stock of record may submit proxies over the Internet by following the instructions on the proxy card. Holders of our Class B Stock who are beneficial owners may vote by Internet by following the instructions on the voting instruction card sent to them by their bank, broker, trustee or nominee. Proxies submitted by the Internet must be received by 11:59 p.m., Pacific Time, on November 9, 2015 (the day before the Annual Meeting).

- By Telephone — Holders of our Class B Stock of record who live in the United States or Canada may submit proxies by telephone by calling the toll-free number on the proxy card and following the instructions. Holders of our Class B Stock of record will need to have the control number that appears on their proxy card available when voting. In addition, beneficial owners of shares living in the United States or Canada and who have received a voting instruction card by mail from their bank, broker, trustee or nominee may vote by phone by calling the number specified on the voting instruction card. Those stockholders should check the voting instruction card for telephone voting availability. Proxies submitted by telephone must be received by 11:59 p.m., Pacific Time, on November 9, 2015 (the day before the Annual Meeting).

- By Mail — Holders of our Class B Stock of record who have received a paper copy of a proxy card by mail may submit proxies by completing, signing and dating their proxy card and mailing it in the accompanying pre-addressed envelope. Holders of our Class B Stock who are beneficial owners who have received a voting

instruction card from their bank, broker or nominee may return the voting instruction card by mail as set forth on the card. Proxies submitted by mail must be received before the polls are closed at the Annual Meeting.

- In Person — Holders of our Class B Stock of record may vote shares held in their name in person at the Annual Meeting. You also may be represented by another person at the Annual Meeting by executing a proxy designating that person. Shares of Class B Stock for which a stockholder is the beneficial holder but not the stockholder of record may be voted in person at the Annual Meeting only if such stockholder is able to obtain a proxy from the bank, broker or nominee that holds the stockholder's shares, indicating that the stockholder was the beneficial holder as of the record date and the number of shares for which the stockholder was the beneficial owner on the record date.

Holders of our Class B Stock are encouraged to vote their proxies by Internet, telephone or by completing, signing, dating and returning a proxy card or voting instruction card, but not by more than one method. If you vote by more than one method, or vote multiple times using the same method, only the last-dated vote that is received by the inspector of election will be counted, and each previous vote will be disregarded. If you vote in person at the Annual Meeting, you will revoke any prior proxy that you may have given. You will need to bring a valid form of identification (such as a driver's license or passport) to the Annual Meeting to vote shares held of record by you in person.

What if my shares are held of record by an entity such as a corporation, limited liability company, general partnership, limited partnership or trust (an "Entity"), or in the name of more than one person, or I am voting in a representative or fiduciary capacity?

Shares held of record by an Entity: In order to vote shares on behalf of an Entity, you need to provide evidence (such as a sealed resolution) of your authority to vote such shares, unless you are listed of record as a holder of such shares.

Shares held of record by a trust: The trustee of a trust is entitled to vote the shares held by the trust, either by proxy or by attending and voting in person at the Annual Meeting. If you are voting as a trustee, and are not identified as a record owner of the shares, then you must provide suitable evidence of your status as a trustee of the record trust owner. If the record owner is a trust and there are multiple trustees, then if only one trustee votes, that trustee's vote applies to all of the shares held of record by the trust. If more than one trustee votes, the votes of the majority of the voting trustees apply to all of the shares held of record by the trust. If more than one trustee votes and the votes are split evenly on any particular Proposal, each trustee may vote proportionally the shares held of record by the trust.

Shares held of record in the name of more than one person: If only one individual votes, that individual's vote applies to all of the shares so held of record. If more than one person votes, the votes of the majority of the voting individuals apply to all of such shares. If more than one individual votes and the votes are split evenly on any particular Proposal, each individual may vote such shares proportionally.

What is a broker non-vote?

Applicable rules permit brokers to vote shares held in street name on routine matters. Shares that are not voted on non-routine matters, such as the election of directors or any proposed amendment of our Articles or Bylaws, are called broker non-votes. Broker non-votes will have no effect on the vote for the election of directors, but could affect the outcome of any matter requiring the approval of the holders of an absolute majority of the Class B Stock. We are not currently aware of any matter to be presented to the Annual Meeting that would require the approval of the holders of an absolute majority of the Class B Stock.

What routine matters will be voted on at the annual meeting?

The ratification of Grant Thornton LLP as our independent auditors for 2015 is the only routine matter to be presented at the Annual Meeting by the Board on which brokers may vote in their discretion on behalf of beneficial owners who have not provided voting instructions.

What non-routine matters will be voted on at the annual meeting?

The election of nine members to the Board of Directors is the only non-routine matter included among the Board's proposals on which brokers may not vote, unless they have received specific voting instructions from beneficial owners of our Class B Stock.

How are abstentions and broker non-votes counted?

Abstentions and broker non-votes are included in determining whether a quorum is present. In tabulating the voting results for the items to be voted on at the 2015 Annual Meeting, shares that constitute abstentions and broker non-votes are not considered entitled to vote on that matter and will not affect the outcome of any matter being voted on at the meeting, unless the matter requires the approval of the holders of a majority of the outstanding shares of Class B Stock.

How can I change my vote after I submit a proxy?

If you are a stockholder of record, there are three ways you can change your vote or revoke your proxy after you have submitted your proxy:

- First, you may send a written notice to Reading International, Inc., posting or other delivery charges pre-paid, c/o Office of the Secretary, 6100 Center Drive, Suite 900, Los Angeles, CA, 90045, stating that you revoke your proxy. To be effective, we must receive your written notice prior to the closing of the polls at the Annual Meeting.
- Second, you may complete and submit a new proxy in one of the manners described above under the caption, "How Do I Vote." Any earlier proxies will be revoked automatically.
- Third, you may attend the Annual Meeting and vote in person. Any earlier proxy will be revoked. However, attending the Annual Meeting without voting in person will not revoke your proxy.

How will you solicit proxies and who will pay the costs?

We will pay the costs of the solicitation of proxies. We may reimburse brokerage firms and other persons representing beneficial owners of shares for expenses incurred in forwarding the voting materials to their customers who are beneficial owners and obtaining their voting instructions. In addition to soliciting proxies by mail, our board members, officers and employees may solicit proxies on our behalf, without additional compensation, personally or by telephone.

Is there a list of stockholders entitled to vote at the Annual Meeting?

The names of stockholders of record entitled to vote at the Annual Meeting will be available at the Annual Meeting and for ten days prior to the Annual Meeting at our principal executive offices between the hours of 9:00 a.m. and 5:00 p.m. for any purpose relevant to the Annual Meeting. To arrange to view this list during the times specified above, please contact the Secretary of the Company.

What constitutes a quorum?

The presence in person or by proxy of the holders of record of a majority of our outstanding shares of Class B Stock entitled to vote will constitute a quorum at the Annual Meeting. Each share of our Class B Stock entitles the holder of record to one vote on all matters to come before the Annual Meeting.

How are votes counted and who will certify the results?

First Coast Results, Inc. will act as the independent Inspector of Elections and will count the votes, determine whether a quorum is present, evaluate the validity of proxies and ballots, and certify the results. A representative of First Coast Results, Inc. will be present at the Annual Meeting. The final voting results will be reported by us on a Current Report on Form 8-K to be filed with the SEC within four business days following the Annual Meeting.

What is the vote required for a Proposal to pass?

The nine nominees for election as Directors at the Annual Meeting who receive the highest number of "FOR" votes will be elected as Directors. This is called plurality voting. Unless you indicate otherwise, the persons named as your proxies will vote your shares FOR all the nominees for Director named in Proposal 1. If your shares are held by a broker or other nominee and you would like to vote your shares for the election of Directors in Proposal 1, you must instruct the broker or nominee to vote "FOR" for each member of the slate. If you give no instructions to your broker or nominee, then your shares will not be voted. If you instruct your broker or nominee to "WITHHOLD," then your vote will not be counted in determining the election.

Proposal 2 requires the affirmative "FOR" vote of a majority of the votes cast by the stockholders present in person or represented by proxy at the Annual Meeting and entitled to vote thereon.

Except with respect to the Proposal to ratify our independent auditors, where broker non-votes will be counted, only votes for or against Proposal 1 at the Annual Meeting will be counted as votes cast and abstentions and broker non-votes will not be counted for voting purposes.

Is my vote kept confidential?

Proxies, ballots and voting tabulations identifying stockholders are kept confidential and will not be disclosed to third parties, except as may be necessary to meet legal requirements.

How will the Annual Meeting be conducted?

In accordance with our Bylaws, Ellen M. Cotter, as the Chairperson of the Board of Directors, will be the Presiding Officer of the Annual Meeting. Craig Tompkins has been designated by Ms. Cotter to serve as Secretary for the Annual Meeting.

Ms. Cotter and other members of management will address attendees following the Annual Meeting. Stockholders desiring to pose questions to our management are encouraged to send their questions to us, care of the Annual Meeting Secretary, in advance of the Annual Meeting, so as to assist our management in preparing appropriate responses and to facilitate compliance with applicable securities laws.

The Presiding Officer has broad authority to conduct the Annual Meeting in an orderly and timely manner. This authority includes establishing rules for stockholders who wish to address the meeting or bring matters before the Annual Meeting. The Presiding Officer may also exercise broad discretion in recognizing stockholders who wish to speak and in determining the extent of discussion on each item of business. In light of the need to conclude the Annual Meeting within a reasonable period of time, there can be no assurance that every stockholder who wishes to speak will be able to do so. The Presiding Officer has authority, in her discretion, to at any time recess or adjourn the Annual Meeting. Only stockholders are entitled to attend and address the Annual Meeting. Any questions or disputes as to who may or may not attend and address the Annual Meeting will be determined by the Presiding Officer.

Only such business as shall have been properly brought before the Annual Meeting shall be conducted. Pursuant to our governing documents and applicable Nevada law, in order to be properly brought before the Annual Meeting, such business must be brought by or at the direction of (1) the Chairperson, (2) our Board of Directors, or (3) holders of record of our Class B Stock. At the appropriate time, any stockholder who wishes to address the Annual Meeting should do so only upon being recognized by the Presiding Officer.

CORPORATE GOVERNANCE

Director Leadership Structure

Ellen M. Cotter is our current Chairperson and also serves as our interim Chief Executive Officer and President and serves as the Chief Operating Officer for our Domestic Cinemas. Ellen M. Cotter has been with our Company for more than 17 years, focusing principally on the cinema operations aspects of our business. During this time period, we have grown our Domestic Cinema Operations from 42 to 248 screens and our cinema revenues have grown from US $15.5 million to US $125.7 million. Margaret Cotter is our current Vice-Chairperson. Margaret Cotter has been responsible for the operation of our live theaters for more than the past 14 years and has for more than the past five years been actively involved in the re-development of our New York properties.

Ellen M. Cotter has a substantial stake in our business, owning directly 799,765 shares of Class A Stock and 59,000 shares of Class B Stock. Margaret Cotter likewise has a substantial stake in our business, owning directly 804,173 shares of Class A Stock and 35,100 shares of Class B Stock. Ellen and Margaret Cotter are the Co-Executors of their father's (James J. Cotter, Sr.) estate and Co-Trustees of a trust (the "Living Trust") established for the benefit of his heirs. Together they have shared voting control over an aggregate of 1,298,988 shares or 71.9% of our Class B Stock. Ellen and Margaret Cotter have informed the Board that they intend to vote the shares beneficially held by them for each of the nine nominees named in this Proxy Statement for election to the Board of Directors under Proposal 1.

James Cotter, Jr. alleges he has the right to vote the shares held by the Living Trust. The Company believes that, under applicable Nevada Law, where there are multiple trustees of a trust that is a record owner of voting shares of a Nevada Corporation, and more than one trustee votes, the votes of the majority of the voting trustees apply to all of the shares held of record by the trust. If more than one trustee votes and the votes are split evenly on any particular proposal, each trustee may vote proportionally the shares held of record by the trust. Ellen M. Cotter and Margaret Cotter, who collectively constitute a majority of the Co-Trustees of the Living Trust, have informed the Board that they intend to vote the shares held by the Living Trust for each of the nine nominees named in this Proxy Statement for election to the Board of Directors under Proposal 1. Accordingly, the Company believes that Ellen M. Cotter and Margaret Cotter collectively have the power and authority to vote all of the shares of Class B Stock held of record by the Living Trust, which, when added to the other shares they report as being beneficially owned by them, will constitute 71.9% of the shares of Class B Stock entitled to vote for directors at the Annual Meeting.

The Company has elected to take the "controlled company" exception under applicable listing rules of The NASDAQ Capital Stock Market (the NASDAQ Listing Rules"). Accordingly, the Company is exempted from the requirement to have an independent nominating committee and to have a board comprised of at least a majority of independent directors, we are nevertheless nominating six independent directors for election to our Board. We have an Audit and Conflicts Committee (the "Audit Committee") and a Compensation and Stock Options Committee (the "Compensation Committee") comprised entirely of independent directors. And, we have a four member Executive Committee comprised of our Chairperson and Vice-Chairperson and two independent directors (Messrs. Guy W. Adams and Edward L. Kane). Due to this structure, the concurrence of at least one independent member of the Executive Committee is required in order for the Executive Committee to take action.

We believe that our Directors bring a broad range of leadership experience to our Company and regularly contribute to the thoughtful discussion involved in effectively overseeing the business and affairs of the Company. We believe that all Board members are well engaged in their responsibilities and that all Board members express their views and consider the opinions expressed by other Directors. Six Directors on our Board are independent under the NASDAQ Listing Rules and SEC rules, and William D. Gould serves as the lead director among our Independent Directors. In that capacity, Mr. Gould chairs meetings of the independent Directors and acts as liaison between our Chairperson of the Board and interim Chief Executive Officer and our Independent Directors. Our Independent Directors are involved in the leadership structure of our Board by serving on our Audit Committee, the Compensation Committee, and the Tax Oversight Committee, each having a separate independent chairperson. In connection with the Annual Meeting, we have established a Special Nominating Committee comprised of the chairs of our Executive, Audit and Compensation Committees.

Management Succession

James J. Cotter, Sr., our Company's controlling stockholder, Chairperson and Chief Executive Officer, resigned from all positions at our Company on August 7, 2014, and passed away on September 13, 2014. Upon his resignation, Ellen M. Cotter was appointed Chairperson, Margaret Cotter, her sister, was appointed Vice Chairperson and James J. Cotter, Jr., her brother, was appointed Chief Executive Officer, while continuing his position as President.

On June 12, 2015, the Board terminated the employment of James J. Cotter, Jr. as our President and Chief Executive Officer, and appointed Ellen M. Cotter to serve as the Company's interim President and Chief Executive Officer. The Board has established an Executive Search Committee (the "Search Committee") comprised of our Chairperson, our Vice Chairperson and directors Adams, Gould and McEachern and has retained Korn Ferry to seek out candidates for the Chief Executive Officer position. The Search Committee will consider both internal and external candidates.

Board's Role in Risk Oversight

Our management is responsible for the day-to-day management of risks we face as a Company, while our Board, as a whole and through its committees, has responsibility for the oversight of risk management. In its risk oversight role, our Board has the responsibility to satisfy itself that the risk management processes designed and implemented by management are adequate and functioning as designed.

The Board plays an important role in risk oversight at Reading through direct decision-making authority with respect to significant matters, as well as through the oversight of management by the Board and its committees. In particular, the Board administers its risk oversight function through (1) the review and discussion of regular periodic reports by the Board and its committees on topics relating to the risks that the Company faces, (2) the required approval by the Board (or a committee of the Board) of significant transactions and other decisions, (3) the direct oversight of specific areas of the Company's business by the Audit Committee, the Compensation Committee and the Tax Oversight Committee, and (4) regular periodic reports from the auditors and other outside consultants regarding various areas of potential risk, including, among others, those relating to our internal control over financial reporting. The Board also relies on management to bring significant matters impacting the Company to the attention of the Board.

"Controlled Company" Status

Under section 5615(c)(1) of the NASDAQ Listing Rules, a "controlled company" is a company in which 50% of the voting power for the election of directors is held by an individual, a group or another company. Together, Margaret Cotter and Ellen M. Cotter beneficially own 1,208,988 shares of Class B Stock. Based on advice of counsel, our Board has determined that therefore the Company is a "controlled company" within the NASDAQ Listing Rules.

After reviewing the benefits and detriments of taking advantage of the exceptions to the corporate governance rules set forth in the NASDAQ Listing Rules, our Board has determined to take advantage of certain exceptions from the NASDAQ Listing Rules afforded to our Company as a Controlled Company. In reliance on a "controlled company" exception, the Company does not maintain a separate standing Nominating Committee. The Company nevertheless at this time maintains a full Board comprised of a majority of independent Directors and fully independent Audit and Compensation Committees, and has no present intention to vary from that structure. For purposes of selecting nominees for our 2015 Annual Meeting, the Board formed a Special Nominating Committee comprised of the Chairs of our Executive, Audit and Compensation Committees (Messrs. Adams, McEachern and Kane, respectively), and delegated to that committee authority to recommend nominees to the Board for the Board's approval and nomination. Proposal 1 is comprised of the nominees recommended by the Special Nominating Committee and approved and nominated by our Board.

Board Committees

Our Board has a standing Executive Committee, Audit Committee, Compensation Committee, and Tax Oversight Committee. These committees are discussed in greater detail below.

Executive Committee. The Executive Committee operates pursuant to a Charter adopted by our Board. Our Executive Committee is currently comprised of Ms. Ellen M. Cotter, Ms. Margaret Cotter and Messrs. Adams and Kane. Pursuant to its Charter, the Executive Committee is authorized, to the fullest extent permitted by Nevada law and our Bylaws, to take any and all actions that could have been taken by the full Board between meetings of the full Board. The Executive Committee held no meetings during 2014.

Audit Committee. The Audit Committee operates pursuant to Charter adopted by our Board that is available on our website at www.readingrdi.com. Our Board has determined that the Audit Committee is comprised entirely of independent

Directors (as defined in section 5605(a)(2) of the NASDAQ Listing Rules), and that Mr. McEachern, the Chair of our Audit Committee, is qualified as an Audit Committee Financial Expert. Our Audit Committee is currently comprised of Mr. McEachern, who serves as Chair, and Mr. Kane. Mr. Storey, who served on our Board in 2014 and through October 11, 2015, served on our Audit Committee throughout 2014. The Audit Committee held four meetings during 2014.

Compensation Committee. The Compensation Committee is currently comprised of Mr. Kane, who serves as Chair, and Mr. Adams. Mr. Alfred Villasefior, a former Director, served on our Compensation Committee during 2014 until his term expired at the time of our 2014 Annual Meeting. Mr. Storey served on our Compensation Committee throughout 2014. The Compensation Committee evaluates and makes recommendations to the full Board regarding the compensation of our Chief Executive Officer and Cotter family members and performs other compensation related functions as delegated by our Board. The Compensation Committee held three meetings during 2014.

Tax Oversight Committee. Given our operations in the United States, Australia, and New Zealand and our historic net operating loss carry forwards, our Board formed a Tax Oversight Committee to review with management and to keep the Board informed about our Company's tax planning and such tax issues as may arise from time to time. This committee is currently comprised of Mr. Kane, who serves as Chair, and Mr. Cotter, Jr. The Tax Oversight Committee held four meetings during 2014.

Consideration and Selection of the Board's Director Nominees

The Company has elected to take the "controlled company" exception under applicable NASDAQ Listing Rules. Accordingly, the Company does not maintain a standing Nominating Committee. However, in connection with the Annual Meeting, the Board established a Special Nominating Committee consisting of Mr. Guy W. Adams (the Chair of our Executive Committee), Mr. Edward L. Kane (the Chair of our Compensation Committee) and Mr. Doug McEachern (the Chair of our Audit Committee) and delegated to that committee authority to evaluate and recommend nominees to the full Board for the Board's consideration, approval and nomination. Proposal 1 (Election of Directors) sets forth the names of the nominees recommended by the Special Nominating Committee and approved and nominated by our full Board.

The Special Nominating Committee considered for nomination incumbent Directors and candidates proposed by Ellen M. Cotter, Margaret Cotter and Mr. James Cotter, Jr. As part of its deliberations, the Special Nominating Committee reviewed the qualifications of each candidate submitted and conducted interviews with certain of the candidates. Since Ellen M. Cotter and Margaret Cotter vote a majority of the Class B Stock, the Special Nominating Committee and the Board accordingly considered their views with respect to the 2015 Director nominees.

Following a review of the experience and overall qualifications of the Director candidates evaluated by the Special Nominating Committee, the Committee recommended that the full Board nominate, and the full Board resolved to nominate, each of the individuals named in Proposal 1 for election as Directors of the Company at our 2015 Annual Meeting of Stockholders.

The Special Nominating Committee reported to the Board that in reaching the decision to recommend the nomination of Mr. James J. Cotter, Jr. for re-election to the Board, the Special Nominating Committee had taken a number of factors into consideration. Without attempting to place any particular priority on any particular consideration or to enumerate all of the matters discussed, the Special Nominating Committee reported to the Board that it had considered, among other factors, Mr. Cotter Jr.'s pending litigation against certain of the other Directors and arbitration proceedings with the Company; the Board's recent determination to terminate Mr. Cotter, Jr. as the Company's Chief Executive Officer and President of the Company; the potential that this personnel action and resultant legal proceedings could contribute to discension among Board members and impact the otherwise collegial nature of Board meetings; Mr. Cotter, Jr.'s longevity on the Board and his broad knowledge of our Company; Mr. Cotter, Jr.'s beneficial holdings of the Company's securities; and the fact that Ellen M. Cotter and Margaret Cotter had notified the Special Nominating Committee that, if Mr. Cotter, Jr. was not nominated by the Board, they intend to vote in their capacity as stockholders, as the Co-Executors of the Cotter Estate and as a majority of the Co-Trustees of the Trust, to nominate Mr. Cotter, Jr. from the floor and to vote the more than 70% of the voting stock that they collectively control for the election of Mr. Cotter, Jr. After considering these factors and their deliberations, the Special Nominating Committee recommended that Mr. Cotter, Jr. be nominated to serve another term as a Director of the Company.

The Board approved each of the nominees recommended by the Special Nominating Committee, with James J. Cotter, Jr. voting against each of the recommended nominees (including himself) and Dr. Codding abstaining (Mr. Wrotniak was not present for the meeting). Mr. Cotter, Jr. subsequently executed a consent to being named as a nominee in these materials and

has agreed to serve as a Director if he is elected. Director Codding informed the Board that she abstained in view of the fact that she had just recently joined our Board. Director Wrotniak was not present at the meeting, having only recently been appointed to the Board earlier in the day.

Code of Ethics

We have adopted a Code of Ethics designed to help our Directors and employees resolve ethical issues. Our Code of Ethics applies to all Directors and employees, including the Chief Executive Officer, the Chief Financial Officer, principal accounting officer, controller and persons performing similar functions. Our Code of Ethics is posted on our website, www.readingrdi.com, under the "Investor Relations—Governance Documents" caption.

The Board has established a means for employees to report a violation or suspected violation of the Code of Ethics anonymously. In addition, we have adopted a "Whistleblower Policy" that establishes a process by which employees may anonymously disclose to the Audit Committee alleged fraud or violations of accounting, internal accounting controls or auditing matters.

Review, Approval or Ratification of Transactions with Related Persons

The Audit Committee has adopted a written policy for approval of transactions between the Company and its directors, director nominees, executive officers, greater than five percent beneficial owners and their respective immediate family members, where the amount involved in the transaction exceeds or is expected to exceed $120,000 in a single calendar year and the party to the transaction has or will have a direct or indirect interest. A copy of this policy is available at www.readingrdi.com under the "Investor Relations" caption. The policy provides that the Audit Committee reviews transactions subject to the policy and determines whether or not to approve or ratify those transactions. In doing so, the Audit Committee takes into account, among other factors it deems appropriate:

- The related person's interest in the transaction;
- The approximate dollar value of the amount involved in the transaction;
- The approximate dollar value of the amount of the related person's interest in the transaction without regard to the amount of any profit or loss;
- Whether the transaction was undertaken in the ordinary course of business of the Company;
- Whether the transaction with the related person is proposed to be, or was, entered into on terms no less favorable to the Company than terms that could have been reached with an unrelated third party;
- The purpose of, and the potential benefits to the Company of, the transaction;
- Required public disclosure, if any; and
- Any other information regarding the transaction or the related person in the context of the proposed transaction that would be material to investors in light of the circumstances of the particular transaction.

PROPOSAL 1: Election of Directors

Nominees for Election

Nine Directors are to be elected at our Annual Meeting to serve until the annual meeting of stockholders to be held in 2016 or until their successors are duly elected and qualified. Unless otherwise instructed, the proxy holders will vote the proxies received by us "FOR" the election of the nominees below, all of whom currently serve as Directors. The nine nominees for election to the Board of Directors who receive the greatest number of votes cast for the election of Directors by the shares present and entitled to vote will be elected Directors. If any nominee becomes unavailable for any reason, it is intended that the proxies will be voted for a substitute nominee designated by the Board of Directors. We believe the nominees named will be able to serve if elected.

The names of the nominees for Director, together with certain information regarding them, are as follows:

Name	Age	Position
Ellen M. Cotter	49	Chairperson of the Board, Interim Chief Executive Officer and President, and Chief Operating Officer – Domestic Cinemas (1)
Guy W. Adams	64	Director(1)(2)
Judy Codding	79	Director
James J. Cotter, Jr.	46	Director(3)
Margaret Cotter	47	Vice Chairperson of the Board(1)
William D. Gould	76	Director(4)
Edward L. Kane	77	Director(1)(2)(3)(5)
Douglas J. McEachern	64	Director(5)
Michael Wrotniak	48	Director

(1) Member of the Executive Committee.

(2) Member of the Compensation and Stock Options Committee.

(3) Member of the Tax Oversight Committee.

(4) Lead independent Director.

(5) Member of the Audit and Conflicts Committee.

Ellen M. Cotter. Ellen M. Cotter has been a member of the Board of Directors since March 13, 2013, was appointed Chairperson of our Board on August 7, 2014 and has served as our interim Chief Executive Officer and President since June 12, 2015. She joined the Company in March 1998, is a graduate of Smith College and holds a Juris Doctorate from Georgetown Law School. Prior to joining the Company, Ms. Cotter spent four years in private practice as a corporate attorney with the law firm of White & Case in Manhattan. Ms. Cotter is the sister of Margaret Cotter and James J. Cotter, Jr. For more than the past ten years, Ms. Cotter has served as the Chief Operating Officer ("COO") of our domestic cinema operations, in which capacity she has, among other things, been responsible for the acquisition and development, marketing and operation of our cinemas. Prior to her appointment as COO Domestic Cinemas, she spent one year in Australia and New Zealand, working to develop our cinema and real estate assets in those countries. Ms. Cotter is the Co-Executor of her father's estate, which is the record owner of 427,808 shares of our Class B Stock (representing 25.5% of such Class B Stock). Ms. Cotter is also a Co-Trustee of the James J. Cotter, Sr. Trust, which is the record owner of 896,080 shares of Class B Stock (representing an additional 44.0% of such Class B Stock).

Ms. Cotter brings to the Board her 17 years of experience working in our Company's cinema operations, both in the United States and Australia. For the past 13 years, she has served as the senior operating officer of our Company's domestic cinema operations. She has also served as the Chief Executive Officer of Reading's subsidiary, Consolidated Entertainment, LLC, which operates substantially all of our cinemas in Hawaii and California. In addition, with her direct ownership of 799,763 shares of Class A Stock and 30,680 shares of Class B Stock and her positions as Co-Executor of her father's (James J. Cotter, Sr.) estate and Co-Trustee of the James J. Cotter, Sr. Trust, Ms. Cotter is a significant stake holder in our Company.

Guy W. Adams. Guy W. Adams has been a Director of the Company since January 14, 2014. He is a Managing Member of GWA Capital Partners, LLC, a registered investment adviser managing GWA Investments, LLC, a fund investing in various publicly traded securities. Mr. Adams has served as an independent director on the boards of directors of Lone Star Steakhouse & Saloon, Mercer International, Exar Corporation and Vitesse Semiconductor. He has held a variety of public company board positions, including lead director, audit committee chair and compensation committee chair. Mr. Adams provided investment advice to various family offices and invests his own capital in public and private equity transactions. He has served as an advisor to James J. Cotter, Sr. and to various enterprises now owned by the James J. Cotter, Sr. Estate or the James J. Cotter, Sr. Trust. Mr. Adams received his Bachelor of Science degree in Petroleum Engineering from Louisiana State University and his Masters of Business Administration from Harvard Graduate School of Business Administration.

Mr. Adams brings many years of experience serving as an independent director on public company boards, and in investing and providing financial advice with respect to investments in public companies.

Dr. Judy Codding. Dr. Judy Codding was elected to serve as a Director of the Company on October 8, 2015. Dr. Codding is a globally respected education leader. She is currently, and has since 2010 been, the Managing Director of "The System of Courses," a division of Pearson, PLC (NYSE:PSO), a leading education company providing education products and services to institutions, governments and direct to individual learners. Prior to that time, and for more than the past five years, Dr. Codding served as the Chief Executive Officer and President of America's Choice, Inc., which she founded in 1998 and which was acquired by Pearson in 2010. America's Choice, Inc. was a leading educational organization offering comprehensive, proven solutions to the complex problems educators face in the era of accountability. Dr. Codding has a Doctorate from University of Massachusetts at Amherst, and completed post-doctoral work and served as a teaching associate in Education at Harvard University. Dr. Codding serves on various boards, including the Board of Trustees of Curtis School, Los Angeles, CA (2011 to present) and the Board of Trustees of Educational Development Center, Inc. (EDC) since 2012.

Dr. Codding brings to the Board her experience as an entrepreneur and as an advisor and researcher in the areas of leadership training and leadership decision making.

James J. Cotter, Jr. James J. Cotter, Jr. has been a Director of the Company since March 21, 2002, serving as Vice Chairperson from June 2007 until he was succeeded by Margaret Cotter on August 7, 2014. Mr. Cotter, Jr. served as our President from June 1, 2013 through June 12, 2015 and as our Chief Executive Officer from August 7, 2014 through June 12, 2015. He served as Chief Executive Officer of Cecelia Packing Corporation (a Cotter family-owned citrus grower, packer, and marketer) from July 2004 until 2013. Mr. Cotter, Jr. served as a Director to Cecelia Packing Corporation from February 1996 to September 1997 and as a Director of Cash Biomedical from September 1999 to March 2002. He was an attorney in the law firm of Winston & Strawn, specializing in corporate law, from September 1997 to May 2003. Mr. Cotter, Jr. is the brother of Margaret Cotter and Ellen M. Cotter. Mr. Cotter, Jr. is a Co-Trustee of the James J. Cotter, Sr. Trust, which is the record owner of 646,080 shares of Class B Stock (representing 44.0% of such Class B Stock).

James J. Cotter, Jr. brings to the Board his experience as a business professional and corporate attorney, as well as his many years of experience in, and knowledge of, the Company's business and affairs. In addition, with his direct ownership of 859,280 shares of our Company's Class A Common Stock and his position as Co-Trustee of the James J. Cotter, Sr. Trust, Mr. Cotter, Jr. is a significant stake holder in our Company. Further, depending on the outcome of ongoing litigation among members of the Cotter family, in the future Mr. Cotter, Jr. may be a controlling shareholder in the Company.

Margaret Cotter. Margaret Cotter has been a Director of the Company since September 27, 2002, and on August 7, 2014 was appointed Vice Chairperson of our Board. Ms. Cotter is the owner and President of OBI, LLC ("OBI"), which has, since 2002, managed our live-theater operations. Pursuant to the OBI management arrangement, Ms. Cotter also serves as the President of Liberty Theaters, LLC, the subsidiary through which we own our live theaters. While she receives management fees through OBI, Ms. Cotter receives no compensation for her duties as President of Liberty Theaters, LLC, other than the right to participate in our Company's medical insurance program. Ms. Cotter, through OBI and Liberty Theaters, LLC, manages the real estate which houses each of our four live theaters in Manhattan and Chicago. Based in New York, Ms. Cotter secures leases, manages tenancies, oversees maintenance and regulatory compliance of these properties and heads up the re-development process with respect to these properties and our Cinemas 1, 2 & 3. Ms. Cotter is also a theatrical producer who has produced shows in Chicago and New York and a board member of the League of Off-Broadway Theaters and Producers. Ms. Cotter, a former Assistant District Attorney for King's County in Brooklyn, New York, graduated from Georgetown University and Georgetown University Law Center. She is the sister of Ellen M. Cotter and James J. Cotter, Jr. Ms. Margaret Cotter is a Co-Executor of her father's estate, which is the record owner of 427,808 shares of our Class B

Stock (representing 25.5% of such Class B Stock). Ms. Margaret Cotter is also a Co-Trustee of the James J. Cotter, Sr. Trust, which is the record owner of 696,080 shares of Class B Voting Common Stock (representing an additional 44.0% of such Class B Stock).

Ms. Cotter brings to the Board her experience as a live theater producer, theater operator and an active member of the New York theatre community, which gives her insight into live theater business trends that affect our business in this sector. Operating and overseeing these properties for over 16 years, Ms. Cotter contributes to the strategic direction for our developments. In addition, with her direct ownership of 804,173 shares of Class A Stock and 35,100 shares of Class B Stock and her positions as Co-Executor of her father's estate and Co-Trustee of the James J. Cotter, Sr. Trust, Ms. Cotter is a significant stake holder in our Company.

William D. Gould. William D. Gould has been a Director of our Company since October 15, 2004 and has been a member of the law firm of TroyGould PC since 1986. Previously, he was a partner of the law firm of O'Melveny & Myers. We have from time to time retained TroyGould PC for legal advice. Total fees paid to Mr. Gould's law firm during 2014 were $41,682. Mr. Gould is an author and lecturer on the subjects of corporate governance and mergers and acquisitions.

Edward L. Kane. Edward L. Kane has been a Director of our Company since October 15, 2004. Mr. Kane was also a Director of our Company from 1985 to 1998, and served as President from 1987 to 1988. Mr. Kane currently serves as the Chair of our Tax Oversight Committee and of our Compensation Committee. He also serves as a member of our Executive Committee and our Audit Committee. At various times during the past three decades, he has been Adjunct Professor of Law at two of San Diego's law schools, most recently in 2008 and 2009 at Thomas Jefferson School of Law, and prior thereto at California Western School of Law.

Mr. Kane brings to the Board his many years as a tax attorney and law professor, which experience well-serves our Company in addressing tax matters. Mr. Kane also brings his experience as a past President of Craig Corporation and of Reading Company, two of our corporate predecessors, as well as a former member of the boards of directors of several publicly held corporations.

Douglas J. McEachern. Douglas J. McEachern has been a Director of our Company since May 17, 2012 and Chair of our Audit Committee since August 1, 2012. He has served as a member of the Board and of the Audit and Compensation Committee for Willdan Group, a NASDAQ listed engineering company, since 2009. Mr. McEachern is also the Chair of the board of Community Bank in Pasadena, California and a member of its Audit Committee. He also is a member of the Finance Committee of the Methodist Hospital of Arcadia. Since September 2009, Mr. McEachern has also served as an instructor of auditing and accountancy at Claremont McKenna College. Mr. McEachern was an audit partner from July 1985 to May 2009 with the audit firm of Deloitte and Touche, LLP, with client concentrations in financial institutions and real estate. Mr. McEachern was also a Professional Accounting Fellow with the Federal Home Loan Bank board in Washington DC, from June 1983 to July 1985. From June 1976 to June 1983, Mr. McEachern was a staff member and subsequently a manager with the audit firm of Touche Ross & Co. (predecessor to Deloitte & Touche, LLP). Mr. McEachern received a B.S. in Business Administration in 1974 from the University of California, Berkeley, and an M.B.A. in 1976 from the University of Southern California.

Mr. McEachern brings to the Board his more than 37 years' experience meeting the accounting and auditing needs of financial institutions and real estate clients, including our Company. Mr. McEachern also brings his experience reporting as an independent auditor to the boards of directors of a variety of public reporting companies and as a board member himself for various companies and not-for-profit organizations.

Michael Wrotniak. Michael Wrotniak was elected to serve as a Director of the Company on October 12, 2015. Since 2009, Mr. Wrotniak has been the Chief Executive Officer of Aminco Resources, LLC ("Aminco"), a privately held international commodities trading firm. Mr. Wrotniak joined Aminco in 1991 and is credited with expanding Aminco's activities in Europe and Asia. By establishing a joint venture with a Swiss engineering company, as well as creating partnerships with Asia-based businesses, Mr. Wrotniak successfully diversified Aminco's product portfolio. Mr. Wrotniak became a partner of Aminco in 2002. Mr. Wrotniak has been for more than the past five years, a trustee of St. Joseph's Church in Bronxville, New York, and is a member of the Board of Advisors of the Little Sisters of the Poor at their nursing home in the Bronx, New York since approximately 2004. Mr. Wrotniak graduated from Georgetown University in 1989 with a B.S.B.A (cum laude).

Mr. Wrotniak is a specialist in foreign trade, and brings to the Board his considerable experience in international business, including foreign exchange risk mitigation.

Attendance at Board and Committee Meetings

During the year ended December 31, 2014, our Board of Directors met seven times. The Audit Committee held four meetings and the Compensation Committee held three meetings, while the Tax Oversight Committee held four meetings. Each Director attended at least 75% of these Board meetings and at least 75% of the meetings of all committees on which he or she served.

Indemnity Agreements

We currently have indemnity agreements in place with each of our current Directors and senior officers, as well as certain of the Directors and senior officers of our subsidiaries. Under these agreements, we have agreed, subject to certain exceptions, to indemnify each of these individuals against all expenses, liabilities and losses incurred in connection with any threatened, pending or contemplated action, suit or proceeding, whether civil or criminal, administrative or investigative, to

which such individual is a party or is threatened to be made a party, in any manner, based upon, arising from, relating to or by reason of the fact that such individual is, was, shall be or has been a Director, officer, employee, agent or fiduciary of the Company.

Compensation of Directors

During 2014, we paid our non-employee directors $35,000 per year. This amount was increased to $50,000 in 2015. We pay the Chairman of our Audit Committee an additional $7,000 per year, the Chairman of our Compensation Committee an additional $5,000 per year, the Chairman of our Tax Oversight Committee an additional $10,000 per year and the Lead Independent Director an additional $5,000 per year.

During 2014 we paid an additional one-time fee of $5,000 to each of Messrs. Adams, Gould, McEachern and Kane and an additional one-time fee of $10,000 to Mr. Storey. Messrs. McEachern and Storey also each received an additional $6,000 for their additional committee work. In 2013 we paid an additional one-time fee of $25,000 to each of Messrs. Adams, Gould, McEachern and Kane and an additional one-time fee of $75,000 to Mr. Storey. These fees were awarded in each case in recognition of their service on our Board and Committees.

Upon joining our Board, new Directors have historically received immediately vested five-year stock options to purchase 20,000 shares of our Class A Stock at an exercise price equal to the market price of the stock at the date of grant. Initial grants to be made to Ms. Codding and Mr. Wrotniak, our recently appointed Directors, are being reviewed by our Compensation Committee. Commencing January 15, 2015, each of our non-employee Directors will receive an additional annual grant of stock options to purchase 2,000 shares of our Class A Stock. The award will be on January 15 of the applicable year, will be for a term of five years, have an exercise price equal to the market price of Class A Stock on the grant date and be fully vested immediately upon grant.

Director Compensation Table

The following table sets forth information concerning the compensation to persons who served as our non-employee Directors during 2014 for their services as Directors.

Name	Fees Earned or Paid in Cash ($)	Option Awards ($)	All Other Compensation ($)	Total ($)
Margaret Cotter (1)				
Guy W. Adams (2)	40,000	69,000	0	109,000
William D. Gould				
Edward L. Kane	63,000	0	0	63,000

Douglas J. McEachern				
Tim Storey	51,000	0	21,000(3)	72,000
Alfred Villaseñor (4)				

(1) In addition to her Director's fees, Ms. Margaret Cotter receives a combination of fixed and incentive management fees under the OBI Management Agreement described under the caption "Certain Transactions and Related Party Transactions - OBI Management Agreement," below.

(2) Mr. Adams joined the Board on January 14, 2014 and was granted on that date a five-year stock option to purchase 20,000 shares of our Class A Stock at an exercise price of $7.40 per share. In accordance with SEC rules, the amount shown reflects the aggregate grant date fair value of the option award, computed in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 718.

(3) Represents fees paid to Mr. Storey as the sole independent Director of our Company's wholly-owned New Zealand subsidiary.

(4) Represents fees paid to Mr. Villaseñor prior to our 2014 Annual Meeting of Stockholders, when he declined to stand for re-nomination as a Director.

Vote Required

The nine nominees receiving the greatest number of votes cast at the Annual Meeting will be elected to the Board of Directors.

The Board has nominated each of the nominees discussed above to hold office until the 2015 Annual Meeting of Stockholders and thereafter until his or her respective successor has been duly elected and qualified. In the event that any nominee shall be unable or unwilling to serve as a Director, the Board shall reserve discretionary authority to vote for a substitute or substitutes. The Board has no reason to believe that any nominee will be unable or unwilling to serve.

Recommendation of the Board

THE BOARD RECOMMENDS A VOTE "FOR" EACH OF THE DIRECTOR NOMINEES.

Ellen M. Cotter and Margaret Cotter, who together have shared voting control over an aggregate of 1,208,988 shares, or 71.9%, of our Class B Stock, have informed the Board that they intend to vote the shares beneficially held by them in favor of the nine nominees named in this Proxy Statement for election to the Board of Directors under Proposal 1. Of the shares of Class B Stock beneficially held by them, 698,088 shares are held of record by the Living Trust. James Cotter, Jr. alleges he has the right to vote the shares held by the Living Trust. The Company believes that, under applicable Nevada Law, where there are multiple trustees of a trust that is a record owner of voting shares of a Nevada Corporation, and more than one trustee votes, the votes of the majority of the voting trustees apply to all of the shares held of record by the trust. If more than one trustee votes and the votes are split evenly on any particular proposal, each trustee may vote proportionally the shares held of record by the trust. Ellen M. Cotter and Margaret Cotter, who collectively constitute a majority of the Co-Trustees of the Living Trust, have informed the Board that they intend to vote the shares held by the Living Trust for the nine nominees named in this Proxy Statement for election to the Board of Directors under Proposal 1. Accordingly, the Company believes that Ellen M. Cotter and Margaret Cotter collectively have the power and authority to vote all of the shares of Class B Stock held of record by the Living Trust.

PROPOSAL 2: Ratification of Appointment of Independent Registered Public Accounting Firm

The Audit Committee has selected Grant Thornton LLP as our independent registered public accounting firm for the year ending December 31, 2015, and the Board has ratified such appointment. The Board has directed that our management submit the selection of Grant Thornton LLP as our independent registered public accounting firm for 2015 for ratification by the stockholders at the Annual Meeting.

Grant Thornton LLP has audited our consolidated financial statements since 2011. Representatives of Grant Thornton LLP are expected to be at the Annual Meeting, will have an opportunity to make a statement if they so desire and will be available to respond to appropriate questions.

Stockholder ratification of the selection of Grant Thornton LLP as our independent registered public accounting firm for 2015 is not required by our Bylaws or otherwise. However, the Board has directed our management to submit this selection to the stockholders for ratification as a matter of good corporate practice. In the event the stockholders fail to ratify the selection of Grant Thornton LLP, the Audit Committee will not be required to replace Grant Thornton LLP as our independent registered public accounting firm. In the event of such a failure to ratify, the Audit Committee and the Board will reconsider whether or not to retain Grant Thornton LLP as our independent registered public accounting firm in future years. Even if the selection is ratified, the Audit Committee in its discretion may direct the appointment of a different independent registered public accounting firm at any time if the Audit Committee determines that such a change would be in our and our stockholders' best interests.

Vote Required

The affirmative vote of the holders of a majority of the shares present in person or represented by proxy and entitled to vote at the Annual Meeting is required to ratify the selection of Grant Thornton LLP as our independent registered public accounting firm for 2015.

Recommendation of the Board

THE BOARD RECOMMENDS A VOTE "FOR" THE RATIFICATION OF THE SELECTION OF GRANT THORNTON LLP AS OUR INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FOR 2015.

REPORT OF THE AUDIT AND CONFLICTS COMMITTEE

The following is the report of the Audit Committee of our Board of Directors with respect to our audited financial statements for the fiscal year ended December 31, 2014.

The information contained in this report shall not be deemed to be "soliciting material" or "filed" with the SEC or subject to the liabilities of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), except to the extent that we specifically incorporate it by reference into a document filed under the Securities Act of 1933, as amended, or the Exchange Act.

The purpose of the Audit Committee is to assist the Board in its general oversight of our financial reporting, internal controls and audit functions. The Audit Committee operates under a written Charter adopted by our Board of Directors. The Charter is reviewed periodically and subject to change, as appropriate. The Audit Committee Charter describes in greater detail the full responsibilities of the Audit Committee.

In this context, the Audit Committee has reviewed and discussed the Company's audited financial statements with management and Grant Thornton LLP, our independent auditors. Management is responsible for the preparation, presentation and integrity of our financial statements; accounting and financial reporting principles; establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rule 13a-15(e)); establishing and maintaining internal control over financial reporting (as defined in Exchange Act Rule 13a-15(f)); evaluating the effectiveness of disclosure controls and procedures; evaluating the effectiveness of internal control over financial reporting; and evaluating any change in internal control over financial reporting that has materially affected, or is reasonably likely to materially affect, internal control over financial reporting. Grant Thornton LLP is responsible for performing an independent audit of the consolidated financial statements and expressing an opinion on the conformity of those financial statements with accounting principles generally accepted in the United States of America, as well as an opinion on (i) management's assessment of the effectiveness of internal control over financial reporting and (ii) the effectiveness of internal control over financial reporting.

The Audit Committee has discussed with Grant Thornton LLP the matters required to be discussed by Auditing Standard No. 16, "Communications with Audit Committees" and PCAOB Auditing Standard No. 5, "An Audit of Internal Control Over Financial Reporting that is integrated with Audit of Financial Statements." In addition, Grant Thornton LLP has provided the Audit Committee with the written disclosures and the letter required by the Independence Standards Board Standard No. 1, as amended, "Independence Discussions with Audit Committees," and the Audit Committee has discussed with Grant Thornton LLP their firm's independence.

Based on their review of the consolidated financial statements and discussions with and representations from management and Grant Thornton LLP referred to above, the Audit Committee recommended to our Board of Directors that the audited financial statements be included in our Annual Report on Form 10-K for fiscal year 2014 for filing with the SEC.

It is not the duty of the Audit Committee to plan or conduct audits or to determine that the Company's financial statements are complete and accurate and in accordance with accounting principles generally accepted in the United States. That is the responsibility of management and the Company's independent registered public accounting firm. In giving its recommendation to the Board of Directors, the Audit Committee relied on (1) management's representation that such financial statements have been prepared with integrity and objectivity and in conformity with accounting principles generally accepted in the United States and (2) the report of the Company's independent registered public accounting firm with respect to such financial statements.

Respectfully submitted by the Audit Committee.

Douglas J. McEachern, Chairman
Edward L. Kane
Tim Storey

BENEFICIAL OWNERSHIP OF SECURITIES

Except as described below, the following table sets forth the shares of Class A Stock and Class B Stock beneficially owned on October 6, 2015 by:

- each of our incumbent Directors and Director nominees;
- each of our incumbent executive officers and named executive officers set forth in the Summary Compensation Table of this Proxy Statement;
- each person known to us to be the beneficial owner of more than 5% of our Class B Stock; and
- all of our incumbent Directors and incumbent executive officers as a group.

Except as noted, and except pursuant to applicable community property laws, we believe that each beneficial owner has sole voting power and sole investment power with respect to the shares shown. An asterisk (*) denotes beneficial ownership of less than 1%.

	Amount and Nature of Beneficial Ownership (1)			
	Class A Stock		Class B Stock	
Name and Address of Beneficial Owner	Number of Shares	Percentage of Stock	Number of Shares	Percentage of Stock
Directors and Named Executive Officers				
Ellen M. Cotter (2)(8)	3,146,965	14.0	1,173,888	69.8
James J. Cotter, Jr. (8)(9)				
Margaret Cotter (3)(8)				
Guy W. Adams	--	--	--	--
Judy Codding	--	--	--	--
William D. Gould (4)		*	--	--
Edward L. Kane (5)	17,500	*	100	*
Andrzej Matyczynski (12)		*	--	--
Douglas J. McEachern (6)	37,300	*	--	--
Michael Wrotniak	--	--	--	--
Robert F. Smerling (7)	43,750	*	--	--
Wayne Smith		*	--	--
5% or Greater Stockholders				
James J. Cotter Living Trust (8)				
Estate of James J. Cotter, Sr. (Deceased) (8)	326,800	1.5	427,808	25.5
Mark Cuban (10)	72,164	*	207,611	13.1
3424 Oaklawn Avenue				
Dallas, Texas 75220				
PICO Holdings, Inc. and PICO Deferred Holdings, LLC (11)	--	--	97,500	6.2
875 Prospect Street, Suite 301				
La Jolla, California 92037				

All Directors and executive officers as a group (12 persons) (13)	5,315,993	23.7	1,209,088	71.9

(3) Percentage ownership is determined based on 22,425,036 shares of Class A Stock and 1,680,590 shares of Class B Stock outstanding on October 6, 2015. Beneficial ownership has been determined in accordance with SEC rules. Shares subject to options that are presently exercisable, or exercisable within 60 days following the date as of which this information is provided, and not subject to repurchase as of that date, which are indicated by footnote, are deemed to be beneficially owned by the person holding the options and are deemed to be outstanding in computing the percentage ownership of that person, but not in computing the percentage ownership of any other person.

(2) The Class A Stock shown includes 20,000 shares subject to stock options as well as 799,763 shares held directly. The Class A Stock shown also includes 102,731 shares held by the James J. Cotter Foundation (the "Cotter Foundation"). Ellen M. Cotter is Co-Trustee of the Cotter Foundation and, as such, is deemed to beneficially own such shares. Ms. Cotter disclaims beneficial ownership of such shares except to the extent of her pecuniary interest, if any, in such shares. The Class A Stock shown also includes 297,070 shares that are part of the Estate of James J. Cotter, Deceased (the "Cotter Estate") that is being administered in the State of Nevada and 29,730 shares from the Cotter Profit Sharing Plan. On December 22, 2014, the District Court of Clark County, Nevada, appointed Ellen M. Cotter and Margaret Cotter as co-executors of the Cotter Estate. As such, Ellen M. Cotter would be deemed to beneficially own such shares. The shares of Class A Stock shown also include 1,897,649 shares held by the James J. Cotter Living Trust (the "Living Trust"). See footnotes (8) for information regarding beneficial ownership of the shares held by the Living Trust. As Co-Trustees of the Living Trust, the three Cotter family members would be deemed to beneficially own such shares depending upon the outcome of the matters described in footnote (8). Together Margaret Cotter and Ellen M. Cotter beneficially own 1,208,988 shares of Class B Stock.

(3) The Class A Stock shown includes 17,000 shares subject to stock options as well as 884,173 shares held directly. The Class A Stock shown also includes 289,390 shares held by the Cotter 2008 Grandchildren's Trust and and 29,730 shares from the Cotter Profit Sharing Plan. Margaret Cotter is Co-Trustee of the Cotter 2008 Grandchildren's Trust and, as such, is deemed to beneficially own such shares. Ms. Cotter disclaims beneficial ownership of such shares except to the extent of her pecuniary interest, if any, in such shares. The Class A Stock shown includes 297,070 shares of Class A Stock that are part of the Cotter Estate. As Co-Executor of the Cotter Estate, Ms. Cotter would be deemed to beneficially own such shares. The shares of Class A Stock shown also include 1,897,649 shares held by the Living Trust. See footnotes (8) for information regarding beneficial ownership of the shares held by the Living Trust. As Co-Trustees of the Living Trust, the three Cotter family members would be deemed to beneficially own such shares depending upon the outcome of the matters described in footnote (8). Together Margaret Cotter and Ellen M. Cotter beneficially own 1,208,988 shares of Class B Stock.

(4) The Class A Stock shown includes 17,000 shares subject to stock options.

(5) The Class A Stock shown includes 2,000 shares subject to stock options.

(6) The Class A Stock shown includes 27,000 shares subject to stock options.

(7) The Class A Stock shown consists of shares subject to stock options.

(8) On June 5, 2013, the Declaration of Trust establishing the Living Trust was amended and restated (the "2013 Restatement") to provide that, upon the death of James J. Cotter, Sr., the Trust's shares of Class B Stock were to be held in a separate trust, to be known as the "Reading Voting Trust," for the benefit of the grandchildren of Mr. Cotter, Sr. Mr. Cotter, Sr. passed away on September 13, 2013. The 2013 Restatement also names Margaret Cotter the sole trustee of the Reading Voting Trust and names James J. Cotter, Jr. as the first alternate trustee in the event that Ms. Cotter is unable or unwilling to act as trustee. The trustees of the Living Trust, as of the 2013 Restatement, were Ellen M. Cotter and Margaret Cotter. On June 19, 2014, Mr. Cotter, Sr. signed a 2014 Partial Amendment to Declaration of Trust (the "2014 Amendment") that names Margaret Cotter and James J. Cotter, Jr. as the co-trustees of the Reading Voting Trust and provides that, in the event they are unable to agree upon an important trust decision, they shall rotate the trusteeship between them annually on each January 1st. It further directs the trustees of the Reading Voting Trust to, among other things, vote the Class B Stock held by the Reading Voting Trust in favor of the appointment of Ellen M. Cotter, Margaret Cotter and James J. Cotter, Jr. to our Board and to take all actions to rotate the chairmanship of our Board among the three of them. The 2014 Amendment states that James J. Cotter, Jr., Ellen M. Cotter and Margaret Cotter are Co-Trustees of the Living Trust. On February 6, 2015, Ellen M. Cotter and Margaret Cotter filed a Petition in the Superior Court of the State of California, County of Los Angeles, captioned In re James J. Cotter Living Trust dated August 1, 2000 (Case No. BP158788). The Petition, among other things, seeks relief that could determine the validity of the 2014 Amendment and who between Margaret Cotter and James J. Cotter Jr. will have authority as trustee or co-trustees of the Reading Voting Trust to vote the shares of Class B Stock shown (in whole or in part) and the scope and extent of such authority. Mr. Cotter, Jr. has filed an opposition to the Petition. The 696,080 shares of Class B Stock shown in the table as being beneficially owned by the Living Trust are reflected on the Company's stock register as being held by the Living Trust and not by the Reading Voting Trust. The information in the table reflects direct ownership of the 696,080 shares of Class B Stock by the Living Trust in accordance with the Company's stock register and beneficial ownership of such shares as being held by each of the three potential Co-Trustees, Mr. Cotter, Jr., Ellen M. Cotter and Margaret Cotter, who, unless a court determines otherwise, are deemed to share voting and investment power of the shares held by the Living Trust.

(9) The Class A Stock shown includes 859,286 shares held directly. The Class A Stock shown also includes 289,390 shares held by the Cotter 2008 Grandchildren's Trust and 102,731 held by the Cotter Foundation. Mr. Cotter, Jr. is Co-Trustee of the Cotter 2008 Grandchildren's Trust and of the Cotter Foundation and, as such, is deemed to beneficially own such shares. Mr. Cotter, Jr. disclaims beneficial ownership of such shares except to the extent of his pecuniary interest, if any, in such shares. The Class A Stock shown also includes 1,897,649 shares held by the Living Trust, which became irrevocable upon Mr. Cotter, Sr.'s death on September 13, 2013. See footnotes (8) for information regarding beneficial ownership of the shares held by the Living Trust. As Co-Trustees of the Living Trust, the three Cotter family members would be deemed to beneficially own such shares depending upon the outcome of the matters described in footnote (8). The Class A Stock shown includes 811,601 shares pledged as security for a margin loan.

(10) Based on Mr. Cuban's Form 4 filed with the SEC on July 18, 2011 and Schedule 13D filed on August 3, 2015.

(11) Based on the PICO Holdings, Inc. and PICO Deferred Holdings, LLC Schedule 13G filed with the SEC on February 15, 2013.

(12) The Class A Stock shown includes 12,500 shares subject to stock options.

(13) The Class A Stock shown includes 139,250 shares subject to options.

SECTION 16(A) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Exchange Act requires our executive officers and Directors, and persons who own more than 10% of our common stock, to file reports regarding ownership of, and transactions in, our securities with the Securities and Exchange Commission (the "SEC") and to provide us with copies of those filings. Based solely on our review of the copies received by us and on the written representations of certain reporting persons, we believe that the following Forms 3 and 4 for transaction that occurred in 2014 were filed later than is required under Section 16(a) of the Securities Exchange Act of 1934:

- James J. Cotter, Sr. failed to timely file 16 Forms 4 with respect to 70 transactions in our common stock;
- James J. Cotter, Jr. failed to timely file two Forms 4 with respect to one transaction in our common stock;
- Ellen M. Cotter failed to timely file three Forms 4 with respect to one transaction in our common stock;
- Margaret Cotter failed to timely file two Forms 4 with respect to one transaction in our common stock;
- Mr. Storey failed to timely file one Form 4 with respect to one transaction in our common stock;
- The Estate of James Cotter, Sr. (Deceased) failed to timely file one Form 3 with respect to one transaction in our common stock; and
- The James J. Cotter Living Trust failed to timely file one Form 3 with respect to one transaction in our common stock.

All of the transactions involved were between the individual involved and our Company or related to certain inter-family or estate planning transfers, and did not involve transactions with the public. Insofar as we are aware, all required filings have now been made.

EXECUTIVE OFFICERS

The following table sets forth information regarding our executive officers other than Ellen M. Cotter, whose information is set forth above under "Proposal 1: Election of Directors – Nominees for Election."

Name	Age	Title
Devasis Ghose	62	Chief Financial Officer
Robert F. Smerling	80	President - Domestic Cinemas
William D. Ellis	58	General Counsel and Secretary
Wayne D. Smith	57	Managing Director – Australia and New Zealand
James J. Cotter, Sr.		Former Chief Executive Officer (Deceased)
James J. Cotter, Jr.	46	Former Chief Executive Officer
Andrzej Matyczynski	63	Former Chief Financial Officer, Treasurer and Corporate Secretary

Devasis ("Dev") Ghose. Devasis Ghose was appointed Chief Financial Officer and Treasurer on May 11, 2015. Over the past 25 years, Mr. Ghose served as Executive Vice President and Chief Financial Officer and in a number of senior finance roles with three NYSE-listed companies: Skilled Healthcare Group (a health services company, now part of Genesis HealthCare) from 2008 to 2013, Shurgard Storage Centers, Inc. (an international company focused on the acquisition, development and operation of self-storage centers in the US and Europe; now part of Public Storage) from 2004 to 2006, and HCP, Inc., (which invests primarily in real estate serving the healthcare industry) from 1986 to 2003, and as Managing Director-International for Green Street Advisors (an independent research and trading firm concentrating on publicly traded real estate corporate securities in the US & Europe) from 2006 to 2007. Prior thereto, Mr. Ghose worked for 10 years for PricewaterhouseCoopers in the U.S. from 1975 to 1985, and KPMG in the UK. He qualified as a Certified Public Accountant in the U.S. and a Chartered Accountant in the U.K., and holds an Honors Degree in Physics from the University of Delhi, India and an Executive M.B.A. from the University of California, Los Angeles.

Robert F. Smerling. Robert F. Smerling has served as President of our domestic cinema operations since 1994. Mr. Smerling has been in the cinema industry for 57 years and, immediately before joining our Company, served as the President of Loews Theatres Management Corporation.

William D. Ellis. William D. Ellis was appointed our General Counsel and Secretary in October 2014. Mr. Ellis has more than 30 years of hands-on legal experience as a real estate lawyer. Before joining our Company, he was a partner in the real estate group at Sidley Austin LLP for 16 years. Before that, he worked at the law firm of Morgan Lewis & Bockius LLP. Mr. Ellis began his career as a corporate and securities lawyer (handling corporate acquisitions, IPO's, mergers, etc.) and then moved on to real estate specialization (handling leasing, acquisitions, dispositions, financing, development and land use and entitlement across the United States). He had a substantial real estate practice in New York and Hawaii, areas in which we have particular asset concentrations. Mr. Ellis graduated Phi Beta Kappa from Occidental College in 1979 with a Bachelor of Arts degree in Political Science. He received his J.D. degree in 1982 from the University of Michigan Law School.

Wayne D. Smith. Wayne D. Smith joined our Company in April 2004 as our Managing Director - Australia and New Zealand, after 23 years with Hoyts Cinemas. During his time with Hoyts, he was a key driver, as Head of Property, in growing that company's Australian and New Zealand operations via an AUD$250 million expansion to more than 30 sites and 400 screens. While at Hoyts, his career included heading up the group's car parking company, cinema operations, representing Hoyts as a director on various joint venture interests, and coordinating many asset acquisitions and disposals the company made.

James J. Cotter Sr. James J. Cotter Sr. served as our Chairman and Chief Executive Officer during 2014 until his resignation on August 7, 2014.

James J. Cotter Jr. James J. Cotter Jr. served as our President during all of 2014 and was appointed our Chief Executive Officer on August 7, 2014. He served as our Vice Chairman during 2014 through August 7, 2014. Mr. Cotter's position as President and Chief Executive Officer continued until June 12, 2015.

Andrzej Matyczynski. Andrzej Matyczynski served as our Chief Financial Officer, Treasurer and Corporate Secretary during 2014. Mr. Matyczynski resigned as Corporate Secretary on October 20, 2014 and as our Chief Financial Officer and Treasurer effective May 11, 2015.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

Role and Authority of the Compensation Committee

Our Board has established a standing Compensation Committee consisting of two or more of our non-employee Directors. As a Controlled Company, we are exempt from the NASDAQ Listing Rules regarding the determination of executive compensation.

The Compensation Committee recommends to the full Board the compensation of our Chief Executive Officer and of the other Cotter family members who serve as officers of our Company. Our Board, with the Cotter family Directors abstaining, typically has accepted without modification the compensation recommendations of the Compensation Committee, but reserves the right to modify the recommendations or take other compensation actions of its own. Prior to his resignation as our Chairman and Chief Executive Officer on August 7, 2014, during 2014, as in prior years, James J. Cotter, Sr. was delegated responsibility by our Board for determining the compensation of our executive officers other than himself and his family members. The Board exercised oversight of Mr. Cotter, Sr.'s executive compensation decisions as a part of his performance as our former Chief Executive Officer.

Throughout this proxy statement, the individuals named in the Summary Compensation Table, below, are referred to as the "named executive officers."

CEO Compensation

The Compensation Committee recommends to our Board the annual compensation of our Chief Executive Officer, based primarily upon the Compensation Committee's annual review of peer group practices and the advice of an independent third-party compensation consultant. The Compensation Committee has established three components of our Chief Executive Officer's compensation—a base cash salary, a discretionary annual cash bonus, and a fixed stock grant. The objective of each element is to reasonably reward our Chief Executive Officer for his or her performance and leadership.

In 2007, our Board approved a supplemental executive retirement plan ("SERP") pursuant to which we agreed to provide Mr. Cotter, Sr. supplemental retirement benefits as a reward for his more than 25 years of service to our Company and its predecessors. None of Mr. James J. Cotter, Jr., our former Chief Executive Officer, Ms. Ellen M. Cotter, our interim Chief Executive Officer, or any of our other current or former officers or employees, is eligible to participate in the SERP, which is described in greater detail below under the caption "Supplemental Executive Retirement Plan." Because this plan was adopted as a reward to Mr. Cotter, Sr. for his past services and the amounts to be paid under that plan are determined by an agreed-upon formula, the Compensation Committee did not take into account the benefits under that plan in determining Mr. Cotter, Sr.'s annual compensation for 2014 or previous years. The amounts reflected in the Executive Compensation Table under the heading "Change in Pension Value and Nonqualified Deferred Compensation Earnings" reflect any increase in the present value of the SERP benefit based upon the actuarial impact of the payment of Mr. Cotter, Sr.'s cash compensation and changes in interest rates. Since the SERP is unfunded, this amount does not reflect any actual payment by our Company into the plan or the value of any assets in the plan (of which there are none). The benefits to Mr. Cotter, Sr. under the SERP were tied to the cash portion only of his compensation, and not to compensation in the form of stock options or stock grants.

2014 CEO Compensation

The Compensation Committee engaged Towers Watson, formerly Towers Perrin, executive compensation consultants, in 2012 to analyze our Chief Executive Officer's total direct compensation compared to a peer group of companies. In preparing the analysis, Towers Watson, in consultation with our management, including James J. Cotter, Sr., identified a peer group of companies in the real estate and cinema exhibition industries, our two business segments, based on market value, industry, and business description.

For purposes of establishing our Chief Executive Officer's 2014 compensation, the Compensation Committee engaged Towers Watson to update its analysis of Mr. Cotter, Sr.'s compensation as compared to his peers, which updated report was received on February 26, 2014. The Company paid Towers Watson $11,461 for the updated report.

The Towers Watson analysis focused on the competitiveness of Mr. Cotter, Sr.'s annual base salary, total cash compensation and total direct compensation (*i.e.*, total cash compensation plus expected value of long-term compensation) relative to a peer group of United States and Australian companies and published compensation survey data, and to our

Company's compensation philosophy, which was to target Mr. Cotter, Sr.'s total direct compensation to the 66th percentile of the peer group.

The peer group consisted of the following 18 companies:

Acadia Realty Trust	Inland Real Estate Corp.
Amalgamated Holdings Ltd.	Kite Realty Group Trust
Associated Estates Realty Corp.	LTC Properties Inc.
Carmike Cinemas Inc.	Ramco-Gershenson Properties Trust
Cedar Shopping Centers Inc.	Regal Entertainment Group
Cinemark Holdings Inc.	The Marcus Corporation
Entertainment Properties Trust	Urstadt Biddle Properties Inc.
Glimcher Realty Trust	Village Roadshow Ltd.
IMAX Corporation	

Towers Watson predicted 2014 pay levels by using regression analysis to adjust compensation data based on estimated annual revenues of $260 million (*i.e.*, our Company's approximate annual revenues) for all companies, excluding financial services companies. Towers Watson did not evaluate Mr. Cotter, Sr.'s SERP, because the SERP is fully vested and accrues no additional benefits, except as Mr. Cotter, Sr.'s annual cash compensation may change.

The Towers Watson analysis indicated that the peer group data, with the exception of annual base salary, was above Mr. Cotter, Sr.'s pay levels in 2013. The peer group is partially comprised of companies that are larger than our Company, and the 66th percentile level tends to reflect the larger peers. However, Towers Watson analysis also indicated that the size of the peers does not materially affect the pay levels at the peer companies. The published survey data of companies of comparable size reviewed by Towers Watson was below our Chief Executive Officer pay levels.

Towers Watson averaged the data from the peer group and the published survey data to compile "blended" market data. As compared to the blended market data, Mr. Cotter, Sr.'s 2013 cash compensation and total direct compensation, which includes the expected value of long-term incentive compensation, was in line with the 66th percentile.

Because our Company is comparable to the smaller companies in the peer group, Towers Watson reviewed whether the size of the proxy peer group of companies had a meaningful impact on reported CEO pay levels, and concluded that there is a weak correlation between company size and CEO compensation. It concluded, therefore, that it was not necessary to separately adjust the peer group data based on the size of our Company.

The Compensation Committee met on February 27, 2014 to consider the Towers Watson analysis. At the meeting, the Compensation Committee determined to recommend to our Board the following compensation for Mr. Cotter, Sr. for 2014 and on March 13, 2014, our Board accepted the Compensation Committee's recommendation without modification:

Salary: $750,000

The Compensation Committee recommended maintaining Mr. Cotter, Sr.'s 2014 annual base salary at its 2013 level of $750,000, which approximates the 75th percentile of the peer group.

Discretionary Cash Bonus Up to $750,000

In 2013, the Compensation Committee recommended and our Board approved a total cash bonus to Mr. Cotter, Sr. of $1,000,000, as compared to the target bonus of $500,000. This resulted in total 2013 compensation to Mr. Cotter, Sr. above the 75th percentile of the peer group and total direct compensation near the 66th percentile. At its meeting on February 27, 2014, the Compensation Committee determined to increase the upper range of Mr. Cotter, Sr.'s discretionary cash bonus for 2014 to $750,000 from the 2013 target level of $500,000. The bonus was subject to Mr. Cotter, Sr. being employed by our Company at year-end, unless his employment were to terminate earlier due to his death or disability. No other benchmarks, formulas or

quantitative or qualitative measurements were specified for use in determining the amount of cash bonus to be awarded within this range. As in 2013, the Compensation Committee also reserved the right to increase the upper range of discretionary cash bonus amount based upon exceptional results of our Company or Mr. Cotter, Sr.'s exceptional performance, as determined in the Compensation Committee's discretion.

At its meeting on August 14, 2014, the Compensation Committee determined that Mr. Cotter, Sr.'s successful completion of our sale of the Burwood property in Australia and other accomplishments in 2014 justified the award to Mr. Cotter, Sr. of the full $750,000 cash bonus, plus an additional cash bonus of $300,000. The Compensation Committee's determination to award the extraordinary cash bonus was based in part on the advice of Towers Watson.

Stock Bonus: $1,200,000 (160,643 shares of Class A Stock).

At its meeting on February 27, 2014, the Compensation Committee determined that, so long as Mr. Cotter, Sr.'s employment with the Company is not terminated prior to December 31, 2014 other than as a result of his death or disability, he was to receive 160,643 shares of our Company's Class A Stock; the number of shares of Class A nonvoting common stock equal to $1,200,000 divided by the closing price of the stock on February 27, 2104, the date the Committee approved the stock bonus. This compares to a similar stock bonus to Mr. Cotter, Sr. of $750,000 in 2013.

The stock bonus was paid to the Estate of Mr. Cotter, Sr. in February 2015.

Following his appointment on August 7, 2014 as our Chief Executive Officer and until his termination from that position on June 12, 2015, James J. Cotter, Jr. continued to receive the same base salary of $335,000 that he had previously been receiving in his capacity as our President.

Mr. Cotter, Jr. was not awarded a discretionary cash bonus for 2014.

Total Direct Compensation

We and our Compensation Committee have no policy regarding the amount of salary and cash bonus paid to our Chief Executive Officer or other named executive officers in proportion to their total direct compensation.

Compensation of Other Named Executive Officers

The compensation of the Cotter family members as executive officers of our Company is determined by the Compensation Committee based on the same compensation philosophy used to determined Mr. Cotter, Sr.'s 2014 compensation. The Cotter family members' respective compensation consists of a base cash salary, discretionary cash bonus and periodic discretionary grants of stock options.

Mr. Cotter, Sr. set the 2014 base salaries of our executive officers other than himself and members of his family. Mr. Cotter, Sr.'s decisions were not subject to approval by the Compensation Committee or our Board, but our Compensation Committee and our Board considered Mr. Cotter, Sr.'s decisions with respect to executive compensation in evaluating his performance as our Chief Executive Officer. Mr. Cotter, Sr. informed us that he did not use any formula, benchmark or other quantitative measure to establish or award any component of executive compensation, nor did he consult with compensation consultants on the matter. Mr. Cotter, Sr. also advised us that he considered the following guidelines in setting the type and amount of executive compensation:

1. Executive compensation should primarily be used to:
    - attract and retain talented executives;
    - reward executives appropriately for their individual efforts and job performance; and
    - afford executives appropriate incentives to achieve the short-term and long-term business objectives established by management and our Board.
2. In support of the foregoing, the total compensation paid to our named executive officers should be:
    - fair, both to our Company and to the named executive officers;
    - reasonable in nature and amount; and
    - competitive with market compensation rates.

Personal and Company performances were just two factors considered by Mr. Cotter, Sr. in establishing base salaries. We have no pre-established policy or target for allocating total executive compensation between base and discretionary or incentive compensation, or between cash and stock-based incentive compensation. Historically, including in 2014, a majority of total compensation to our named executive officers has been in the form of annual base salaries and discretionary cash bonuses, although stock bonuses have been granted from time to time under special circumstances.

These elements of our executive compensation are discussed further below.

Salary: Annual base salary is intended to compensate named executive officers for services rendered during the fiscal year in the ordinary course of performing their job responsibilities. Factors considered by Mr. Cotter, Sr. in setting the base salaries may have included (i) the negotiated terms of each executive's employment agreement or the original terms of employment, (ii) the individual's position and level of responsibility with our Company, (iii) periodic review of the executive's compensation, both individually and relative to our other named executive officers, and (iv) a subjective evaluation of individual job performance of the executive.

Cash Bonus: Historically, we have awarded annual cash bonuses to supplement the base salaries of our named executive officers, and our Board has delegated to our Chief Executive Officer the authority to determine in his discretion the annual cash bonuses, if any, to be paid to our executive officers other than the Cotter family executives. Any discretionary annual bonuses to the Cotter family executive have historically been determined by our Board based upon the recommendation of our Compensation Committee.

No cash bonuses were awarded to Cotter family members other than Mr. Cotter, Sr. for 2014. Factors to be considered in determining or recommending any such cash bonuses include (i) the level of the executive's responsibilities, (ii) the efficiency and effectiveness with which he or she oversees the matters under his or her supervision, and (iii) the degree to which the officer has contributed to the accomplishment of major tasks that advance the Company's goals.

Stock Bonus: Equity incentive bonuses may be awarded to align our executives' long-term compensation to appreciation in stockholder value over time and, so long as such grants are within the parameters set by our 2010 Stock Incentive Plan, historically were entirely discretionary on the part of Mr. Cotter, Sr. Other stock grants are subject to approval by the Compensation Committee. Equity awards may include stock options, restricted stock, bonus stock, or stock appreciation rights.

If awarded, it is generally our policy to value stock options and restricted stock at the closing price of our common stock as reported on the NASDAQ Capital Market on the date the award is approved or on the date of hire, if the stock is granted as a recruitment incentive. When stock is granted as bonus compensation for a particular transaction, the award may be based on the market price on a date calculated from the closing date of the relevant transaction. Awards may also be subject to vesting and limitations on voting or other rights.

Andrzej Matyczynski, our former Chief Financial Officer, Treasurer and Corporate Secretary, has a written employment agreement with our Company that provides for a specified annual base salary and other compensation. Mr. Matyczynski resigned effective September 1, 2014, but he and our Company agreed to postpone the effective date of his resignation until April 15, 2016. Upon Mr. Matyczynski's Retirement Date, he will become entitled under his employment agreement to a lump-sum severance payment of $244,500 and to the payment of his vested benefit under his deferred compensation plan discussed below in this section.

Other than Mr. Cotter, Sr.'s and Mr. Cotter, Jr.'s roles as Chief Executive Officer in setting compensation, none of our executive officers play a role in determining the compensation of our named executive officers.

2014 Base Salaries and Target Bonuses

We have historically established base salaries and target discretionary cash bonuses for our named executive officers through negotiations with the individual named executive officer, generally at the time the named executive officer commenced employment with us, with the intent of providing annual cash compensation at a level sufficient to attract and retain talented and experienced individuals. Our Compensation Committee recommended and our Board approved the following base salaries for Mr. Cotter, Jr. and Ellen M. Cotter for 2014:

Name	2013 Base Salary ($)	2014 Base Salary ($)
James J. Cotter, Jr.	195,417	335,000
Ellen M. Cotter	335,000	335,000

The base salaries of our other named executive officers were established by Mr. Cotter, Sr. as shown in the following table:

Name	2013 Base Salary ($)	2014 Base Salary ($)
Andrzej Matyczynski	309,000	309,000
Robert F. Smerling	350,000	350,000
Wayne Smith	351,500	359,250

All named executive officers are eligible to receive a discretionary annual cash bonus. Cash bonuses are typically prorated to reflect a partial year of service. Our Board reserves discretion to adjust bonuses for the Cotter family members based on its own evaluations of the recommendations of our Compensation Committee as it did in both 2013 and 2014 in Mr. Cotter, Sr.'s case.

We offer stock options and stock awards to our employees, including named executive officers, as the long-term incentive component of our compensation program. We sometimes grant equity awards to new hires upon their commencing employment with us and from time to time thereafter. Our stock options allow employees to purchase shares of our common stock at a price per share equal to the fair market value of our common stock on the date of grant and may or may not be intended to qualify as "incentive stock options" for U.S. federal income tax purposes. Generally, the stock options we grant to our employees vest over four years in equal installments upon the annual anniversaries of the date of grant, subject to their continued employment with us on each vesting date.

Other Elements of Compensation

Retirement Plans

We maintain a 401(k) retirement savings plan that allows eligible employees to defer a portion of their compensation, within limits prescribed by the Internal Revenue Code, on a pre-tax basis through contributions to the plan. Our named executive officers other than Mr. Smith, who is a non-resident of the U.S., are eligible to participate in the 401(k) plan on the same terms as other full-time employees generally. Currently, we match contributions made by participants in the 401(k) plan up to a specified percentage, and these matching contributions are fully vested as of the date on which the contribution is made. We believe that providing a vehicle for tax-deferred retirement savings though our 401(k) plan, and making fully vested matching contributions, adds to the overall desirability of our executive compensation package and further incentivizes our employees, including our named executive officers, in accordance with our compensation policies.

Supplemental Executive Retirement Plan

In March 2007, our Board approved the SERP pursuant to which we agreed to provide Mr. Cotter, Sr. supplemental retirement benefits. Under the SERP, following his separation from our Company, Mr. Cotter, Sr. was to be entitled to receive from our Company for the remainder of his life or 180 months, whichever is longer, a monthly payment of 40% of his average monthly base salary and cash bonuses over the highest consecutive 36-month period of earnings prior to Mr. Cotter, Sr.'s separation from service with us. The benefits under the SERP are fully vested.

The SERP is unfunded and, as such, the SERP benefits are unsecured, general obligations of our Company. We may choose in the future to establish one or more grantor trusts from which to pay the SERP benefits. The SERP is administered by the Compensation Committee.

Other Retirement Plans

During 2012, Mr. Matyczynski was granted an unfunded, nonqualified deferred compensation plan ("DCP") that was

partially vested and was to vest further so long as he remained in our continuous employ. If Mr. Matyczynski were to be terminated for cause, then the total vested amount would be reduced to zero. The incremental amount vested each year was made subject to review and approval by our Board. Mr. Matyczynski's DCP vested as follows:

December 31	Total Vested Amount at the End of Each Vesting Year
2013	$300,000
2014	$450,000

Mr. Matyczynski resigned his employment with the Company effective September 1, 2014, but he and our Company agreed to postpone the effective date of his resignation until April, 2016. Upon the termination of Mr. Matyczynski's employment, he would become entitled under the DCP agreement to payment of the vested benefits under his DCP in annual installments following the later of (a) 30 days following Mr. Matyczynski's 65th birthday or (b) six months after his separation from service, unless his employment were to be terminated for cause.

We currently maintain no other retirement plan for our named executive officers.

Key Person Insurance

Our Company maintains life insurance on certain individuals who we believe to be key to our management. In 2014, these individuals included James J. Cotter, Sr., James J. Cotter, Jr., Ellen M. Cotter, Margaret Cotter and Messrs. Matyczynski, Smerling and Smith. If such individual ceases to be an employee, Director or independent contractor of our Company, as the case may be, she or he is permitted, by assuming responsibility for all future premium payments, to replace our Company as the beneficiary under such policy. These policies allow each such individual to purchase up to an equal amount of insurance for such individual's own benefit. In the case of our employees, the premium for both the insurance as to which our Company is the beneficiary and the insurance as to which our employee is the beneficiary, is paid by our Company. In the case of named executive officers, the premium paid by our Company for the benefit of such individual is reflected in the Compensation Table in the column captioned "All Other Compensation."

Employee Benefits and Perquisites

Our named executive officers are eligible to participate in our health and welfare plans to the same extent as all full-time employees generally. We do not generally provide our named executive officers with perquisites or other personal benefits, although in the past we provided Mr. Cotter, Sr. the personal use of our West Hollywood, California, condominium, which was used as an executive meeting place and office and sold in February 2015, a Company-owned automobile and a health club membership. Historically, all of our other named executive officers also have received an automobile allowance. From time to time, we may provide other perquisites to one or more of our other named executive officers.

Tax Gross-Ups

As a general rule, we do not make gross-up payments to cover our named executive officers' personal income taxes that may pertain to any of the compensation paid or provided by our Company. In 2014, however, we reimbursed Ms. Ellen M. Cotter $50,000 for income taxes she incurred as a result of her exercise of stock options that were deemed to be nonqualified stock options for income tax purposes, but which were intended by the Compensation Committee and her to be so-called incentive stock options, or "ISOs", when originally granted. Our Compensation Committee believed it was appropriate to reimburse Ms. Cotter because it was our Company's intention at the time of the issuance to give her the tax deferral feature applicable to ISOs. Due to the application of complex attribution rules, she did not in fact qualify for such tax deferral. Accordingly, upon exercise, she received less compensation than the Compensation Committee had intended.

Tax and Accounting Considerations

Deductibility of Executive Compensation

Subject to an exception for "performance-based compensation," Section 162(m) of the Internal Revenue Code generally prohibits publicly held corporations from deducting for federal income tax purposes annual compensation paid to any senior executive officer to the extent that such annual compensation exceeds $1.0 million. The Compensation Committee and our Board consider the limits on deductibility under Section 162(m) in establishing executive compensation, but retain the

discretion to authorize the payment of compensation that exceeds the limit on deductibility under this Section as in the case of Mr. Cotter, Sr.

Nonqualified Deferred Compensation

We believe we are operating, where applicable, in compliance with the tax rules applicable to nonqualified deferred compensation arrangements.

Accounting for Stock-Based Compensation

Beginning on January 1, 2006, we began accounting for stock-based payments in accordance with the requirements of Statement of Accounting Standards No. 123(R). Our decision to award restricted stock to Mr. Cotter, Sr. and other named executive officers from time to time was based in part upon the change in accounting treatment for stock options. Accounting treatment otherwise has had no significant effect on our compensation decisions.

Say on Pay

At our Annual Meeting of Stockholders held on May 15, 2014, we held an advisory vote on executive compensation. Our stockholders voted in favor of our Company's executive compensation. The Compensation Committee reviewed the results of the advisory vote on executive compensation in 2014 and did not make any changes to our compensation based on the results of the vote.

REPORT OF THE COMPENSATION COMMITTEE

The Compensation Committee has reviewed and discussed with management the "Compensation Discussion and Analysis" required by Item 401(b) of Regulation S-K and, based on such review and discussions, has recommended to our Board that the foregoing "Compensation Discussion and Analysis" be included in this Proxy Statement.

Respectfully submitted,

Edward L. Kane, Chair
Guy W. Adams
Tim Storey

Compensation Committee Interlocks and Insider Participation

Our Compensation Committee is currently comprised of Mr. Kane, who serves as Chair, and Mr. Adams. Mr. Storey, who served on our Board in 2014 and through October 11, 2015, served on our Compensation Committee throughout 2014. None of the members of the Compensation Committee was an officer or employee of the Company at any time during 2014. None of our executive officers serves as a member of the board of directors or compensation committee of any entity that has or had one or more executive officers serving as a member of our Board of Directors or Compensation Committee.

Executive Compensation

This section discusses the material components of the compensation program for our executive officers named in the 2014 Summary Compensation Table below. In 2014, our named executive officers and their positions were as follows:

- James J. Cotter, Sr., former Chairman of the Board and former Chief Executive Officer.
- James J. Cotter, Jr., former Vice Chairman, Chief Executive Officer and President.
- Andrzej Matyczynski, former Chief Financial Officer, Treasurer and Corporate Secretary.
- Robert F. Smerling, President – Domestic Cinema Operations.
- Ellen M. Cotter, Chairperson of the Board, interim President and Chief Executive Officer, Chief Operating Officer – Domestic Cinemas and Chief Executive Officer of Consolidated Entertainment, LLC.
- Wayne Smith, Managing Director – Australia and New Zealand.

Summary Compensation Table

The following table shows the compensation paid or accrued during the last three fiscal years ended December 31, 2014 to (i) Mr. James J. Cotter, Sr., who served as our principal executive officer until August 7, 2014, (ii) Mr. James J. Cotter, Jr., who served as our principal executive officer from August 7, 2014 through December 31, 2014, (iii) Mr. Andrzej Matyczynski, who served as our Chief Financial Officer through December 31, 2014, and (iv) the other three most highly compensated persons who served as executive officers in 2014. The following executives are herein referred to as our "named executive officers."

	Year	Salary ($)	Bonus ($)	Stock Awards ($)(1)	Option Awards ($)(1)	Change in Pension Value and Nonqualified Deferred Compensation Earnings ($)	All Other Compensation ($)	Total ($)
James J. Cotter, Sr.(2) Former Chairman of the Board and Chief Executive Officer	2014	482,000	1,050,000	1,200,000	--	197,000 (3)	20,000 (4)	2,949,000
	2013	750,000	1,000,000	750,000	--	1,455,000 (3)	23,000 (4)	3,980,000
	2012	700,000	500,000	950,000	--	2,433,000 (3)	24,000 (4)	4,607,000

James J. Cotter, Jr.(2) Former President and Chief Executive Officer	2014	333,000	--	--	--	--	27,000	(7)	362,000
	2013	198,000	--	--	--	--	20,000	(7)	218,000
	2012	--					0		0
Andrzej Matyczynski (9) Former Chief Financial Officer, Treasurer and Corporate Secretary	2014	309,000			33,000	156,000	26,000	(7)	518,000
	2013	309,000	35,000	--	33,000	58,000	26,000	(7)	461,000
	2012	309,000	--	--	33,000	250,000	25,000	(7)	617,000
Robert P. Smerling President – Domestic Cinema Operations	2014	350,000	25,000	--	--	--	22,000	(7)	397,000
	2013	350,000	50,000	--	--	--	23,000	(7)	423,000
	2012	350,000	50,000	--	--	--	22,000	(7)	422,000
Ellen M. Cotter (10) Interim President and Chief Executive Officer, Chief Operating Officer - Domestic Cinemas	2014	333,000	--	--	--	--	78,000	(7) (8) (7)	410,000
	2013	335,000	--	--	--	--	25,000		360,000
	2012	335,000	60,000	--	--	--	25,000	(7)	420,000
Wayne Smith Managing Director - Australia and New Zealand	2014	334,000	50,000	--	--	--	19,000	(7)	388,000
	2013	339,000	--	--	--	--	20,000	(7)	359,000
	2012	337,000	16,000	--	23,000	--	19,000	(7)	414,000

(1) Amounts represent the aggregate grant date fair value of awards computed in accordance with ASC Topic 718, excluding the effects of any estimated forfeitures. The assumptions used in the valuation of these awards are discussed in Note 3 to our consolidated financial statements included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2014, filed with the SEC on March 17, 2015.

(2) Mr. Cotter, Sr. resigned as our Chairman and Chief Executive Officer on August 7, 2014.

(3) Represents the present value of the vested benefits under Mr. Cotter, Sr.'s SERP. In October 2014, we began accruing monthly supplemental retirement benefits of $37,000 in accordance with the SERP, but have not yet paid any such benefits to Mr. Cotter, Sr.'s designated beneficiaries. Under the SERP, such payments are to continue for a 180-month period.

(4) Until February 28, 2015, we owned a condominium in West Hollywood, California, which we used as an executive meeting place and office. "All Other Compensation" includes the estimated incremental cost to our Company of providing the use of the West Hollywood Condominium to Mr. Cotter, Sr., our matching contributions under our 401(k) plan, the cost of a Company automobile used by Mr. Cotter, Sr., and health club dues paid by our Company.

(5) Mr. Cotter, Jr. was appointed as our Chief Executive Officer on August 7, 2014 and served until June 12, 2015.

(6) Represents the increase in the vested benefit of the DCP for Mr. Matyczynski. Payment of the vested benefit under his DCP will be made in accordance with the terms of the DCP.

(7) Represents our matching contributions under our 401(k) plan, the cost of key person insurance, and any automobile allowances.

(8) Includes the $50,000 tax gross-up described in the "Tax Gross-Up" section of the Compensation Discussion and Analysis.

(9) Mr. Matyczynski resigned as our Corporate Secretary on October 20, 2014 and as our Chief Financial Officer and Treasurer on May 11, 2015.

(10) Ms. Ellen M. Cotter was appointed our interim President and Chief Executive Officer on June 12, 2015.

Grants of Plan-Based Awards

The following table contains information concerning the stock grants made to our named executive officers for the year ended December 31, 2014:

Grant Date	Estimated Future Payouts Under Non-Equity Incentive Plan Awards	Estimated Future Payouts Under Equity Incentive Plan Awards	All Other Stock Awards: Number of Shares of Stock or Units	All Other Option Awards: Number of Securities Underlying Options (#)	Exercise or Base Price of Option Awards	Grant Date Fair Value of Stock and Option Awards

Name	Threshold (s)	Target (s)	Maximum (s)	Threshold (s)	Target (s)	Maximum (s)

James J. Cotter, Jr.	12/31/2014	$ 1,200,000	$ 1,200,000	$ 1,200,000							
Wayne Smith (1)	12/31/2014				8,000	8,000	8,000				
William D. Ellis	10/20/2014							60,000	$	$ 93	171,427

(1) The awards issued to Mr. Wayne Smith are related to his prior-year performance and will vest in equal installments in 2015 and 2016.

Employment Agreements

James J. Cotter, Jr. On June 3, 2013, we entered into an employment agreement with Mr. James J. Cotter, Jr. to serve as our President. The employment agreement provided Mr. Cotter, Jr. with an annual base salary of $335,000, with employee benefits in line with those received by our other senior executives. Mr. Cotter, Jr. also was granted a stock option to purchase 100,000 shares of our Class A Stock at an exercise price equal to the market price of our Class A Stock on the date of grant and which vested in equal annual increments over a four-year period, subject to his remaining in our continuous employ through each annual vesting date.

On June 12, 2015, the Board terminated the employment of James J. Cotter, Jr. as our President and Chief Executive Officer. Under Mr. Cotter, Jr.'s employment agreement with the Company, he is entitled to the compensation and benefits he was receiving at the time of a termination without cause for a period of twelve months from notice of termination. At the time of termination, Mr. Cotter Jr.'s annual salary was $335,000. A dispute has arisen between the Company and Mr. Cotter as to whether the Company is required to continue to make these payments, which is currently subject to arbitration.

Devasis Ghose. On April 29, 2015, we entered into an employment agreement with Mr. Devasis Ghose, pursuant to which he agreed to serve as our Chief Financial Officer for a one year term commencing on May 11, 2015. The employment agreement provides that Mr. Ghose is to receive an annual base salary of $400,000, with an annual target bonus of $200,000, and employee benefits in line with those received by our other senior executives. Mr. Ghose was also granted stock options to purchase 100,000 shares of Class A Stock at an exercise price equal to the closing price of our Class A Stock on the date of grant and which will vest in equal annual increments over a four-year period, subject to his remaining in our continuous employ through each annual vesting date.

Under his employment agreement, we may terminate Mr. Ghose's employment with or without cause (as defined) at any time. If we terminate his employment without cause or fail to renew his employment agreement upon expiration without cause, Mr. Ghose will be entitled to receive severance in an amount equal to the salary and benefits he was receiving for a period of 12 months following such termination or non-renewal. If the termination is in connection with a "change of control" (as defined), Mr. Ghose would be entitled to severance in an amount equal to the compensation he would have received for a period two years from such termination.

William D. Ellis. On October 20, 2014, we entered into an employment agreement with Mr. William D. Ellis, which was amended in September 2015, pursuant to which he agreed to serve as our General Counsel for a term of three years. The employment agreement provides that Mr. Ellis is to receive an annual base salary of $350,000, with an annual target bonus of at least $60,000. Mr. Ellis also received a "sign-up" bonus of $10,000 and is entitled to employee benefits in line with those received by our other senior executives. In addition, Mr. Ellis was granted stock options to purchase 60,000 shares of Class A Stock at an exercise price equal to the closing price of our Class A Stock on the date of grant and which will vest in equal annual increments over a three-year period, subject to his remaining in our continuous employ through each annual vesting date.

Under his employment agreement, we may terminate Mr. Ellis' employment with or without cause (as defined) at any time. If we terminate his employment without cause, Mr. Ellis will be entitled, subject to receipt of a general release, to receive severance in an amount equal to the compensation he would have received for the remainder of the term of his employment agreement, or 24 months, whichever is less, but in no event less than 12 months. If the termination is in connection with a "change of control" (as defined), Mr. Ellis would be entitled to severance in an amount equal to the compensation he would have received for a period of twice the number of months remaining in the term of his employment agreement.

Andrzej Matyczynski. Mr. Matyczynski, our former Chief Financial Officer, Treasurer and Corporate Secretary, has a written employment agreement with our Company that provides for an annual base salary of $212,888 and other compensation. Mr. Matyczynski resigned as our Corporate Secretary on October 20, 2014 and as our Chief Financial Officer and Treasurer effective May 11, 2015, but will continue as an employee until April 15, 2016 (the "Retirement Date") in order to assist in the transition of our new Chief Financial Officer, Mr. Olsese, whose information is set forth above. Upon Mr. Matyczynski's Retirement Date, he will become entitled under his employment agreement to a lump-sum severance payment of $244,580 and to the payment of his vested benefit under his deferred compensation plan discussed above in this section.

2010 Equity Incentive Plan

On May 13, 2010, our stockholders approved the 2010 Stock Incentive Plan (the "Plan") at the annual meeting of stockholders in accordance with the recommendation of the Board of Directors of the Company. The Plan provides for awards of stock options, restricted stock, bonus stock, and stock appreciation rights to eligible employees, Directors, and consultants. The Plan permits issuance of a maximum of 1,250,000 shares of Class A Stock. The Plan expires automatically on March 11, 2020.

Equity incentive bonuses may be awarded to align our executives' long-term compensation to appreciation in stockholder value over time and, so long as such grants are within the parameters of the Plan, historically were entirely discretionary on the part of Mr. Cotter, Sr. Other stock grants are subject to Board approval. Equity awards may include stock options, restricted stock, bonus stock, or stock appreciation rights.

If awarded, it is generally our policy to value stock options and restricted stock at the closing price of our common stock as reported on the NASDAQ Capital Market on the date the award is approved or on the date of hire, if the stock is granted as a recruitment incentive. When stock is granted as bonus compensation for a particular transaction, the award may be based on the market price on a date calculated from the closing date of the relevant transaction. Awards may also be subject to vesting and limitations on voting or other rights.

Certain Federal Income Tax Consequences

Nonqualified Stock Options. There will be no federal income tax consequences to either the Company or the participant upon the grant of a non-discounted nonqualified stock option. However, the participant will realize ordinary income on the exercise of the nonqualified stock option in an amount equal to the excess of the fair market value of the common stock acquired upon the exercise of such option over the exercise price, and the Company will receive a corresponding deduction. The gain, if any, realized upon the subsequent disposition by the participant of the common stock will constitute short-term or long-term capital gain, depending on the participant's holding period.

Incentive Stock Options. There will be no regular federal income tax consequences to either the Company or the participant upon the grant or exercise of an incentive stock option. If the participant does not dispose of the shares of common stock for two years after the date the option was granted and one year after the acquisition of such shares of common stock, the difference between the aggregate option price and the amount realized upon disposition of the shares of common stock will constitute long-term capital gain or loss, and the Company will not be entitled to a federal income tax deduction. If the shares of common stock are disposed of in a sale, exchange or other "disqualifying disposition" during these periods, the participant will realize taxable ordinary income in an amount equal to the excess of the fair market value of the common stock purchased at the time of exercise over the aggregate option price (adjusted for any loss of value at the time of disposition), and the Company will be entitled to a federal income tax deduction equal to such amount, subject to the limitations under Code Section 162(m).

While the exercise of an incentive stock option does not result in current taxable income, the excess of (1) the fair market value of the option shares at the time of exercise over (2) the exercise price, will be an item of adjustment for purposes of determining the participant's alternative minimum tax income.

SARs. A participant receiving an SAR will not recognize income, and the Company will not be allowed a tax deduction, at the time the award is granted. When a participant exercises the SAR, the amount of cash and the fair market value of any shares of common stock received will be ordinary income to the participant and will be allowed as a deduction for federal income tax purposes to the Company, subject to limitations under Code Section 162(m). In addition, the Board (or Committee), may at any time, in its discretion, declare any or all awards to be fully or partially exercisable and may

discriminate among participants or among awards in exercising such discretion.

Restricted Stock. Unless a participant makes an election to accelerate recognition of the income to the date of grant, a participant receiving a restricted stock award will not recognize income, and the Company will not be allowed a tax deduction, at the time the award is granted. When the restrictions lapse, the participant will recognize ordinary income equal to the fair market value of the common stock, and the Company will be entitled to a corresponding tax deduction at that time, subject to the limitations under Code Section 162(m).

Outstanding Equity Awards

The following table sets forth outstanding equity awards held by our named executive officers as of December 31, 2014 under the Plan:

Outstanding Equity Awards At Year Ended December 31, 2014

		Option Awards				Stock Awards	
	Class	Number of Shares Underlying Unexercised Options Exercisable	Number of Shares Underlying Unexercised Options Unexercisable	Option Exercise Price ($)	Option Expiration Date	Number of Shares or Units of Stock that Have Not Vested	Market Value of Shares or Units that Have Not Vested ($)
James J. Cotter, Sr.	B		--		09/05/2017	--	--
James J. Cotter, Jr.	A	12,500	--	3.87	07/07/2013	--	--
James J. Cotter, Jr.	A		--		01/19/2017	--	--
James J. Cotter, Jr.	A	100,000	--	8.31	02/06/2018	--	--
Ellen M. Cotter	A		--		01/06/2018	--	--
Ellen M. Cotter	B	80,000	--	10.24	09/05/2017	--	--
Andrzej Matyczynski	A				08/22/2023	--	--
Robert P. Smerling	A	43,750	--	10.24	09/05/2017	--	--

Option Exercises and Stock Vested

The following table contains information for our named executive officers concerning the option awards that were exercised and stock awards that vested during the year ended December 31, 2014:

Option Awards	Stock Awards

Name	Number of Shares Acquired on Exercise	Value Realized on Exercise ($)	Number of Shares Acquired on Vesting	Value Realized on Vesting ($)
James J. Cotter, Sr.	--	--		
Andrzej Matyczynski	35,1(8)	180,063	--	--

Pension Benefits

The following table contains information concerning pension plans for each of the named executive officers for the year ended December 31, 2014:

Name	Plan Name	Number of Years of Credited Service	Present Value of Accumulated Benefit ($)	Payments During Last Fiscal Year ($)
James J. Cotter, Sr.(1)	SERP		$	$--
Andrzej Matyczynski(2)	DCP	5	$ 450,008	$--

Equity Compensation Plan Information

The following table sets forth, as of December 31, 2014, a summary of certain information related to our equity incentive plans under which our equity securities are authorized for issuance:

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)		Weighted average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a) (c)
Equity compensation plans approved by security holders (1)	753,380	(2)	$ 7.63	1,623,690
Equity compensation plans not approved by security holders	160,643	(3)	--	--
Total	913,993		--	--

(1) These plans are the Company's 1999 Stock Option Plan and 2010 Stock Incentive Plan.
(2) Represents outstanding options only. The Company did not have any outstanding warrants and rights as of December 31, 2014.
(3) Represents the restricted stock to be issued in 2015.

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Potential Payments Upon Termination of Employment or Change in Control

The following paragraphs provide information regarding potential payments to each of our named executive officers in connection with certain termination events, including a termination related to a change of control of the Company, as of December 31, 2014.

Mr. Devasis Ghose – Termination without Cause. Under his employment agreement, we may terminate Mr. Ghose's employment with or without cause (as defined) at any time. If we terminate his employment without cause or fail to renew his employment agreement upon expiration without cause, Mr. Ghose will be entitled to receive severance in an amount equal to the salary and benefits he was receiving for a period of 12 months following such termination or non-renewal. If the termination is in connection with a "change of control" (as defined), Mr. Ghose would be entitled to severance in an amount equal to the compensation he would have received for a period two years from such termination.

Mr. William Ellis – Termination without Cause. Under his employment agreement, we may terminate Mr. Ellis' employment with or without cause (as defined) at any time. If we terminate his employment without cause, Mr. Ellis will be entitled, subject to receipt of a general release, to receive severance in an amount equal to the compensation he would have received for the remainder of the term of his employment agreement, or 24 months, whichever is less, but in no event less than 12 months. If the termination is in connection with a "change of control" (as defined), Mr. Ellis would be entitled to severance in an amount equal to the compensation he would have received for a period of twice the number of months remaining in the term of his employment agreement.

Mr. Wayne Smith—Termination of Employment for Failing to Meet Performance Standards. If Mr. Smith's employment is terminated by the Board for failing to meet the standards of his anticipated performance, Mr. Smith will be entitled to a severance payment of six months' base salary.

No other named executive officers currently have employment agreements or other arrangements providing benefits upon termination or a change of control.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

The members of our Audit and Conflicts Committee are Douglas McEachern, who serves as Chair, and Edward Kane. Management presents all potential related party transactions to the Conflicts Committee for review. Our Conflicts Committee reviews whether a given related party transaction is beneficial to our Company, and approves or bars the transaction after a thorough analysis. Only Committee members disinterested in the transaction in question participate in the determination of whether the transaction may proceed.

Sutton Hill Capital

In 2001, we entered into a transaction with Sutton Hill Capital, L.L.C. ("SHC") regarding the leasing with an option to purchase of certain cinemas located in Manhattan including our Village East and Cinemas 1, 2 & 3 theaters. In connection with that transaction, we also agreed to lend certain amounts to SHC, to provide liquidity in its investment, pending our determination whether or not to exercise our option to purchase and to manage the 86th Street Cinema on a fee basis. SHC is a limited liability company that is owned by Sutton Hill Associates, which was a 50/50 partnership between James J. Cotter, Sr. and Michael Forman. The Village East is the only cinema subject to this lease, and during 2014, 2013 and 2012 we paid rent to SHC in the amount of $590,000 annually.

On June 29, 2010, we agreed to extend our existing lease from SHC of the Village East Cinema in New York City by 10 years, with a new termination date of June 30, 2020. The Village East lease includes a sub-lease of the ground underlying the cinema that is subject to a longer-term ground lease between SHC and an unrelated third party that expires in June 2031 (the "cinema ground lease"). The extended lease provides for a call option pursuant to which Reading may purchase the cinema ground lease for $5.9 million at the end of the lease term. Additionally, the lease has a put option pursuant to which SHC may require us to purchase all or a portion of SHC's interest in the existing cinema lease and the cinema ground lease at

any time between July 1, 2013 and December 4, 2019. SHC's put option may be exercised on one or more occasions in increments of not less than $100,000 each. In 2005, we acquired from a third party the fee interest and from SHC its interest in the ground lease estate underlying and the improvements constituting the Cinemas 1, 2 & 3. In connection with that transaction, we granted to SHC an option to acquire a 25% interest in the special purpose entity formed to acquire these interests at cost. On June 28, 2007, SHC exercised this option, paying the option exercise price through the application of its $3 million deposit plus the assumption of its proportionate share of SHP's liabilities, giving SHC a 25% non-managing membership interest in SHP. We manage this cinema property for an annual management fee equal to 5% of its annual gross income.

In February 2015, we and SHP entered into an amendment to the management agreement dated as of June 27, 2007 between us and SHC. The amendment, which was retroactive to December 1, 2014, memorialized our undertaking to SHP with respect to $750,000 (the "Renovation Funding Amount") of renovations to Cinemas 1, 2 & 3 funded or to be funded by us. In consideration of our funding of the renovations, our annual management fee under the management agreement was increased commencing January 1, 2015 by an amount equivalent to 100% of any incremental positive cash flow of Cinemas 1, 2 & 3 over the average annual positive cash flow of the Cinemas over the three-year period ended December 31, 2014 (not to exceed a cumulative aggregate amount equal to the Renovation Funding Amount), plus a 15% annual cash-on-cash return on the balance outstanding from time to time of the Renovation Funding Amount, payable at the time of the payment of the annual management fee. Under the amended management agreement, we are entitled to retain ownership of (and any right to depreciate) any furniture, fixtures and equipment purchased by us in connection with such renovation and have the right (but not the obligation) to remove all such furniture, fixtures and equipment (at our own cost and expense) from the Cinemas upon the termination of the management agreement. The amendment also provides that, during the term of the management agreement, SHP will be responsible for the cost of repair and maintenance of the renovations.

OBI Management Agreement

Pursuant to a Theater Management Agreement (the "Management Agreement"), our live theater operations are managed by OBI LLC ("OBI Management"), which is wholly owned by Ms. Margaret Cotter, who is our Vice Chair and the sister of Ellen M. Cotter.

The Management Agreement generally provides that we will pay OBI Management a combination of fixed and incentive fees, which historically have equated to approximately 21% of the net cash flow received by us from our live theaters in New York. Since the fixed fees are applicable only during such periods as the New York theaters are booked, OBI Management receives no compensation with respect to a theater at any time when it is not generating revenue for us. This arrangement provides an incentive to OBI Management to keep the theaters booked with the best available shows, and mitigates the negative cash flow that would result from having an empty theater. In addition, OBI Management manages our Royal George live theater complex in Chicago on a fee basis based on theater cash flow. In 2014, OBI Management earned $397,000, which was 20.6% of net cash flows for the year. In 2013, OBI Management earned $401,000, which was 20.1% of net cash flows for the year. In 2012, OBI Management earned $398,000, which was 19.7% of net cash flows for the year. In each year, we reimbursed travel related expenses for OBI Management personnel with respect to travel between New York City and Chicago in connection with the management of the Royal George complex.

OBI Management conducts its operations from our office facilities on a rent-free basis, and we share the cost of one administrative employee of OBI Management. Other than these expenses and travel-related expenses for OBI Management personnel to travel to Chicago as referred to above, OBI Management is responsible for all of its costs and expenses related to the performance of its management functions. The Management Agreement renews automatically each year unless either party gives at least six months' prior notice of its determination to allow the Management Agreement to expire. In addition, we may terminate the Management Agreement at any time for cause.

Live Theater Show Investment

From time to time, our officers and Directors may invest in plays or other shows that lease our live theaters. The show STOMP has played in our Orpheum Theatre since prior to our acquisition of the theater in 2001. Mr. Cotter, Sr. owned an approximately 5% interest in that show.

Shadow View Land and Farming LLC

During 2012, Mr. Cotter, Sr., our former Chair, Chief Executive Officer and controlling shareholder, contributed $2.3 million of cash and $235,000 of his 2011 bonus as his 50% share of the purchase price of a land parcel in Coachella, California

and to cover his 50% share of certain costs associated with that acquisition. This land is held in Shadow View Land and Farming, LLC, which is owned 50% by our Company. Mr. Cotter, Jr. contends that the other 50% interest in Shadow View Land and Farming, LLC is owned by the James J. Cotter, Sr. Living Trust, while Ellen M. Cotter and Margaret Cotter contend that such interest is owned by the Estate of James J. Cotter, Sr. We are the managing member of Shadow View Land and Farming, LLC, with oversight provided by our Audit Committee.

INDEPENDENT PUBLIC ACCOUNTANTS

Summary of Principal Accounting Fees for Professional Services Rendered

Our independent public accountants, Grant Thornton LLP, have audited our financial statements for the fiscal year ended December 31, 2014, and are expected to have a representative present at the Annual Meeting, who will have the opportunity to make a statement if he or she desires to do so and is expected to be available to respond to appropriate questions.

Audit Fees

The aggregate fees for professional services for the audit of our financial statements, audit of internal controls related to the Sarbanes-Oxley Act, and the reviews of the financial statements included in our Forms 10-K and 10-Q provided by Grant Thornton LLP for 2014 and 2013 were approximately $661,700 and $550,000, respectively.

Audit-Related Fees

Grant Thornton LLP did not provide us any audit related services for 2014 or 2013.

Tax Fees

Grant Thornton LLP did not provide us any products or any services for tax compliance, tax advice, or tax planning for 2014 or 2013.

All Other Fees

Grant Thornton LLP did not provide us any services for 2014 or 2013, other than as set forth above.

Pre-Approval Policies and Procedures

Our Audit Committee must pre-approve, to the extent required by applicable law, all audit services and permissible non-audit services provided by our independent registered public accounting firm, except for any *de minimis* non-audit services. Non-audit services are considered *de minimis* if (i) the aggregate amount of all such non-audit services constitutes less than 5% of the total amount of revenues we paid to our independent registered public accounting firm during the fiscal year in which they are provided; (ii) we did not recognize such services at the time of the engagement to be non-audit services; and (iii) such services are promptly submitted to our Audit Committee for approval prior to the completion of the audit by our Audit Committee or any of its members who has authority to give such approval. Our Audit Committee pre-approved all services provided to us by Grant Thornton LLP for 2014 and 2013.

STOCKHOLDER COMMUNICATIONS

Annual Report

A copy of our Annual Report on Form 10-K for the fiscal year ended December 31, 2014 is being provided with this Proxy Statement.

Stockholder Communications with Directors

It is the policy of our Board of Directors that any communications sent to the attention of any one or more of our Directors in care of our executive offices will be promptly forwarded to such Directors. Such communications will not be opened or reviewed by any of our officers or employees, or by any other Director, unless they are requested to do so by the addressee of any such communication. Likewise, the content of any telephone messages left for any one or more of our Directors (including call-back number, if any) will be promptly forwarded to that Director.

Stockholder Proposals and Director Nominations

Any stockholder who, in accordance with and subject to the provisions of the proxy rules of the SEC, wishes to submit a proposal for inclusion in our Proxy Statement for our 2016 Annual Meeting of Stockholders, must deliver such proposal in writing to the Secretary of the Company at the address of our Company's principal executive offices at 6100 Center Drive, Suite 900, Los Angeles, California 90045. Unless we change the date of our annual meeting by more than 30 days from the prior year's meeting, such written proposal must be delivered to us no later than June 22, 2016 to be considered timely. If our 2016 Annual Meeting is not within 30 days of the anniversary of our 2015 Annual Meeting, to be considered timely, stockholder proposals must be received no later than ten days after the earlier of (a) the date on which notice of the 2016 Annual Meeting is mailed, or (b) the date on which the Company publicly discloses the date of the 2016 Annual Meeting, including disclosure in an SEC filing or through a press release. If we do not receive timely notice of a stockholder proposal, the proxies that we hold may confer discretionary authority to vote against such stockholder proposal, even though such proposal is not discussed in our Proxy Statement for that meeting.

Our Board of Directors will consider written nominations for Directors from stockholders. Nominations for the election of Directors made by our stockholders must be made by written notice delivered to our Secretary at our principal executive offices not less than 120 days prior to the first anniversary of the date that this Proxy Statement is first sent to stockholders. Such written notice must set forth the name, age, address, and principal occupation or employment of such nominee, the number of shares of our Company's common stock that is beneficially owned by such nominee and such other information required by the proxy rules of the SEC with respect to a nominee of the Board of Directors.

Under our governing documents and applicable Nevada law, our stockholders may also directly nominate candidates from the floor at any meeting of our stockholders held at which Directors are to be elected.

OTHER MATTERS

We do not know of any other matters to be presented for consideration other than the proposals described above, but if any matters are properly presented, it is the intention of the persons named in the accompanying proxy to vote on such matters in accordance with their judgment.

DELIVERY OF PROXY MATERIALS TO HOUSEHOLDS

As permitted by the Securities Exchange Act of 1934, only one copy of the proxy materials are being delivered to our stockholders residing at the same address, unless such stockholders have notified us of their desire to receive multiple copies of the proxy materials.

We will promptly deliver without charge, upon oral or written request, a separate copy of the proxy materials to any stockholder residing at an address to which only one copy was mailed. Requests for additional copies should be directed to our Corporate Secretary by telephone at (213) 235-2240 or by mail to Corporate Secretary, Reading International, Inc., 6100 Center Drive, Suite 900, Los Angeles, California 90045.

Stockholders residing at the same address and currently receiving only one copy of the proxy materials may contact the Corporate Secretary as described above to request multiple copies of the proxy materials in the future.

By Order of the Board of Directors,

Ellen M. Cotter
Chair of the Board

October 16, 2015

PROXY VOTING INSTRUCTIONS

YOUR VOTE IS IMPORTANT. PLEASE VOTE TODAY.
We encourage you to take advantage of Internet or telephone voting.
Both are available 24 hours a day, 7 days a week.
Internet and telephone voting is available through 11:59 p.m. PT, on November 3, 2015.

VOTE BY INTERNET	WWW.FIRSTCOASTRESULTS.COM/RDI

Use the Internet to transmit your voting instructions and for electronic delivery of information up until 11:59 p.m. PT on November 3, 2015. Have your proxy card in hand when you access the web site and follow the instructions to obtain your records and to create an electronic voting instruction form.

OR

VOTE BY TELEPHONE	1-800-303-7885

Use any touch-tone telephone to transmit your voting instructions up until 11:59 p.m. PT on November 3, 2015. Have your proxy card in hand when you call and then follow the instructions.

OR

VOTE BY MAIL

Mark, sign and date your proxy card and return it in the postage-paid envelope we have provided to: Broadridge Results, Inc., P.O. Box 3672, Port Orange Beach, FL 32001-9814

If you vote your proxy by Internet or by telephone, you do NOT need to mail back your proxy card. Your Internet or telephone vote authorizes the named proxies to vote your shares in the same manner as if you marked, signed and returned your proxy card.

CONTROL NUMBER

△ If submitting a proxy by mail, please sign and date the card below and fold and detach card at perforation before mailing. ✓

READING INTERNATIONAL ANNUAL MEETING PROXY CARD
BOARD OF DIRECTORS - The Board of Directors recommends a vote FOR all nominees listed.
Proposal 1

(01) Ellen M. Cotter (02) Guy W. Adams (03) Judy Codding (04) James J. Cotter, Jr. (05) Margaret Cotter
(06) William D. Gould (07) Edward L. Kane (08) Douglas J. McEachern (09) Michael Wrotniak

FOR ALL ☐ WITHHOLD ALL ☐ FOR ALL EXCEPT ☐

To withhold your vote for any individual nominee(s), mark "For All Except" box and write the number(s) of the nominees(s) on the line below.

	FOR ☐	AGAINST ☐	ABSTAIN ☐
Proposal 2 Ratification of the Appointment of Our Independent Auditors, Grant Thornton LLP, for fiscal year 2015- The Board of Directors recommends a vote FOR approval of the appointment of our Grant Thornton LLP.			

Proposal 3 Other Business. In their discretion, the proxies are authorized to vote upon such other business as may properly come before the meeting and at and with respect to any and all adjournments or postponements thereof. The Board of Directors at present knows of no other business to be presented by or on behalf of the Company or the Board of Directors at the meeting.

THIS PROXY CARD IS VALID ONLY WHEN SIGNED AND DATED.

Signature

Signature (Joint Owners)

Date

NOTE: Please sign as name appears hereon. Joint owners should each sign. When signing as attorney, executor, administrator, trustee or guardian, please give full title as such. If the signer is a corporation, please sign full corporate name by authorized officer, giving full title as such. If a partnership, please sign in partnership name by authorized person, giving full title as such.

SIGN, DATE AND MAIL YOUR PROXY TODAY,
UNLESS YOU HAVE VOTED BY INTERNET OR TELEPHONE.

IF YOU HAVE NOT VOTED BY INTERNET OR TELEPHONE, PLEASE DATE, MARK, SIGN AND RETURN THIS PROXY PROMPTLY. YOUR VOTE, WHETHER BY INTERNET, TELEPHONE OR MAIL, MUST BE RECEIVED NO LATER THAN 11:59 P.M. PACIFIC TIME, NOVEMBER 9, 2015.
TO BE INCLUDED IN THE VOTING RESULTS, ALL VALID PROXIES RECEIVED PRIOR TO 11:59 P.M. PACIFIC TIME, NOVEMBER 9, 2015 WILL BE VOTED.

SEE REVERSE SIDE

If submitting a proxy by mail, please sign and date the card on reverse and fold and detach card at perforation before mailing.

READING INTERNATIONAL

ANNUAL MEETING OF STOCKHOLDERS

November 10, 2015, 11:00 a.m.

THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS

The undersigned hereby appoints Ellen M. Cotter and Andrzej Matyczynski, and each of them, the attorneys, agents, and proxies of the undersigned, with full powers of substitution to each, to attend and act as proxy or proxies of the undersigned at the Annual Meeting of Stockholders of Reading International, Inc. to be held at the Ritz Carlton – Marina Del Rey, located at 4375 Admiralty Way, Marina del Rey, California 90292, on Tuesday, November 10, 2015 at 11:00 a.m., local time, and at and with respect to any and all adjournments or postponements thereof, and to vote as specified herein the number of shares which the undersigned, if personally present, would be entitled to vote.

The undersigned hereby ratifies and confirms all that the attorneys and proxies, or any of them, or their substitutes, shall lawfully do or cause to be done by virtue hereof, and hereby revokes any and all proxies heretofore given by the undersigned to vote at the Annual Meeting. The undersigned acknowledges receipt of the Notice of Annual Meeting and the Proxy Statement accompanying such notice.

THE PROXY, WHEN PROPERLY EXECUTED AND RETURNED PRIOR TO THE ANNUAL MEETING, WILL BE VOTED AS DIRECTED. IF NO DIRECTION IS GIVEN, IT WILL BE VOTED "FOR" PROPOSAL 1, 2, AND IN THE PROXY HOLDERS' DISCRETION AS TO ANY OTHER MATTER THAT MAY PROPERLY COME BEFORE THE ANNUAL MEETING OR ANY POSTPONEMENT OR ADJOURNMENT THEREOF.

SEE REVERSE SIDE

EXHIBIT 27

Minutes
of the Meeting Board of Directors of
Reading International, Inc.

August 7, 2014

A duly noticed special telephonic meeting of the Board of Directors of Reading International, Inc. (the "Company") was held on Thursday, August 7, 2014 at approximately 3:00 p.m., Los Angeles local time.

All of the directors, other than James J. Cotter, Sr., were present either in person or by telephone pursuant to a conference connection in which all participants could hear and speak to one another. Also present at the invitation of the Board was S. Craig Tompkins, Esq. who served as secretary for the meeting.

Call to Order

James J. Cotter, Jr., Vice Chairman of the Board of Directors, acting as the Vice Chairman of the Company, called the meeting to order at approximately 3:00 p.m., Los Angeles time, and took a roll call of attendees confirming their presence and ability to participate.

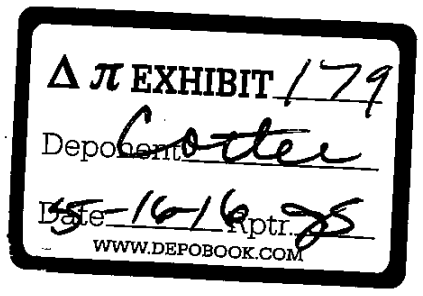
Resignation of James J. Cotter, Sr.

Vice-Chairman Cotter advised the Board that, due to illness, his father, James J. Cotter, Sr. was not able to attend the meeting and was resigning effective immediately as Chairman of the Board, as a Director and as Chief Executive Officer of the Company, and as an officer, director and/or manager of each of the Company's subsidiaries.

Vice Chairman Cotter also advised that it was currently contemplated that the chairmanship be rotated among James J. Cotter, Jr., Ellen Cotter and Margaret Cotter annually. James J. Cotter, Jr., Ellen Cotter and Margaret Cotter further advised the Board that they consider their family's holdings in the Company to be a long term family asset, and that they intend to continue the Company in the direction established by their father, James J. Cotter, Sr. --- as a motion picture exhibition and real estate company.

Following discussion, the following actions were taken by the unanimous vote of the Directors present at the meeting:

- James J. Cotter, Jr. was appointed to serve as the Company's chief executive officer;
- Ellen Cotter was elected to serve as Chairman of the Board; and
- Following the resignation of James J. Cotter, Jr. as the Vice-Chairman of the Board, Margaret Cotter was elected to serve as Vice-Chairman of the Board.



Certain directors asked questions which confirmed the non-executive nature of the rotating chairmanship and regarding the compensation to be paid to Mr. Cotter, Sr., given his resignation in mid calendar year. It was determined that all such compensation issues should be delegated to the Compensation Committee for determination.

Adjournment

There being no further business, the meeting was adjourned at approximately 5:30, Los Angeles time.

Ellen M. Cotter, Chairman

S. Craig Tompkins, Recording Secretary

EXHIBIT 28

Confidential – Filed Under Seal

EXHIBIT 29

READING
INTERNATIONAL

Minutes of the
Meeting of the Board of Directors
of
Reading International, Inc.

May 21, 2015

A duly noticed meeting of the Board of Directors (the "Board") of Reading International, Inc. (the "Company") was held in the Company's offices in Los Angeles on May 21, 2015 at approximately 11:15 a.m. (Los Angeles time).

Present were Ellen M. Cotter, Chairperson of the Board, and Board members Margaret Cotter, Vice Chairperson, James J. Cotter, Jr., William D. Gould, Edward L. Kane, Doug McEachern, Tim Storey and Guy Adams.

In attendance at the invitation of the directors were William D. Ellis, Company Secretary and General Counsel, and Craig Tompkins. Also in attendance at the request of the Chairperson were Company counsel, Gary McLaughlin and Frank Reddick, of Akin Gump Strauss Hauer & Feld, LLP. On behalf of James J. Cotter, Jr., Mark Krum of Lewis Roca Rothgerber LLP was also present.

In advance of the meeting, the Chairperson had distributed to each of the directors a notice of the meeting and an agenda. In addition, Neal Brockmeyer, counsel for the independent directors, had reported to each of the independent directors as to a telephone conversation he had on May 20, 2015 with Mr. Krum, who had informed Mr. Brockmeyer that if the Board took action at its meeting on May 21, 2015 to terminate Mr. James Cotter's employment with the Company, he would file a lawsuit in Nevada court against the directors personally based on an alleged breach of fiduciary duty of care and duty of loyalty. Further, on May 19, 2015, Mr. James Cotter had requested the Chairperson to place on the agenda of this meeting the following matters: (x) a report by him on a Review of the Company's Operations and the search for a Director of Real Estate, (y) employment agreements for Ms. Ellen Cotter and Ms. Margaret Cotter and (z) his request that the Company repurchase 100,000 shares of Class A non-voting stock owned by him.

Call to Order

Ms. Ellen Cotter, Chairperson of the Board, called the meeting to order at approximately 11:15 a.m. (Los Angeles time) and did a roll call of the attendees. Ms. Ellen Cotter acted as recording secretary for the meeting and took these minutes.

Presence of Attorneys

Prior to moving to the agenda, the Board took up the question of whether counsel from Lewis Roca Rothgerber and Akin Gump Strauss Hauer & Feld should participate in the meeting. The Chairperson informed the board that non-board members are entitled to attend the meeting only at the invitation of the Board and that Mr. Krum did not represent the Company and had indicated an intention to file a lawsuit on behalf of Mr. James Cotter against each of the other directors. Following discussion, Mr. Adams made a motion, seconded by Mr. Kane, that Mr. Krum be requested to leave the meeting. Upon a vote of 7-1, with Mr. Cotter voting against, the motion was approved.

The Board then discussed whether it was appropriate for Messrs. Reddick and McLaughlin to be present at the Meeting. The Chairperson stated that Akin Gump Strauss Hauer & Feld had been engaged by the Company on employment and certain other matters for over ten years and Messrs. Reddick and McLaughlin were present at her request. Following discussion, Mr. McEachern made a motion, seconded by Mr. Kane, to invite Messrs. Reddick and McLaughlin to attend the meeting. By a vote of 5-3, with Messrs. Cotter, Storey and Gould voting against, the motion was adopted.

Mr. Krum then addressed the Board stating that, in his opinion, the Board had not engaged in an adequate process in order to make a determination to terminate Mr. Cotter as Chief Executive Officer and that Messrs. Adams and Kane were not disinterested directors. Mr. Ellis reported that he had consulted the Company's regular Nevada corporate counsel and had been advised that Messrs. Adams and Kane had no conflict that would preclude them as a matter of law in participating in the meeting and voting on any matter with respect to Mr. Cotter.

Review of Operations

Ms. Ellen Cotter then stated that she would like take up the last item on the agenda, Mr. Cotter's report on operations, out of order as the first order of business. Mr. Cotter stated that he was not prepared to make a presentation on the Company's operations but instead would like to address the Board on his performance as Chief Executive Officer and the reasons he believed it appropriate that he continue in that role. Mr. Cotter then proceeded to speak to the Board at length about his position of President and Chief Executive Officer of the Company. He told the Board that he firmly believed that his father, James J. Cotter, Sr., the Company's former Chairman and Chief Executive Officer, had intended for him to have this role and his continuation as Chief Executive Officer would be consistent with his father's wishes. He also took issue with the independence of Mr. Kane and Mr. Adams and repeated the statements his counsel had addressed to the Board urging that they be disqualified from voting with respect to any action to terminate him as Chief Executive Officer.

The Board then proceeded to discuss at length the performance of Mr. Cotter as Chief Executive Officer and President of the Company since he was appointed in August 7, 2014.

For over the next two hours the Board discussed Mr. James Cotter's performance as Chief Executive Officer. Messrs. Adams and Kane and Madams Ellen Cotter and Margaret Cotter each stated that it would be in the best interests of the Company and its shareholders that the Board conduct a search for a qualified chief executive officer and that Mr. Cotter be relieved of his positions as Chief Executive Officer and President of the Corporation and reviewed the reasons underlying this assessment. As part of that discussion, it was noted that the independent directors had met numerous times to discuss this matter and Mr. Cotter's progress in this role. Messrs. Adams and Kane and Madams Ellen Cotter and Margaret Cotter reviewed their assessment of deficiencies that they observed in Mr. Cotter's leadership, understanding of the Company's business, temperament, managerial skills, decision-making and other attributes in the role of Chief Executive Officer. Messrs. Gould and Storey expressed their views on Mr. Cotter's performance and their conclusion that a decision to make a change in this position would not be in the best interests of the Company at this time.

At approximately 2:00 p.m. (Los Angeles time), Messrs. Gould, Kane, McEachern, Storey and Adams suggested that they continue the discussion in executive session and Ms. Ellen Cotter, Ms. Margaret Cotter, and Messrs. James Cotter, Ellis, Tompkins, McLaughlin and Reddick left the meeting.

Independent Directors Session

Messrs. Gould, Kane, McEachern, Storey and Adams continued in executive session for the next two hours during which time they continued their review of Mr. James Cotter's performance and the course of action that would be in the best interests of the Company.

Resumption of the Meeting with the Full Board

At approximately 4:00 p.m. (Los Angeles time), Ms. Ellen Cotter, Ms. Margaret Cotter, and Mr. James Cotter rejoined the meeting.

After much further discussion amongst Board members, Mr. Gould suggested that Mr. Cotter continue as President of the Company and the Board commence a search for a new Chief Executive Officer. Mr. Cotter twice refused to continue in the role of President under a new Chief Executive Officer.

After much further discussion, the Board determined to take no action at this meeting with respect to Mr. Cotter's position as Chief Executive Officer and President of the Company and that the Board would reconvene the meeting on May 29, 2015 to continue its deliberations. In the interim, the Directors would be provided the opportunity to reflect on the discussion during the meeting and Mr. Cotter indicated that he would give further consideration to continuing in the role of President of the Company under the leadership of a new Chief Executive Officer. At the request of the Board, Mr. Cotter agreed to maintain during the upcoming week a "low profile," to not take any significant corporate action and take some time out of the office.

Independent Director Compensation

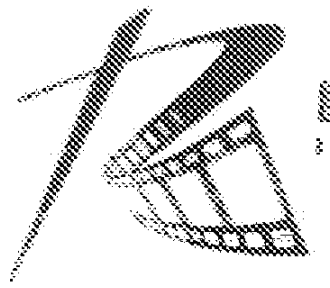
The Board then discussed the inordinate amount of director time that had been spent addressing the management and personnel issues at the Company.

A motion was made by Mr. McEachern and seconded by Mr. Storey that each of the directors who are not employed by the Company or members of the Cotter family, receive a one-time bonus of $25,000 in recognition of the significant additional time required addressing these matters. Upon motion duly made, seconded and unanimously adopted, the Board approved such one-time bonus.

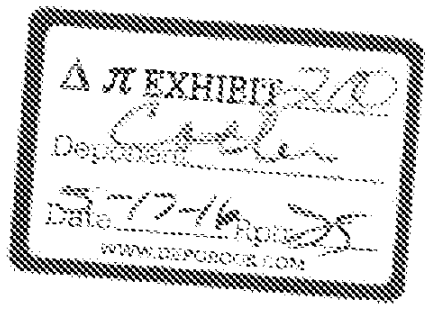
Ms. Ellen Cotter then adjourned the Meeting at approximately 5:00 p.m., to be reconvened on May 29, 2015 at 10:00 a.m. (Los Angeles time) at the Company's Los Angeles offices.

Ellen M. Cotter, Chairperson, Recording Secretary

EXHIBIT 30



READING
INTERNATIONAL



Minutes of the
Meeting of the Board of Directors
of
Reading International, Inc.

May 29, 2015

A duly noticed meeting of the Board of Directors (the "Board") of Reading International, Inc. (the "Company") was held in the Company's Los Angeles office on May 21, 2015 and ultimately adjourned to May 29, 2010 at 11:00 a.m. (Los Angeles time).

Present were Ellen M. Cotter, Chairperson of the Board, and Board members Margaret Cotter, Vice Chairperson, James J. Cotter, Jr., William D. Gould, Edward L. Kane, Doug McEachern, Tim Storey and Guy Adams. In attendance at the invitation of the directors was William D. Ellis, Corporation Secretary and General Counsel.

Prior to the meeting, Neal Brockmeyer, counsel for the independent directors, reported to each of the independent directors as to a telephone conversation he had on May 28, 2015 with Mr. Mark Krum of Lewis Roca Rothgerber, counsel for Mr. James Cotter, Jr. Mr. Brockmeyer reported that in his conversation, Mr. Krum asserted that Mr. Guy Adams was not a disinterested director and was disqualified from voting on any matter addressing Mr. Cotter's continued employment by the Company as Chief Executive Officer and President. He also asked Mr. Brockmeyer if Mr. Brockmeyer was authorized to accept service of process on behalf of the independent directors of the Company and asked Mr. Brockmeyer to respond by 10:00 am. on May 29, 2015. The substance of Mr. Brockmeyer's report was also shared with William Ellis, General Counsel of the Company.

Call to Order

Ms. Ellen Cotter, Chairperson of the Board, called the meeting to order at approximately 11:00 a.m. (Los Angeles time) and did a roll call of the attendees. Mr. William Ellis acted as recording secretary for the meeting and took these minutes.

Status of President and Chief Executive Officer

The Board continued its discussion of Mr. James Cotter, Jr.'s performance as Chief Executive Officer and President of the Company. Prior to adjournment on May 21, 2015, the Board discussed having Mr. Cotter continue as President of the Company and to immediately commence a search for a new Chief Executive Officer. At that time, Mr. Cotter twice informed the other directors that he found that arrangement to be unacceptable. Mr. Cotter informed

the Board that he had given further thought to a role as President and that he would not agree to remain employed as President of the Company under the leadership of a new Chief Executive Officer.

Mr. Adams explained his lack of confidence in Mr. Cotter's ability to "move the Company forward", principally based on Mr. Cotter's lack of leadership skills, understanding of the Company's business, temperament, managerial skills, decision-making and other attributes in the role of Chief Executive Officer and President.

Mr. Adams' then made the following Motion:

> *I move to remove James Cotter, Jr. from his position as President and Chief Executive Officer and all other positions he holds with the Company, its subsidiaries and affiliates. Mr. Cotter's employment agreement provides that if he is terminated without cause he is entitled to severance pay. While I personally believe we may have cause in this situation, it is my proposal that we take this action to remove him "without cause" under the terms of his contract, which will provide him the benefit of the contractual severance pay, assuming there is no further breach of the agreement.*

The above Motion was seconded by Mr. McEachern.

Before Ms. Ellen Cotter opened the floor to discussion on this Motion, she read the Board the following statement:

> *I want to disclose for the record, and as all of you know, Margaret Cotter and I have an interest in litigation that has been filed in California and we are now parties to a lawsuit filed in Nevada by our brother concerning shares of stock and options formerly held by our father. Our brother is also interested in this litigation.*

Ms. Margaret Cotter confirmed for the Board that this statement also applied to her as well.

Mr. Cotter began the discussion by questioning the independence of Mr. Adams to vote on the Motion. Mr. Ellis told the Board that he had reviewed with the Company's regular Nevada counsel the substance of Mr. Brockmeyer' s report on his conversation with Mr. Krum, including the stated reasons that Mr. Adams was allegedly not disinterested and disqualified from voting on the matter before the Board. He reported to the Board that counsel had advised him that, based on the facts outlined by Mr. Krum (which were the same as those asserted by Mr. Cotter at the meeting), Mr. Adams did not have a conflict that would prevent him from voting on the above motion.

Mr. Cotter further reiterated that it was the intention of his father, the former Chairman and CEO of the Company, that he run the Company and that the Board should observe his wishes.

The Board had a lengthy discussion of Mr. Cotter's performance as Chief Executive Officer and President of the Company. Mr. Cotter disputed these characterizations of his performance and stated his belief that he was competent to continue to run the Company.

The Board then discussed various options regarding how the Company's senior management team should be structured, including terminating Mr. Cotter and appointing an interim Chief Executive Officer to run the Company until Mr. Cotter's successor could be appointed, continuing Mr. Cotter in the role as President and commencing a search for a new Chief Executive Officer (which Mr. Cotter had on three different occasions rejected), and deferring any decision with respect to Mr. Cotter's status as an officer of the Company and maintaining the "status quo" until the pending litigation between the members of the Cotter family is resolved, recognizing that the litigation could impact the control of the Company. Directors Storey and Gould urged Mr. Cotter, Ms. Ellen Cotter and Ms. Margaret Cotter to attempt to negotiate a universal settlement that would resolve issues relating to the control of the Company and provide certainty to management and stockholders alike.

Ms. Ellen Cotter then informed the Board that legal counsel for Ms. Ellen Cotter and Ms. Margaret Cotter had contacted Mr. Cotter's counsel during the last week and proposed a settlement of the litigation existing between the three of them and related trusts and estates. It was noted that settlement of the litigation could be beneficial to the Company and its shareholders because it would remove any questions regarding the voting of the Company's common stock held by the trust and estate of Mr. James Cotter, Sr., which represents a control position in the Company and may reduce or eliminate the tension and obstacles to working collaboratively as a team that currently exists among the three litigants.

Ms. Ellen Cotter then reviewed the terms of the proposal made by her and Ms. Margaret Cotter's counsel to Mr. Cotter's counsel to resolve their litigation matters. It was noted that, to the extent the proposal addressed the terms of any settlement of litigation between the family members and their related trusts and estates, it was a matter personal to the Cotter family and not a matter on which the Board would have a view. To the extent that the proposal addressed the structure of the senior management of the Company, that was a matter for the Board of Directors and could not be dictated by the terms of any settlement. However, recognizing the potential benefits to the Company and its stockholders of a settlement of the existing litigation among the Cotter family members and their related trusts and estates, the meeting went into recess at approximately 2:00 p.m. to permit Mr. Cotter and Madams Ellen Cotter and Margaret Cotter to continue their discussion of settlement terms.

The Board meeting reconvened at approximately 6:00 p.m. at the Los Angeles offices of the Company. Present in the Los Angeles office of the Corporation were Ellen M. Cotter, Chairperson of the Board, and Board members Margaret Cotter, Vice Chairperson, James J.

Cotter, Jr. and Guy Adams. Present telephonically were William D. Gould, Edward L. Kane, Doug McEachern and Tim Storey. In attendance telephonically at the invitation of the directors was William D. Ellis, Company Secretary. Each of the persons in attendance confirmed that they could hear one another.

Ms. Ellen Cotter reported that she, Ms. Margaret Cotter and Mr. James Cotter, Jr. had reached an "agreement-in-principle" regarding their various disputed issues. Ms. Ellen Cotter then proceeded to read the "agreement-in-principle" to the Board. The agreement in principle addressed the terms of the settlement of the litigation matters existing between the three Cotters and related trusts and estates and also addressed Mr. Cotter's continued role as an officer of the Company. Ms. Ellen Cotter acknowledged that she and Ms. Margaret Cotter had no authority to bind the Company or the Board as to matters related to the Company's management structure that were part of the settlement, and the Cotter parties could only agree to vote for the settlement of those issues if the Board indeed approved such matters. She further noted that the "agreement-in-principle" still had to be reviewed by counsel and documented to the Cotters' mutual satisfaction.

Adjournment

It was then determined to adjourn the meeting and to permit the Cotters to move forward to document their settlement. No action was taken by the board with respect to the motion made earlier in the meeting and no action was taken on any element of the agreement in principle arrived at between the Cotter family members and related trusts and estates.

William D. Ellis, Recording Secretary

EXHIBIT 31

Confidential – Filed Under Seal

EXHIBIT 32

Message

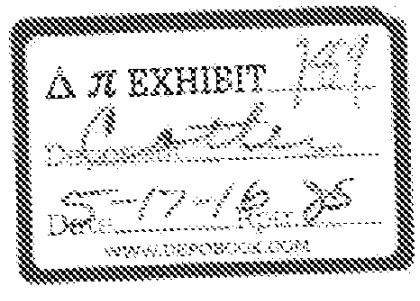
From: Tim Storey [tim.storey@prolex.co.nz]
Sent: 2/5/2015 9:52:15 PM
To: William Gould [wgould@troygould.com]
Subject: Reading
Attachments: 1502 Reading Review.docx

Flag: Follow up

Very much in draft

Tim Storey
Director
Prolex Advisory

PO Box 2974 Shortland Street, Auckland
Phone +64(0)21 633-089



Reading review

February 15

Preamble

Reading is a great company in a state of change. JCSnr approach needs to be transitioned to a more orthodox governance and management model – a shift from an autocratic/family office approach to a more focussed corporate approach.

The company's strategic direction needs to be reaffirmed; steps need to be taken to maximise shareholder value in managing the cinema and property operations – in particular US cinemas (growth/upgrades, profitability), NY property (ready for implementation) and being prepared for a substantial investment cycle. While not necessarily urgent, steps need to be taken promptly.

All this would be very challenging for any listed company. It is significantly more complex given the "family" involvement – and even more complicated given the litigation and its implications.

Our principal concern (and duty) is to refocus the company and management. We need to focuss and assist the CEO to do that. Given the background circumstances, we have allowed a period of grace while we waited to see how the various dynamics would play out. Some months down the track we have made limited progress – with litigation now underway and likely to last some time, we need to move forward. The situation impacts on the current management of the company, must certainly affect our ability to find new people (and retain existing) and makes us vulnerable in the market – commercially (operationally) and also to shareholders.

Background

- JCSnr managed in an unorthodox way but worked for him/Reading
- family in business but a work in progress
    - JC – introduced but under tutelage – JCSnr saw a longer period of tutelage than was in fact available – JC assumed CEO role on short notice with limited experienced
    - EC – intimately involved – position with Bob not resolved
    - MC – live theatre position in place; NY property – involved but not integrated – clear JCSnr significant involvement/oversight and only in prepartory phases
- Under JCSnr clear state of flux – CFO position, CT and WS position all unresolved – JH gone (US property role?); new AUS property director in place

Current position

- company wide direction and strategy needs to be reviewed/confirmed – stay in cinemas, develop NY property, be prepared to invest cashflow and capital as it becomes available
- issues around senior management team – review and refresh
- US cinemas – viewed by CEO as underpreforming and in need of clearer management and strategy – anticipated need for significant CAPEX
- US property – NY property on cusp of implementation and in need of project management/value maximisation
- Following JCSnr intrim period with limited progress –
    - Bedding in period new regime – CEO getting feet under table
    - CEO reviewing operations etc
    - Potential litigation looming – wait and see developments
- Feb 2015
    - Litigation filed – for company limited affect except for
        - Company external perception
        - If allegations affect CEO ability to proceed
        - Indirect implications of uncertainty over contol of stock
        - Estate issues of little concern to company
    - Leadership –
        - CEO inexperienced and needs help to lead/develop leadership role
        - Cotter family issues affecting management – Cotter and others
        - Need to establish teamwork etc
        - Morale poor and needs to be improved
    - Company operations -
        - Strategy and business review delayed and frustrated
        - Significant issues outstanding – executive suite roles
        - Cotter rift causing management concerns – litigation likely to esculate this
        - Some executives unsettled – EC, Smerling, Tompkins
        - US cinema operations affected by uncertainty
    - Company in reasonable position to maintain status quo for a period – no major issues looming and reasonable finacial state

Issues

- Litigation may take 1-5 years to resolve
- Company needs to take steps to minimise any fall out from litigation
    - Shareholders – Cotters and others
    - Governance – board
    - Executive team – retaining existing/engaging new executives as envisaged
    - Business operations
- Company needs to complete review and implement strategy as a matter of some urgency - not necessarily an immediate problem – but not wise to leave as is till litigation resolved – note CEO now sees urgency here
- Appears to be urgency to advance NY property development strategy – things are ready to go and delay may be costly

- wish to maintain status quo as much as possible re Cotter family, pending litigation outcome – note CEO seems of this view
- wish to support and assist JC in CEO role
- need to ensure stability for business – particularly executive staff needed to run the businesses

[Steps – placeholders/thoughts only]

- CEO
  - Reconfirm position and support
  - Restate CEO reports to board etc
  - set delegated authority level
  - hire and fire rules
  - Restate requirement/timing for
    - monthly reporting [done by CEO – but needs tightening/more detail once other division reports are available]
    - strategy review, business plan and budgets – done and timing [JC needs more support to get this done]
    - engagement CFO/property executive
    - approve property executive job description
- EC
  - Clarify role?
  - Make reporting line to CEO/expectations clear
  - Encourage cooperative approch with CEO to formuate business review/planning process
  - Provide certainty with employment contract
- MC
  - Leave live theatre contract in place but clarify reporting requirements
  - Set up services agreement re NY property role – with SL requirements/role/delegated authority level/remuneration
  - Require domicile NY
  - Curtail her executive role (attending management meetings etc) – she retains director role
- Governance
  - voting B Stock - standstill arrangement – status quo unless all three Cotters agree [issues principally appointment directors/any sale of business]
  - protocol on conflicts/disputes? Independent members override?
  - How are meetings chaired?
  - Regularity of meetings for oversight
  - Salary review for Cotters?
- C Suite
  - Set up for stability
  - Find CFO, property person
  - Clarify roles – particularly Cotters
  - Sort out AM, CT and BS positions – seems may need contracts?
- Strategy/business planning/budgets and reporting
  - Set up support to get done?

- Review implications of litigation
  - PR strategy
  - Filings
  - Dealing with shareholders
  - Stock price implications
  - Are we a controlled company?
  - Issues for CEO/other officers?
  - What are the likely scenarios depending on "who" wins? And thus implications for current status quo position
- Management going forward
  - JC AUS visit
  - NY property issues – meetings soon?

EXHIBIT 33

Confidential – Filed Under Seal

EXHIBIT 34

Confidential – Filed Under Seal

EXHIBIT 35

Confidential – Filed Under Seal

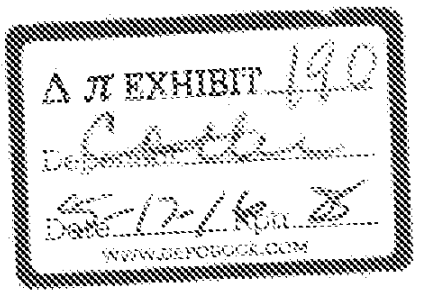
EXHIBIT 36

Confidential – Filed Under Seal

EXHIBIT 37

Message

From: Tim Storey [tim.storey@prolex.co.nz]
Sent: 4/15/2015 6:43:21 AM
To: James Cotter [james.j.cotter@readingrdi.com]
Subject: draft email
Flag: Follow up



As a draft to discuss

Prior to out telephone meeting Thursday I thought it might help to provide a note on progress over the last week or so -- and where to from here. Jim will be reporting to the board on some of these issues in more detail.

1. **General** - Jim appreciates we need to make real headway in sorting through some of the issues and getting to a position where the company is operating more harmoniously and with a clear direction. While this is a lot to do with improving the EC and MC relationships, it has a broader focus too. I have made it clear to Jim -- and EC and MC -- that things have to improve and that improvement has to be sustained, otherwise the board will need to look to other steps to protect the company's position. This means in part an acceptable working relationship between them, and one that leads to a better company environment. We talked about Jim in effect leading an evolution of the company -- something that needs to be done sensitively, even more so given the "family" involvement.
2. **Budget 2015** -- following discussions with Andrzej and Jim -- it is agreed to adopt the draft budget (whole company and divisions) that has been prepared by Andrzej in consultation with Jim and the divisions -- this will come to the board shortly. It is agreed that this may not be a stretch budget but it is a start and will be improved on with the 2016 etc budgets. It has been agreed with Ellen that there will be a focus on improving her film rental number and labour costs.

   Future reporting will be against budget (with continuing reference to previous year numbers).
3. **Plans and Budgets 2016** -- these are to be worked up and finalised for board approval by 31 December 2015.
4. **"Metrics"** - one of the more contentious issues is around comparing the US circuit with other US operators and the Australian operation. It is complex to compare numbers, given that various people develop their numbers in different ways. It is agreed that we will work through this analysis in a methodical way with Dev engaging an analyst and then both working with Jim and Ellen to identify areas for review, reviewing the comparative numbers and seeing what can be done to improve our results where possible. This will take the balance of the year to do.

   It is agreed that we will look at divisions based on an EBITDA contribution to the group performance.
5. **Legacy people issues** -- we need to deal with the issues around employment (and "retirement") terms for Andrzej, Craig and Bob. These have been discussed between Jim and Ellen and Margaret updated and agreeing, and I think there are reasonable frameworks fleshed out which can now be discussed with the parties.
6. **People** -- Dev is on board soon; Jim is actively looking for a RE Director (he has seen some good candidates), Dev will need to engage a SEC reporting person and an analyst type person (likely both jobs can be done by the same person). Ellen with Jims overview is looking for a Director of Food and Beverage.
7. **Remuneration policy** -- Jim will look to develop a remuneration policy over the course of the next 6 months -- so we have consistency around employment practices etc. This is a different issue to the Cotter remuneration issue.
8. **Premises** -- work is underway to move to more congenial premises -- likely in the same complex. It is hoped that the premises will be more open plan, and allow more interplay between the various people. It may take 6 months to sort this out and move. Looking forward, Jim would like to centralise Corporate and US cinemas in LA.
9. **Ellen** -- There have been lengthy discussions between Jim and Ellen. Jim has gone over Eliens plan with her and there is broad agreement -- with Action Items close to agreed. For example, Ellen has agreed to restructure her people so she has 6 direct reports (to be implemented promptly). Also, she is developing a "theme" for each of the Angelica

and Commercial offerings (due end May 15). Once we have the themes work done, Ellen and Jim will sit down and agree the CAPEX expectations/budget for this year and going forward.

10. **Margaret** – Jim, Margaret and I have had a couple of discussions. This is at an earlier stage. Margaret has not provided a draft plan. To advance matters we have talked about the business and where it will go – largely Live Theatre and property in so far as we may progress and redevelop other live theatre property. Margaret has been asked to provide a written draft plan as a matter of priority.
11. **Ellen and Margaret employment** – Jim has agreed in principal that Ellen be appointed President US cinemas.

    Jim has agreed in principal that Margaret be employed fulltime by Reading as President Live Theatres and also in a role involving the NY properties (a member of the development committee chaired by the CEO with other members including the RE Director, Buckley, Craig, Bill etc.) Her job description will be set out in the contract, along with expectations around performance - providing plans and the like.

    Both contracts will be on standard terms with a 12 month notice provision – the contracts modelled on what Jim, Dev and Bill have.

    The Cotter remuneration will be set on market terms by the Remuneration Committee – the Committee obtaining an independent report to assist in its deliberations.

    The draft contracts should be available soon – and will note remuneration is to be finalised once the Committee report is available.

    Jim is agreeable to this on the basis there is stability going forward over the next 12 months or so – meaning the board will remain the same or similar and the three of them will look to work together on the basis we are developing (but of course if that isn't working, reserving the right for the board to act as it sees fit).

    I think we need to get the employment terms etc agreed and in place as soon as we can, to let things progress.
12. **Corporate plan** – I have spoken with Jim at length around him preparing a draft corporate plan for review by the board. This will be an extensive document – we can discuss content – and I would hope it will be available for discussion in 6 weeks. As part of this, Jim is working up an outline of his proposed meetings schedules internally – C Suite meetings, divisional meetings and the like.
13. **Implementation** – Jim and I are discussing the process to implement these initiatives – both in discussing with individuals and any more general statements. It is acknowledged some of these initiatives should contribute to improving morale and engender a more positive attitude and spirit around the office and in the business.
14. **Proxy** – This is still up in the air – Ellen and Margaret don't want to be hurried to sort this out – meaning essentially they don't want to hurry to agree on the business at the shareholder meeting – which in turn I think means agreeing the slate of directors. I think Jim is of the view the status quo should be maintained. (I guess other issues may be put on the agenda for the meeting by any one of the Cotters but I haven't heard of anything in this regard. Time will tell).

    From what I gather, we need to file some detail around related party issues (part 3 of the K) by 30 April, but we don't have to deal with the meeting date and content (the proxy) at this stage – so we can defer those issues. I don't think we should go to a shareholder meeting unless we are clear as to the outcome of votes. Nevertheless I think we should clarify the position re voting as soon as possible – I don't see any benefit in delaying the matter – the Company would be better served in having a clear path forward and stability for the next 12 months. In that period we can see how the "evolution" is going - whether we are making any progress – and give time for the Cotter court case to mature further (I would hope that progress can be made in finding an agreed compromise rather than going to court).

    This issue will need to be advanced over the next few days given the looming filing requirement on 30 April 15.
15. **Summary –** It has been made clear to Jim he needs to make progress in the business and with Ellen and Margaret quickly, or the board will need to look to alternatives to protect the interests of the company. I think Jim has understood this and refocussed his approach to reflect this. Of course, it is difficult for someone to change "character" overnight – but he is trying and I have made it clear that back sliding is not acceptable.

    Understandably, Ellen and Margaret may be sceptical about Jim's transition – but I have asked that they both approach this with good faith and give it time to work through. Equally, Jim has concerns about Margaret and

Ellen accepting they too need to accept change to make things work and need to act in good faith and help the process along. All parties have an interest in making things work.

I have pointed out to all that if things don't work out in an acceptable manner, then the board is resolute in the view that it will then act in the best interests of the company in changing things. I have also pointed out that the time for review is short term – perhaps within the next 3 months or so.

16. **Go forward** – I will come back around Monday 27 April (for a while) to continue to progress matters. My expectation is we will (among other matters) need to address the following material issues –
    - see how Ellen is going with her deliverables
    - advance discussions with Margaret around her business plan
    - advance discussions around Margarets employment terms
    - progress the remuneration committee's determination of Cotter remuneration parameters
    - finalise discussions around Craig and Bob positions (assume Andrzej's position agreed)
    - set Dev's deliverables
    - progress Jim's preparation of the corporate plan
    - review progress around issues like finding a RE Director etc

I believe all Cotters accept the need for all to act in the best interests of the company – and that they will all try to do so. As I have said, the proof will be in the pudding. While my role is to be optimistic and get progress, I am realistic and we do need to evaluate progress in the short term.

All to discuss tomorrow.

Tim Storey
Director

Prolex Advisory

PO Box 2974 Shortland Street, Auckland
Phone +64(0)21 633-089

EXHIBIT 38

Confidential – Filed Under Seal

EXHIBIT 39

From:	Ellen Cotter <Ellen.Cotter@readingrdi.com>
Sent:	Tuesday, May 19, 2015 6:38 PM
To:	Margaret Cotter; James Cotter JR; Kane (ekane@san.rr.com); dmceachern@deloitte.com; Tim Storey; Guy Adams; wgould@troygould.com
Cc:	William Ellis
Subject:	Agenda - Board of Directors Meeting - May 21, 2015

Dear All: Below is the agenda for Thursday's Meeting of the Board of Directors. Please note that Bill Gould asked that the Meeting begin at 11.15am.

Reading International, Inc.

Meeting of the Board of Directors

May 21, 2015 – 11.15am

1. Status of President and CEO
2. Directors' Compensation
3. Tim Storey's Compensation
4. Nevada Interpleader Action
5. Proposed By-Law Amendments
6. Status of Craig Tompkins and Robert Smerling
7. Status of Ellen Cotter and Margaret Cotter
8. Director of Real Estate Candidate Search
9. Stomp Litigation Update
10. Review of Operations

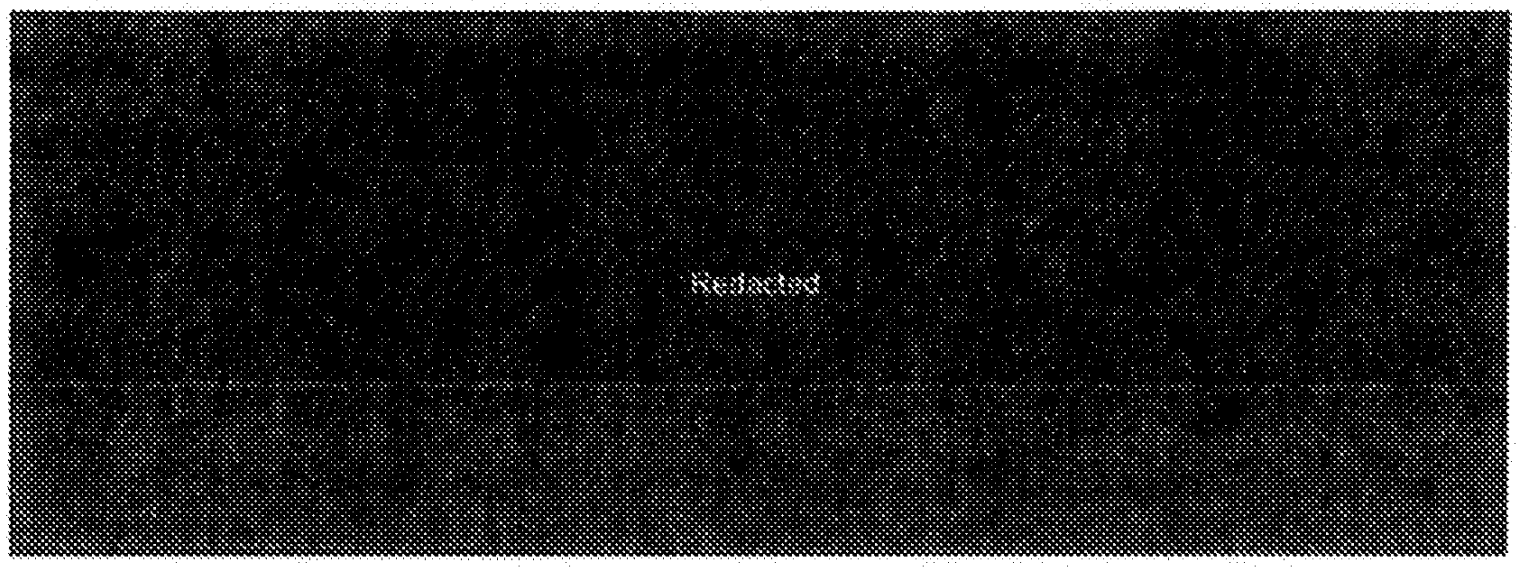
Chairperson of the Board
Ellen M. Cotter

EXH 24
DATE 5-6-16
WIT
PATRICIA HUBBARD

GA00005340

RDI-A01154

EXHIBIT 40



From: Harry Susman [mailto:HSUSMAN@SusmanGodfrey.com]
Sent: Wednesday, May 27, 2015 3:39 PM
To: Adam Streisand
Cc: Meg Lodise
Subject: Confidential Settlement Proposal--Subject to R. 408

Adam: Attached is the proposal that I mentioned on the phone.

Attention: This message is sent by a law firm and may contain information that is privileged or confidential. If you received this transmission in error, please notify the sender by reply e-mail and delete the message and any attachments.

Timestamp: 5/27/2015 1:48 PM CDT

Confidential Settlement Memo of Understanding

The following is intended to be used as a part of confidential and "without prejudice" settlement negotiations between Ellen Cotter and Margaret Cotter, on the one hand, and James J. Cotter, Jr. ("JJC") on the other hand. It is provided under the understanding that the contents hereof are confidential and not to be used in any litigation or other proceeding.

The proposal outlined below sets forth the basis on which Ellen Cotter ("EMC") and Margaret Cotter ("AMC") would be willing to proceed towards a negotiated settlement, but, with respect to the items related to the Company's management structure only, is subject to the ultimate approval of the independent directors, in the exercise of their fiduciary duties and obligations. Nothing herein is intended to interfere with the appropriate exercise by the directors of their fiduciary duties and obligations.

If these terms are acceptable to JJC, then JJC should sign below to indicate his agreement. AMC and EMC will do the same. By signing below, the parties agree that the terms of this Understanding represent a binding agreement, subject to approval by the independent directors of the RDI management structure and necessary court approvals. However, the parties acknowledge that their agreement will be memorialized in a more formal document, and the parties agree to work diligently and good faith to prepare all required documentation that reflects the terms of this Understanding. The initial draft of such documentation will be prepared by counsel to Ellen Cotter and Margaret Cotter.

TERM/CONDITION	EMC/AMC SETTLEMENT TERMS AND CONDITIONS
Reading International Management Structure (JJC, EMC & AMC would cooperate in good faith in the implementation of this changes)	JJC would continue to serve as CEO and President under the terms of his existing contract, but in the overall management structure and subject to the limitations set forth below: *Executive Committee Structure* The existing Executive Committee would be renewed as a standing committee of the Board of Directors, as follows: * Members: EMC, AMC, JJC and Guy Adams (Chairman). * Delegated Authority to the Executive Committee would be as determined by the Board of Directors, but would include, at a minimum, the following: (i) Approval over the Hiring/Firing/Compensation of all senior level consultants/employees; (ii) Review and approval/disapproval of all contracts/commitments have an overall exposure to the Company in excess of $1 million; and (iii) Review and approval of annual Budget and Business Plan. Meetings would be held on a regularly scheduled basis weekly. Executive Committee members would naturally be free to attend and participate in internal meetings called by the CEO, and would

	endeavor to make themselves reasonably available to attend such meetings as to which they may be invited by the CEO. Unless approved in advance by the Executive Committee, all investor relations would be handled by CFO in consultation with the GC, not CEO. All press releases and public filings would be subject to review and sign-off by the Executive Committee and the GC. The Company would enter into employment agreements with EMC and AMC on substantially the same terms and conditions as JR. EMC will be appointed President of the US Cinema division. Margaret Cotter will be appointed as Chairman of the NYC Real Estate Oversight Committee (members to include JC, AMC, SCT and WE). It is recognized that the implementation of the above will require the adoption of various bylaws, policies and procedures.
Reading Voting Stock – Class B	JC will decline to serve as Co-Trustee of the Voting Trust and renounces any intention or desire to serve as a successor trustee. Margaret Cotter will be the Sole Voting Trustee of the Voting Stock. JC, EMC and AMC will sign an acknowledgement that there is an inconsistency in the 2014 Amendment between SR's expressed intent that AMC serve as Chair and another provision that says SR intended for rotation; JC, EMC and AMC will agree that SR intended for AMC to serve as Chair and that neither EMC nor JR wish to serve as Chair.
Immediate Release and Waiver signed by JC with respect to all litigation, including any matters covered by the specified litigation	1. California Superior Court case 2. Nevada case filed by JC 3. All threats against Directors 4. All threats of Company Derivative Action 5. Agreement that Reading International, Inc. can drop the interpleader action in Nevada and recognize the Estate as the owner of Class B Shares and Option 6. JC further agrees to not sue Company over these matters or participate in any lawsuit related to the Company
2014 Trust Amendment	Subject to the terms and conditions herein, EMC and AMC will drop any challenge to the enforceability of the 2014 Amendment.
Trustees of the Living Trust	JC resigns as Trustee and renounces any intent or desire to serve as successor trustee while either EMC or AMC are alive.
Specific Bequests	Laguna Beach Condo will be sold immediately to provide liquidity to the Estate. The parties will agree to consent to such sale under terms determined by AMC and EMC in their sole discretion as Co-Trustees.

Ownership of Agriculture Assets	Cotter Family Farms, LLC Agreement amended • Majority rule for decision-making by Co-Managers; • Remove restrictions on distributions or sale of assets; • JJC, EMC and AMC will sign an agreement that they have unanimously agreed that the assets of the Citrus Trust, including ownership interests in the LLC, will be distributed pro rata to EMC, AMC, and JJC.
JJC's "Lead Director" Agreement with Cecelia - $200,000 per annum	JJC's "lead director" Agreement will be voided. JJC will relinquish any remaining rights in such Agreement.
$1.5 million loan	As executors, EMC and AMC will work out a reasonable payment back to Estate over time, taking into due consideration JJC's ability to make such repayments.
Legal Expenses	All legal expenses and other professional fees incurred to date by JJC, EMC, AMC, the Trust, and the Estate relating to the litigation or administration issues will reimbursed by Trust or Estate as appropriate, and JJC will sign an acknowledgment that this is appropriate and reasonable.
Release by EMC and AMC	EMC and AMC will take all actions to have their claims pending in CA and NV over SR's estate and trust dismissed with prejudice, except to the extent such dismissal would be inconsistent with any term of this Agreement, such as with regard to the $1.5 million loan (in which case the parties will work to carve out such claims).
2014 Gifts	JJC delivers EMC check for $28,000.
James J. Cotter Foundation	AMC, EMC and JJC will become co-trustees and/or co-directors of the James J. Cotter Foundation. They further will agree that decision-making will be done by majority rule.
Court Approval	The parties will use their best efforts to obtain court approval in CA and NV of any settlement agreement.
Counseling	AMC, JJC and EMC will engage in professional counseling to determine how to work cooperatively together and with respect.

AGREED:

_____
James J. Cotter, Jr. (individually and in all representative capacities)

_____
Ellen Cotter (individually and in all representative capacities)

_____
Margaret Cotter (individual and in all representative capacities)

EXHIBIT 41

From: James Cotter JR <james.j.cotter@readingrdi.com>
Sent: Thursday, June 11, 2015 11:04 PM
To: Ellen Cotter; dmceachern@deloitte.com; Tim Storey; wgould@troygould.com; Guy Adams; Margaret Cotter; William Ellis; Kane (elkane@san.rr.com)
Subject: RE: Board Meeting - Tomorrow

Dear All,

I write in response to Ellen's e-mail below.

I object to convening or "reconven[ing]" an RDI board of directors meeting "telephonically this *Friday, June 12, at 11:00 a.m. (Los Angeles time)*."

I do so for a number of reasons, including the following:

1. An agenda has just been circulated less than nineteen hours before the meeting;

2. The agenda raises several matters that are so significant that it is inappropriate if not improper to conduct the meeting telephonically;

3. Neither the meeting of May 21, 2015 nor the supposed meeting of May 29, 2015 was properly adjourned under the Company's by-laws; as a consequence the "meeting" Ellen proposes to reconvene tomorrow is a new meeting, not a reconvened prior meeting that was properly adjourned;

4. There is no Company business of such urgency that an impromptu meeting needs to be convened tomorrow, June 12, in advance of the June 18 meeting;

5. The matter I am informed Ellen wishes to pursue tomorrow is termination of me as President and CEO and replacement of me as CEO by Guy Adams due to my failure to acquiesce to the ultimatum that I enter into a global settlement (including disputed trust and estate issues) satisfactory to Ellen and Margaret or be terminated. Respectfully, that proposed conduct, like the threat that preceded it, is conduct not properly undertaken by any member of the board of RDI, a public company. Even if it were, which it is not, it is not properly voted on by at least Guy Adams and Ed Kane (assuming none of Margaret, Ellen or I would vote on such a decision), due to a lack of disinterestedness; and

6. What should be considered in view of the ongoing disputes between me and Ellen and Margaret is what other steps should be investigated to protect the interests of the Company and all of its shareholders, one of which I intend to raise, which is engaging an investment bank to explore the sale of the Company.

For these reasons and others each of us as fiduciaries is obligated to consider, I object to the supposed board of directors meeting Ellen seeks to have occur telephonically tomorrow.

Jim

From: Ellen Cotter
Sent: Thursday, June 11, 2015 3:56 PM
To: dmceachern@deloitte.com; Tim Storey; wgould@troygould.com; Guy Adams (GAdams@gwacap.com); James Cotter JR; Margaret Cotter; William Ellis; Kane (elkane@san.rr.com)
Subject: Board Meeting - Tomorrow

Dear All – With respect to our meeting tomorrow, we are again reconvening the original May 21, 2015 meeting. For your convenience, I've set forth below the agenda distributed from that May 21 meeting. Following up on our discussion on May 29, 2015, we will be addressing Item 1 of this Agenda again tomorrow. We will address the other agenda items at the June 18 Meeting.

Thank you.

Ellen Cotter
Chairperson

From: Ellen Cotter
Sent: Tuesday, May 19, 2015 2:38 PM
To: Margaret Cotter; 'James J. Cotter Jr.' (james.j.cotter@readingrdi.com); Kane (elkane@san.rr.com); dmceachern@deloitte.com; Tim Storey; Guy Adams (GAdams@gwacap.com); wgould@troygould.com
Cc: William Ellis
Subject: Agenda - Board of Directors Meeting - May 21, 2015

Dear All: Below is the agenda for Thursday's Meeting of the Board of Directors. Please note that Bill Gould asked that the Meeting begin at 11.15am.

Reading International, Inc.

Meeting of the Board of Directors

May 21, 2015 – 11.15am

1. Status of President and CEO
2. Directors' Compensation
3. Tim Storey's Compensation
4. Nevada Interpleader Action
5. Proposed By-Law Amendments
6. Status of Craig Tompkins and Robert Smerling
7. Status of Ellen Cotter and Margaret Cotter
8. Director of Real Estate Candidate Search
9. Stomp Litigation Update
10. Review of Operations

Chairperson of the Board
Ellen M. Cotter

EXHIBIT 42

ELECTRONICALLY SERVED
07/27/2016 05:28:10 PM

Mark G. Krum (SBN 10913)
Lewis Roca Rothgerber Christie LLP
3993 Howard Hughes Pkwy, Suite 600
Las Vegas, NV 89169-5996
Tel: 702-949-8200
Fax: 702-949-8398
E-mail:mkrum@lrrc.com

Attorneys for Plaintiff
James J. Cotter, Jr.

DISTRICT COURT

CLARK COUNTY, NEVADA

JAMES J. COTTER, JR., derivatively on behalf of Reading International, Inc., Plaintiff, vs. MARGARET COTTER, ELLEN COTTER, GUY ADAMS, EDWARD KANE, DOUGLAS McEACHERN, TIMOTHY STOREY, WILLIAM GOULD, and DOES 1 through 100, inclusive, Defendants. and READING INTERNATIONAL, INC., a Nevada corporation, Nominal Defendant.	CASE NO.: A-15-719860-B DEPT. NO. XI Coordinated with: Case No. P-14-082942-E Dept. No. XI Case No. A-16-735305-B Dept. No. XI Jointly Administered **Business Court**

JAMES J. COTTER, JR.'S AMENDED RESPONSES TO EDWARD KANE'S FIRST SET OF REQUESTS FOR ADMISSION

T2 PARTNERS MANAGEMENT, LP, a Delaware limited partnership, doing business as KASE CAPITAL MANAGEMENT, et al.,

Plaintiffs,

vs.

MARGARET COTTER, ELLEN COTTER, GUY ADAMS, EDWARD KANE, DOUGLAS McEACHERN, WILLIAM GOULD, JUDY CODDING, MICHAEL WROTNIAK, CRAIG TOMPKINS, and DOES 1 through 100, inclusive,

Defendants.

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Las Vegas, NV 89169-5996

and

READING INTERNATIONAL, INC., a Nevada corporation,

Nominal Defendant.

COMES NOW, James J. Cotter, Jr. ("Plaintiff" or "Responding Party") and hereby serves his responses to Edward Kane's ("Defendant" or "Propounding Party") First Set of Requests for Admission (the "Requests").

GENERAL OBJECTIONS

Responding Party incorporates the following general objections into each specific response and objection set forth below:

(1) Responding Party objects to the Requests to the extent they seek documents or information which is protected by (or which cannot be provided without disclosing) attorney client privilege, the attorney-work product doctrine and/or otherwise is privileged or protected from disclosure, including in particular communications of counsel of record for Plaintiff in this action, which communications will not be produced or logged;

(2) Responding Party objects to the Requests to the extent they seek documents or information the production or disclosure of which violates any person or entity's right to privacy;

(3) Responding Party objects to the Requests to the extent they seek documents or information not in Responding Party's possession, custody, or control;

(4) Responding Party objects to the Requests to the extent they seek documents or information within the possession or control of the Propounding Party, or seeks documents or information which is publicly available and/or which otherwise is uniquely or equally available to the Propounding Party;

(5) Responding Party objects to the Requests to the extent they seek information or documents that constitute or disclose confidential,

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Las Vegas, NV 89169-5996

proprietary, or developmental commercial or business information or research, or seeks documents or information otherwise protected from disclosure;

(6) Responding Party objects to the Requests to the extent they attempt or purport to impose obligations exceeding those authorized or imposed by the Nevada Rules of Civil Procedure;

(7) Responding Party objects to the Requests insofar as they seek documents or information beyond the time and scope of matters at issue in the captioned action and/or which are neither relevant nor reasonably calculated to lead to the discovery of admissible evidence; and

(8) Responding Party objects to the Requests because they generally are unlimited as to time, meaning that they generally provide no time frame or date range to limit the scope of documents or information requested.

(9) Responding Party is conducting discovery and an ongoing investigation of the facts and law relating to this action, including certain of the Requests. Responding Party's objections and responses are based on the present knowledge, information and belief of Responding Party, as well as the documents in Responding Party's possession, custody or control. For these reasons, among others, the objections and responses provided are made without prejudice to Responding Party's right to produce evidence of subsequently discovered facts or to supplement, modify or otherwise change or amend the objections and responses or to rely on additional evidence in pretrial proceedings and trial. Responding Party expressly reserves the right to amend, supplement, or modify these objections and responses.

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Las Vegas, NV 89169-5996

REQUESTS FOR ADMISSION

REQUEST NO. 1

Admit that, prior to June 12, 2015, you referred to Edward Kane as "Uncle Ed" on one or more occasions.

RESPONSE TO REQUEST NO. 1

Responding Party admits that, over the course of his life prior to June 12, 2015, he addressed Edward Kane as "Uncle Ed" on one or more occasions in interactions between Edward Kane and Responding Party.

REQUEST NO. 2

Admit that, on or about May 15, 2014, you agreed as a member of RDI's Board of Directors to put Edward Kane on the Board's Executive Committee.

RESPONSE TO REQUEST NO. 2

Responding Party has made reasonable inquiry and the information known or readily obtainable by Responding Party, including purported minutes of a May 15, 2014 RDI Board of Directors meeting, does not refresh Responding Party's memory regarding whether he agreed as a member of RDI's Board of Directors to put Edward Kane on the Board's Executive Committee, and Responding Party therefore lacks information sufficient to admit or deny Request No. 2, and on that basis denies Request No. 2.

REQUEST NO. 3

Admit that, on or about May 15, 2014, you agreed as a member of RDI's Board of Directors to put Edward Kane on the Board's Audit and Conflicts Committee.

RESPONSE TO REQUEST NO. 3

Responding Party has made reasonable inquiry and the information known or readily obtainable by Responding Party, including purported minutes of a May 15, 2014 RDI Board of Directors meeting, does not refresh Responding Party's memory regarding whether he agreed as a member of RDI's Board of Directors to put Edward Kane on the Board's Audit and Conflicts Committee, and Responding Party therefore lacks information sufficient to admit or deny Request No. 3, and on that basis denies Request No. 3.

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Las Vegas, NV 89169-5996

REQUEST NO. 4

Admit that, on or about May 15, 2014, you agreed as a member of RDI's Board of Directors to put Edward Kane on the Board's Compensation and Stock Options Committee.

RESPONSE TO REQUEST NO. 4

Responding Party has made reasonable inquiry and the information known or readily obtainable by Responding Party, including purported minutes of a May 15, 2014 RDI Board of Directors meeting, does not refresh Responding Party's memory regarding whether he agreed as a member of RDI's Board of Directors to put Edward Kane on the Board's Compensation and Stock Options Committee, and Responding Party therefore lacks information sufficient to admit or deny Request No. 4, and on that basis denies Request No. 4.

REQUEST NO. 5

Admit that, on or about May 15, 2014, you agreed as a member of RDI's Board of Directors to put Edward Kane on the Board's Tax Oversight Committee.

RESPONSE TO REQUEST NO. 5

Responding Party has made reasonable inquiry and the information known or readily obtainable by Responding Party, including purported minutes of a May 15, 2014 RDI Board of Directors meeting, does not refresh Responding Party's memory regarding whether he agreed as a member of RDI's Board of Directors to put Edward Kane on the Board's Tax Oversight Committee, and Responding Party therefore lacks information sufficient to admit or deny Request No. 5, and on that basis denies Request No. 5.

REQUEST NO. 6

Admit that, on about May 15, 2014, you agreed as a member of RDI's Board of Directors to put Guy Adams on the Board's Executive Committee.

RESPONSE TO REQUEST NO. 6

Responding Party has made reasonable inquiry and the information known or readily obtainable by Responding Party, including purported minutes of a May 15, 2014 RDI Board of Directors meeting, does not refresh Responding Party's memory regarding whether he agreed as a member of RDI's Board of Directors to put Guy Adams on the Board's Executive Committee, and

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3993 Howard Hughes Pkwy, Suite 600
Las Vegas, NV 89169-5996

Responding Party therefore lacks information sufficient to admit or deny Request No. 6, and on that basis denies Request No. 6.

REQUEST NO. 7

Admit that, on or about May 15, 2014, you agreed as a member of RDI's Board of Directors to put Guy Adams on the Board's Compensation and Stock Options Committee.

RESPONSE TO REQUEST NO. 7

Responding Party has made reasonable inquiry and the information known or readily obtainable by Responding Party, including purported minutes of a May 15, 2014 RDI Board of Directors meeting, does not refresh Responding Party's memory regarding whether he agreed as a member of RDI's Board of Directors to put Guy Adams on the Board's Compensation and Stock Options Committee, and Responding Party therefore lacks information sufficient to admit or deny Request No. 7, and on that basis denies Request No. 7.

REQUEST NO. 8

Admit that, on or about May 15, 2014, you agreed as a member of RDI's Board of Directors to put Douglas McEachern on the Board's Audit and Conflicts Committee.

RESPONSE TO REQUEST NO. 8

Responding Party has made reasonable inquiry and the information known or readily obtainable by Responding Party, including purported minutes of a May 15, 2014 RDI Board of Directors meeting, does not refresh Responding Party's memory regarding whether he agreed as a member of RDI's Board of Directors to put Douglas McEachern on the Board's Audit and Conflicts Committee, and Responding Party therefore lacks information sufficient to admit or deny Request No. 8, and on that basis denies Request No. 8.

REQUEST NO. 9

Admit that, prior to your termination as CEO of RDI, you served as Chairman of the Executive Committee of RDI's Board of Directors.

RESPONSE TO REQUEST NO. 9

Responding Party admits that he "served" as Chairman of the Executive Committee only in that he was appointed by the Board as Chairman of the Executive Committee of RDI's Board of

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3993 Howard Hughes Pkwy, Suite 600
Las Vegas, NV 89169-5996

Directors, but not that he took any action in any capacity, including Chairman, as a member of such committee, which took no action.

REQUEST NO. 10

Admit that, as a member of RDI's Board of Directors, you did not vote against the $50,000 "bonus" to Ellen Cotter referenced in paragraph 40 of your FAC.

RESPONSE TO REQUEST NO. 10

Responding Party admits that he abstained from voting on the $50,000 "bonus" to Ellen Cotter at the Board meeting at which it was approved, and admits that he otherwise did not vote against the $50,000 "bonus" to Ellen Cotter referenced in paragraph 40 of the FAC.

REQUEST NO. 11

Admit that, as a member of RDI's Board of Directors, on or about November 13, 2014 you approved a 20% base salary increase for Ellen Cotter effective January 1, 2015.

RESPONSE TO REQUEST NO. 11

Responding Party has made reasonable inquiry and the information known or readily obtainable by Responding Party, including purported Board minutes, does not refresh Responding Party's memory regarding whether on or about November 13, 2014 he approved a 20% base salary increase for Ellen Cotter effective January 1, 2015, and Responding Party therefore lacks information sufficient to admit or deny Request No. 11, and on that basis denies Request No. 11.

REQUEST NO. 12

Admit that, as a member of RDI's Board of Directors, you voted in favor of the increased director compensation referenced in paragraph 42 of your FAC.

RESPONSE TO REQUEST NO. 12

Responding Party admits that he voted in favor of the increased director compensation.

REQUEST NO. 13

Admit that, as a member of RDI's Board of Directors, you did not oppose a resolution in January 2015 that you could not be "terminated [as CEO] without the approval of the majority of the independent directors."

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Las Vegas, NV 89169-5996

RESPONSE TO REQUEST NO. 13

Responding Party admits that he abstained on voting on such resolution and that he did not otherwise oppose it.

REQUEST NO. 14

Admit that the term "independent directors," as used in the January 2015 Board resolution regarding termination of Cotter family members, referred to Edward Kane, Guy Adams, Douglas McEachern, Tim Storey, and Bill Gould.

RESPONSE TO REQUEST NO. 14

Responding Party admits Request No. 14.

REQUEST NO. 15

Admit that RDI's full Board of Directors discussed the possibility of your termination on May 21, 2015.

RESPONSE TO REQUEST NO. 15

Responding Party admits that his termination was discussed on May 21, 2015 in the presence (in person and/or telephonic) of all members of the RDI Board of Directors.

REQUEST NO. 16

Admit that RDI's full Board of Directors discussed the possibility of your termination on May 29, 2015.

RESPONSE TO REQUEST NO. 16

Responding Party admits that his termination was discussed on May 29, 2015 in the presence (in person and/or telephonic) of all members of the RDI Board of Directors.

REQUEST NO. 17

Admit that RDI's full Board of Directors discussed the possibility of your termination on June 12, 2015.

RESPONSE TO REQUEST NO. 17

Responding Party admits that his termination was discussed on June 12, 2015 in the presence (in person and/or telephonic) of all members of the RDI Board of Directors.

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REQUEST NO. 18

Admit that, on or about December 9, 2015, you requested at a meeting of the RDI's Board of Directors that the recorded Board minutes contain less detail going forward than had generally been contained in previous sets of minutes.

RESPONSE TO REQUEST NO. 18

Responding Party admits that, in response to Ellen and Craig Tompkins' stated unwillingness to add his suggested comments to RDI's Board minutes which included certain statements made at board meetings by certain directors, he stated that RDI's board minutes should then not contain statements made by other directors if such statements included in the minutes were selectively used to support a particular point of view of the drafter of the minutes to support certain actions taken by the Board.

REQUEST NO. 19

Admit that, as a member of RDI's Board of Directors, on or about October 5, 2015, you voted in favor of approving First Coast Results as the Inspector of Elections for the 2015 Annual Shareholder's Meeting.

RESPONSE TO REQUEST NO. 19

Responding Party admits that he voted in favor of approving First Coast Results as the Inspector of Elections for the 2015 Annual Shareholder's Meeting.

REQUEST NO. 20

Admit that, prior to your termination as CEO of RDI, you did not state an objection at any meeting of the Board of Directors regarding any purported delay in circulation of minutes of Board meetings.

RESPONSE TO REQUEST NO. 20

Responding Party denies Request No. 20.

REQUEST NO. 21

Admit that, prior to May 21, 2015, you never stated at any Board of Directors meeting that you believed Edward Kane lacked sufficient disinterestedness to serve on RDI's Board.

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RESPONSE TO REQUEST NO. 21

Responding Party admits Request No. 21.

REQUEST NO. 22

Admit that, prior to May 21, 2015, you never stated at any Board of Directors meeting that you believed Guy Adams lacked sufficient disinterestedness to serve on RDI's Board.

RESPONSE TO REQUEST NO. 22

Responding Party admits Request No. 22.

REQUEST NO. 23

Admit that, prior to May 21, 2015, you never stated at any Board of Directors meeting that you believed Douglas McEachern lacked sufficient disinterestedness to serve on RDI's Board.

RESPONSE TO REQUEST NO. 23

Responding Party admits Request No. 23.

REQUEST NO. 24

Admit that you authorized RDI's May 11, 2015, 10-K/A filing to be submitted to the Securities and Exchange Commission bearing your signature.

RESPONSE TO REQUEST NO. 24

Responding Party admits that he authorized RDI's May 11, 2015, 10-K/A filing to be submitted to the Securities and Exchange Commission bearing his signature in the form that he last reviewed and approved on May 8, 2015.

REQUEST NO. 25

Admit that, on or about May 8, 2015, you authorized your signature be appended to a certification pursuant to the Sarbanes-Oxley Act of 2002 stating the following with respect to RDI's Form 10-K/A: "Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report."

Lewis Roca
ROTHGERBER CHRISTIE
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RESPONSE TO REQUEST NO. 25

Responding Party admits that on May 8, 2015, with respect to the 10-K/A filing in the form that he last reviewed and approved on May 8, 2015, he authorized his signature to be appended to a certification pursuant to the Sarbanes-Oxley Act of 2002 stating the following with respect to RDI's Form 10-K/A: "Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report."

REQUEST NO. 26

Admit that, on or about May 8, 2015, you authorized your signature be appended to a certification that certified pursuant to the Sarbanes-Oxley Act of 2002 that you reviewed the Annual Report on Form 10-K/A of RDI.

RESPONSE TO REQUEST NO. 26

Responding Party admits that on May 8, 2015, with respect to the 10-K/A filing in the form that he last reviewed and approved on May 8, 2015, he authorized his signature to be appended to a certification that certified pursuant to the Sarbanes-Oxley Act of 2002 that he reviewed the 10-K/A Annual Report on Form.

REQUEST NO. 27

Admit that the document attached hereto as Exhibit 1, bates stamped GA00005636 through GA 00005666, is a true and correct copy of the 10-K/A filing made by RDI with the Securities and Exchange Commission on or about May 11, 2015.

RESPONSE TO REQUEST NO. 27

Responding Party has made reasonable inquiry and the information known or readily obtainable by Responding Party, including Exhibit 1, bates stamped GA00005636 through GA 00005666, is insufficient to enable Responding Party to admit or deny this request. Responding Party therefore presently lacks information sufficient to admit or deny Request No. 27, and on that basis denies request No. 27.

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REQUEST NO. 28

Admit that, upon learning that you were potentially going to be terminated as CEO of RDI, you caused numerous emails relating to RDI to be sent from the RDI servers to your personal email account for litigation purposes.

RESPONSE TO REQUEST NO. 28

Responding Party has made reasonable inquiry and the information known or readily obtainable by Responding Party, including emails, is insufficient to enable Responding Party to admit or deny this request. Responding Party therefore lacks information sufficient to admit or deny Request No. 28, and on that basis denies request No. 28.

REQUEST NO. 29

Admit that it is not in the best interests of RDI's stockholders to reinstate you as CEO of RDI.

RESPONSE TO REQUEST NO. 29

Responding Party denies Request No. 29.

DATED this 27th day of July, 2016.

LEWIS ROCA ROTHGERBER CHRISTIE LLP

/s/ Mark G. Krum
Mark G. Krum (Nevada Bar No. 10913)
3993 Howard Hughes Pkwy, Suite 600
Las Vegas, NV 89169-5958
(702) 949-8200
Attorneys for Plaintiff James J. Cotter, Jr.

Lewis Roca ROTHGERBER CHRISTIE
3993 Howard Hughes Pkwy, Suite 600
Las Vegas, NV 89169-5996

CERTIFICATE OF SERVICE

I hereby certify that on this 27th day of July, 2016, I caused a true and correct copy of the foregoing **JAMES J. COTTER, JR.'S AMENDED RESPONSES TO EDWARD KANE'S FIRST SET OF REQUESTS FOR ADMISSION** was electronically served to all parties of record via this Court's electronic filing system to all parties listed on the E-Service Master List.

DATED this 27th day of July, 2016.

/s/ Jessie M. Helm
An employee of Lewis Roca Rothgerber Christie LLP

Lewis Roca ROTHGERBER CHRISTIE
3993 Howard Hughes Pkwy, Suite 600
Las Vegas, NV 89169-5996

RDI-A01176

EXHIBIT 43

Confidential – Filed Under Seal

EXHIBIT 44

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RDI $13.58* 0.03 0.22%

*Delayed - data as of Sep. 21, 2016 - Find a broker to begin trading RDI now

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Select the Timeframe: 18 Months

Results for: 18 Month, From 20-MAR-2015 TO 20-SEP-2016

Date	Open	High	Low	Close / Last	Volume
16:00	13.55	13.61	13.49	13.58	30,287
09/20/2016	13.58	13.65	13.43	13.55	39,627
09/19/2016	13.33	13.65	13.33	13.57	25,853
09/16/2016	13.35	13.38	13.16	13.38	122,082
09/15/2016	13.2	13.36	13.17	13.35	34,854
09/14/2016	13.43	13.45	13.25	13.25	48,528
09/13/2016	13.58	13.58	13.16	13.46	64,949
09/12/2016	13.66	13.75	13.49	13.6	37,119
09/09/2016	13.99	13.99	13.6275	13.74	70,434
09/08/2016	13.47	13.58	13.41	13.51	77,304
09/07/2016	13.49	13.59	13.47	13.55	89,376
09/06/2016	13.51	13.5699	13.16	13.54	155,478
09/02/2016	13.53	13.61	13.44	13.61	40,921
09/01/2016	13.5	13.51	13.23	13.51	41,035
08/31/2016	13.51	13.55	13.25	13.53	38,792
08/30/2016	13.1	13.58	13.1	13.54	35,872
08/29/2016	13.3	13.31	13.07	13.14	19,507
08/26/2016	13.49	13.51	13.2	13.25	31,088
08/25/2016	13.49	13.545	13.42	13.44	28,644
08/24/2016	13.33	13.55	13.31	13.49	56,007
08/23/2016	13.13	13.51	13.11	13.29	80,084
08/22/2016	12.96	13.18	12.93	13.16	30,166
08/19/2016	13.3	13.43	12.62	13.09	99,504
08/18/2016	13.02	13.455	12.89	13.36	115,346
08/17/2016	12.76	13.1	12.61	13.02	116,745
08/16/2016	12.62	13.047	12.62	12.77	170,808
08/15/2016	12.8	12.85	12.62	12.69	52,950
08/12/2016	13.06	13.14	12.73	12.76	66,163
08/11/2016	13.08	13.18	13.04	13.1	26,732
08/10/2016	13.17	13.17	13.03	13.1	11,582
08/09/2016	13.4	13.4	12.78	13.22	20,659
08/08/2016	13.223	13.279	13.14	13.15	16,575
08/05/2016	13.27	13.42	13.27	13.3	23,832

Date	Open				
08/04/2016	13.33	13.42	13.095	13.16	18,332
08/03/2016	13.28	13.37	13.27	13.3	29,140
08/02/2016	13.64	13.67	13.3301	13.39	25,447
08/01/2016	13.83	13.84	13.51	13.56	10,434
07/29/2016	13.86	13.96	13.69	13.75	23,182
07/28/2016	13.73	13.93	13.5601	13.83	39,100
07/27/2016	13.46	13.72	13.411	13.69	18,484
07/26/2016	13.57	13.65	13.2328	13.51	25,740
07/25/2016	13.71	13.77	13.56	13.61	13,260
07/22/2016	13.34	13.81	13.34	13.79	65,101
07/21/2016	13.32	13.4152	12.99	13.33	36,440
07/20/2016	13.4	13.46	13.3	13.42	11,548
07/19/2016	13.74	13.74	13.36	13.4	76,293
07/18/2016	13.25	14	13.25	13.78	150,259
07/15/2016	12.91	12.91	12.45	12.57	61,763
07/14/2016	13	13	12.77	12.83	18,539
07/13/2016	12.79	12.93	12.78	12.87	27,456
07/12/2016	12.81	12.91	12.81	12.82	38,188
07/11/2016	12.55	12.86	12.55	12.79	25,787
07/08/2016	12.35	12.73	12.35	12.6	45,137
07/07/2016	12.0401	12.33	12.0401	12.31	26,753
07/06/2016	11.96	12.1	11.91	12.07	17,201
07/05/2016	12.24	12.285	12.01	12.08	33,286
07/01/2016	12.61	12.61	12.15	12.22	30,793
06/30/2016	12.47	12.64	12.35	12.49	60,894
06/29/2016	12.04	12.525	12.04	12.48	31,850
06/28/2016	12.03	12.14	11.92	11.94	23,388
06/27/2016	12.05	12.05	11.88	11.97	94,303
06/24/2016	11.92	12.39	11.92	12.1	93,222
06/23/2016	12.25	12.35	12.15	12.31	41,742
06/22/2016	12.35	12.35	12.08	12.14	23,813
06/21/2016	12.22	12.39	12.22	12.32	25,408
06/20/2016	12.43	12.43	12.15	12.31	39,980
06/17/2016	12.35	12.35	12.17	12.35	64,859
06/16/2016	12.36	12.46	12.06	12.36	58,459
06/15/2016	12.38	12.57	12.32	12.35	26,945
06/14/2016	12.53	12.73	12.41	12.43	17,980
06/13/2016	12.92	13.205	12.57	12.59	24,359
06/10/2016	12.89	12.93	12.605	12.9	18,102
06/09/2016	12.87	12.99	12.84	12.93	23,367
06/08/2016	12.67	12.94	12.67	12.86	25,382

Date	Open				
06/07/2016	12.695	12.76	12.65	12.69	13,842
06/06/2016	12.66	12.75	12.65	12.71	20,937
06/03/2016	12.74	12.92	12.585	12.64	23,297
06/02/2016	12.62	12.85	12.565	12.82	10,268
06/01/2016	12.5	12.81	12.36	12.72	69,825
05/31/2016	12.66	12.66	12.27	12.52	34,028
05/27/2016	13.16	13.16	12.5	12.71	21,018
05/26/2016	13.04	13.04	12.51	12.51	46,184
05/25/2016	13.05	13.28	12.9	13.02	11,616
05/24/2016	12.87	13.2	12.87	13.1	23,444
05/23/2016	12.99	13.05	12.87	12.87	20,499
05/20/2016	12.94	13.04	12.81	13.03	50,152
05/19/2016	12.77	13	12.67	12.86	20,799
05/18/2016	12.78	12.91	12.65	12.89	19,021
05/17/2016	13.37	13.37	12.65	12.76	67,969
05/16/2016	13.04	13.43	12.99	13.35	37,568
05/13/2016	13.12	13.19	12.93	13.07	18,775
05/12/2016	13.09	13.16	12.66	13.12	29,692
05/11/2016	13.58	13.58	12.91	13.1	32,658
05/10/2016	13.61	13.75	13.45	13.5	61,571
05/09/2016	13.46	13.7899	13.29	13.63	46,049
05/06/2016	13.1	13.39	12.752	13.39	22,483
05/05/2016	13.63	13.65	12.89	13.04	51,284
05/04/2016	13.46	13.6	13.35	13.57	26,993
05/03/2016	13.17	13.7	13.1	13.54	31,766
05/02/2016	12.69	13.47	12.69	13.37	20,728
04/29/2016	12.834	13.03	12.66	12.97	23,434
04/28/2016	12.8	12.99	12.8	12.9	22,444
04/27/2016	12.701	13.02	12.69	12.87	25,480
04/26/2016	12.67	12.81	12.6	12.79	12,947
04/25/2016	12.726	12.87	12.4	12.69	24,807
04/22/2016	12.57	12.79	11.12	12.69	14,076
04/21/2016	12.44	12.59	12.42	12.54	25,846
04/20/2016	12.44	12.49	12.23	12.39	26,859
04/19/2016	12.49	12.645	12.15	12.27	41,808
04/18/2016	12.54	12.63	12.46	12.48	13,155
04/15/2016	12.27	12.5	12.2	12.44	33,271
04/14/2016	12.3	12.45	12.2125	12.34	15,249
04/13/2016	12.14	12.3499	12.08	12.26	35,599
04/12/2016	12.06	12.14	12.0499	12.12	14,077
04/11/2016	12.1	12.13	11.94	12.08	22,739

Date	Open				
04/08/2016	11.9	12.07	11.86	12.01	29,773
04/07/2016	11.67	12.1	11.67	11.94	42,330
04/06/2016	11.75	11.8529	11.7	11.79	13,735
04/05/2016	11.82	11.9	11.6	11.81	31,220
04/04/2016	12	12.0716	11.88	11.96	17,912
04/01/2016	11.9	12.17	11.9	12.1	19,855
03/31/2016	11.78	12.15	11.6978	11.98	74,627
03/30/2016	12	12.08	11.72	11.82	26,843
03/29/2016	11.59	11.93	11.48	11.9	20,170
03/28/2016	11.82	11.7	11.51	11.61	26,477
03/24/2016	11.52	11.62	11.4	11.54	30,049
03/23/2016	11.95	11.95	11.45	11.51	27,492
03/22/2016	12	12.03	11.87	11.93	30,620
03/21/2016	12	12.18	11.9504	12	27,657
03/18/2016	12	12.11	11.58	11.99	59,026
03/17/2016	11.65	12.06	11.54	11.93	18,846
03/16/2016	11.26	11.69	11.26	11.63	29,846
03/15/2016	11.57	11.65	11.21	11.39	39,463
03/14/2016	11.85	11.85	11.51	11.6	38,525
03/11/2016	12.05	12.19	11.488	11.95	43,841
03/10/2016	11.96	12.27	11.34	11.95	65,104
03/09/2016	11.67	12.11	11.03	11.98	76,597
03/08/2016	11.19	11.28	11.03	11.04	34,441
03/07/2016	11.34	11.59	10.96	11.28	52,280
03/04/2016	10.7	11.41	10.7	11.33	38,331
03/03/2016	10.14	10.61	10.14	10.55	35,323
03/02/2016	10.06	10.42	10.06	10.14	25,733
03/01/2016	10.14	10.28	10.01	10.1	38,797
02/29/2016	10.26	10.27	10.02	10.06	18,519
02/26/2016	10.12	10.41	10.12	10.2	41,463
02/25/2016	10.41	10.41	10.005	10.09	44,925
02/24/2016	10.32	10.41	10	10.36	37,464
02/23/2016	10.01	10.44	10.01	10.39	47,354
02/22/2016	10.01	10.35	9.935	10.25	55,330
02/19/2016	9.88	10.17	9.77	9.94	27,973
02/18/2016	10.11	10.21	9.77	9.89	57,202
02/17/2016	10.15	10.305	10	10.15	52,179
02/16/2016	10.12	10.3	10.02	10.13	45,254
02/12/2016	9.89	10.1	9.86	10.06	22,524
02/11/2016	9.85	10.02	9.73	9.84	32,822
02/10/2016	9.77	10.01	9.71	9.85	68,529

Date	Open				
02/09/2016	9.76	9.93	9.76	9.78	41,157
02/08/2016	9.83	9.95	9.78	9.89	83,854
02/05/2016	10.21	10.21	10.03	10.07	99,318
02/04/2016	10.37	10.51	10.25	10.29	27,584
02/03/2016	10.63	10.63	10.15	10.41	41,832
02/02/2016	10.6	10.6	10.5	10.53	23,384
02/01/2016	10.745	10.88	10.7	10.71	18,804
01/29/2016	10.5	10.96	10.5	10.86	39,224
01/28/2016	10.7	10.72	10.5	10.52	22,363
01/27/2016	10.65	10.72	10.43	10.62	47,592
01/26/2016	10.82	10.915	10.59	10.7	27,654
01/25/2016	10.9	10.93	10.74	10.81	23,748
01/22/2016	10.81	10.99	10.76	10.96	27,598
01/21/2016	10.73	10.96	10.605	10.7	38,777
01/20/2016	10.31	10.87	10.11	10.74	58,719
01/19/2016	10.56	10.61	10.16	10.37	82,243
01/15/2016	10.6	10.73	10.29	10.48	119,976
01/14/2016	11.06	11.23	10.85	10.91	79,087
01/13/2016	10.87	11.64	10.67	11.09	78,695
01/12/2016	12.07	12.07	11.63	11.64	93,084
01/11/2016	12.4	12.4	11.93	11.96	98,395
01/08/2016	12.42	12.58	12.38	12.38	38,679
01/07/2016	12.65	12.65	12.38	12.4	80,210
01/06/2016	12.64	12.87	12.64	12.73	46,116
01/05/2016	12.82	12.93	12.74	12.76	40,201
01/04/2016	12.81	13.82	12.74	12.8	68,098
12/31/2015	13.19	13.81	13.08	13.11	52,479
12/30/2015	13.54	13.55	13.27	13.29	28,072
12/29/2015	13.51	13.55	13.26	13.52	24,242
12/28/2015	13.5	13.6	13.36	13.42	23,271
12/24/2015	13.38	13.57	13.31	13.47	13,940
12/23/2015	13.25	13.46	13.25	13.4	40,825
12/22/2015	13.23	13.23	12.97	13.15	80,564
12/21/2015	13.32	13.44	13.05	13.16	61,701
12/18/2015	13.28	13.45	13.22	13.23	111,909
12/17/2015	13.47	13.58	13.26	13.37	36,593
12/16/2015	13.42	13.5	13.28	13.41	55,545
12/15/2015	13.49	13.56	13.22	13.36	73,861
12/14/2015	13.57	13.76	13.35	13.41	44,113
12/11/2015	13.6	13.84	13.58	13.61	82,075
12/10/2015	14.13	14.45	13.85	13.87	48,665

Date	Open				
12/09/2015	14.38	14.42	14.13	14.16	71,202
12/08/2015	14.31	14.47	14.29	14.39	30,204
12/07/2015	14.41	14.505	14.29	14.43	37,638
12/04/2015	14.3	14.58	14.24	14.49	23,232
12/03/2015	14.38	14.44	14.2	14.32	36,528
12/02/2015	14.23	14.56	14.21	14.42	43,607
12/01/2015	14.54	14.71	14.295	14.39	20,661
11/30/2015	14.49	14.54	14.27	14.43	55,566
11/27/2015	14.6	14.65	14.37	14.52	29,558
11/25/2015	14.16	14.6	14.16	14.54	75,762
11/24/2015	14.5	14.5	14.06	14.17	72,974
11/23/2015	14.7	14.78	14.4601	14.49	44,081
11/20/2015	14.8	14.98	14.69	14.76	55,052
11/19/2015	14.51	14.82	14.51	14.7	25,772
11/18/2015	14.87	14.8	14.44	14.56	98,475
11/17/2015	14.79	14.79	14.68	14.66	26,506
11/16/2015	15.06	15.06	14.6	14.81	58,768
11/13/2015	15.19	15.44	15.1	15.12	38,827
11/12/2015	15.5	15.67	15.01	15.33	32,345
11/11/2015	15.8	15.81	15.52	15.52	32,057
11/10/2015	15.75	15.97	15.71	15.79	23,277
11/09/2015	16.24	16.24	15.7	15.76	38,758
11/06/2015	16	16.21	15.6068	16.21	65,359
11/05/2015	16.21	16.21	16.02	16.08	36,788
11/04/2015	15.97	17.31	15.92	16.13	136,289
11/03/2015	15.59	16.01	15.59	15.95	41,632
11/02/2015	15.5	15.79	15.406	15.71	45,143
10/30/2015	15.83	15.83	15.35	15.5	60,723
10/29/2015	15.88	15.94	15.75	15.79	33,730
10/28/2015	15.52	15.92	15.33	15.89	63,525
10/27/2015	15.7	15.79	14.801	15.52	47,574
10/26/2015	15.4	15.76	15.29	15.68	42,367
10/23/2015	15.31	15.5	15.16	15.5	37,995
10/22/2015	15.27	15.64	14.95	15.16	72,808
10/21/2015	15.63	15.71	15.13	15.16	112,207
10/20/2015	15.44	15.72	15.32	15.64	50,648
10/19/2015	15.09	15.42	15.05	15.41	65,620
10/16/2015	14.97	15.19	14.82	15.09	64,163
10/15/2015	14.77	14.95	14.69	14.94	62,725
10/14/2015	15.63	15.93	14.68	14.75	118,965
10/13/2015	15.9	15.94	15.54	15.65	88,070

Date	Open				
10/12/2015	15.14	15.97	14.82	15.9	91,351
10/09/2015	14.67	15.12	14.5	15.09	59,355
10/08/2015	13.85	14.67	13.51	14.67	79,202
10/07/2015	13.71	13.85	13.5001	13.82	59,864
10/06/2015	13.74	13.77	13.54	13.62	32,926
10/05/2015	13.28	13.8	13.25	13.74	43,949
10/02/2015	13	13.16	12.88	13.16	48,191
10/01/2015	12.76	13.23	12.76	13.11	65,551
09/30/2015	12.75	12.79	12.52	12.67	30,070
09/29/2015	12.45	12.79	12.45	12.67	20,193
09/28/2015	12.64	12.71	12.44	12.45	39,852
09/25/2015	12.92	12.92	12.59	12.63	36,059
09/24/2015	12.63	12.82	12.55	12.81	27,701
09/23/2015	12.6	12.8	12.5401	12.69	47,754
09/22/2015	12.47	12.82	12.46	12.61	34,366
09/21/2015	12.7	12.88	12.455	12.54	74,738
09/18/2015	12.41	12.77	12.4	12.68	125,138
09/17/2015	12.6	12.69	12.52	12.57	35,755
09/16/2015	12.38	12.67	12.27	12.63	29,719
09/15/2015	12.28	12.54	12.22	12.4	36,890
09/14/2015	12.33	12.44	12.18	12.28	27,920
09/11/2015	12.35	12.4599	12.3	12.35	53,781
09/10/2015	12.56	12.83	12.36	12.44	40,486
09/09/2015	12.77	12.77	12.57	12.62	51,033
09/08/2015	12.85	12.86	12.58	12.64	25,351
09/04/2015	12.5	12.92	12.5	12.72	19,210
09/03/2015	12.77	12.9499	12.57	12.65	50,640
09/02/2015	12.88	12.88	12.6501	12.82	44,426
09/01/2015	12.8	12.91	12.6	12.69	40,308
08/31/2015	12.84	13.09	12.72	12.83	83,756
08/28/2015	12.84	12.92	12.71	12.92	41,341
08/27/2015	12.88	13.03	12.63	12.93	41,213
08/26/2015	12.85	12.9	12.3538	12.84	70,423
08/25/2015	12.9	12.9	12.44	12.56	75,375
08/24/2015	12.51	13.08	11.92	12.65	86,011
08/21/2015	12.74	13.45	12.6923	13.06	120,791
08/20/2015	13.16	13.16	12.88	12.96	33,540
08/19/2015	13.09	13.43	12.81	13.3	34,132
08/18/2015	13.16	13.26	13.1	13.15	52,145
08/17/2015	13.02	13.25	12.98	13.25	50,285
08/14/2015	13.09	13.21	12.98	13.14	72,345

Date	Open				
08/13/2015	13.2	13.2	12.93	13.06	37,793
08/12/2015	12.81	13.18	12.67	13.04	70,973
08/11/2015	12.68	12.99	12.61	12.86	67,300
08/10/2015	12.38	12.8369	12.3	12.76	126,183
08/07/2015	11.99	12.6	11.99	12.28	111,454
08/06/2015	12.17	12.18	11.795	12.08	46,697
08/05/2015	12.4	12.5	12.07	12.16	33,225
08/04/2015	12.28	12.4	12.02	12.32	77,681
08/03/2015	11.91	12.09	11.71	11.97	97,959
07/31/2015	12	12.11	11.71	11.78	119,687
07/30/2015	11.93	12.0496	11.71	11.99	117,971
07/29/2015	12.15	12.15	11.79	11.92	109,781
07/28/2015	12.36	12.58	11.96	12.19	122,103
07/27/2015	11.9	12.59	11.86	12.31	337,965
07/24/2015	12.3	12.35	11.99	12.03	164,149
07/23/2015	12.74	12.91	12.25	12.33	197,631
07/22/2015	13.57	13.57	12.73	12.83	214,148
07/21/2015	13.85	13.88	13.29	13.34	119,381
07/20/2015	14.04	14.14	13.6	13.68	36,108
07/17/2015	14.14	14.14	13.86	14	42,323
07/16/2015	13.96	14.2	13.91	14.08	43,859
07/15/2015	14.19	14.22	13.79	13.91	31,457
07/14/2015	14.06	14.175	14	14.15	44,437
07/13/2015	13.9	14.02	13.88	14	45,782
07/10/2015	13.69	13.95	13.6	13.89	46,626
07/09/2015	13.6	13.69	13.42	13.57	32,142
07/08/2015	13.51	13.75	13.38	13.49	65,417
07/07/2015	13.64	13.65	13.455	13.63	44,413
07/06/2015	13.88	14.05	13.52	13.66	59,696
07/02/2015	14.04	14.05	13.868	13.97	35,978
07/01/2015	13.88	14.04	13.79	14	36,324
06/30/2015	13.606	13.91	13.574	13.85	66,051
06/29/2015	13.3	13.6	13.142	13.52	82,185
06/26/2015	13.24	13.45	13.09	13.44	285,415
06/25/2015	13.22	13.28	13.1	13.16	34,423
06/24/2015	13.32	13.505	12.98	13.12	70,392
06/23/2015	13.33	13.45	13.0875	13.31	86,586
06/22/2015	13.34	13.58	13	13.22	76,131
06/19/2015	13.48	14.31	13.17	13.38	119,431
06/18/2015	13.55	13.85	13.44	13.53	41,600
06/17/2015	13.65	13.66	13.3101	13.45	21,160

Date	Open				
06/16/2015	13.54	13.69	13.344	13.6	32,497
06/15/2015	13.85	14.05	13.34	13.57	35,210
06/12/2015	13.95	14.06	13.7	13.88	26,423
06/11/2015	13.77	13.97	13.73	13.93	10,631
06/10/2015	13.8	14.07	13.5401	13.8	20,303
06/09/2015	13.86	14.02	13.5401	13.7	11,494
06/08/2015	13.95	14.02	13.69	13.73	15,177
06/05/2015	14.08	14.1	13.85	13.99	42,444
06/04/2015	13.94	14.45	13.94	14.06	83,067
06/03/2015	13.67	13.99	13.58	13.94	40,603
06/02/2015	13.35	13.7199	13.35	13.6	33,572
06/01/2015	13.4	13.58	13.345	13.48	20,208
05/29/2015	13.36	13.48	13.2	13.37	32,093
05/28/2015	13.5	13.73	13.39	13.39	12,760
05/27/2015	13	13.56	13	13.5	42,748
05/26/2015	13.02	13.396	12.91	13.13	33,690
05/22/2015	13.33	13.55	13.06	13.13	27,414
05/21/2015	13.44	13.51	13.285	13.4	27,667
05/20/2015	13.41	13.43	13.26	13.41	17,298
05/19/2015	13.33	13.41	13.26	13.32	47,832
05/18/2015	13.13	13.4	12.88	13.38	45,641
05/15/2015	13.29	13.44	13.06	13.21	46,803
05/14/2015	13.2	13.44	13.186	13.27	58,972
05/13/2015	13.45	13.48	13.12	13.22	31,410
05/12/2015	13.41	13.5	13.11	13.37	41,399
05/11/2015	13.63	13.69	13.22	13.42	53,911
05/08/2015	13.65	13.73	13.332	13.65	55,435
05/07/2015	13.38	13.69	13.35	13.52	42,149
05/06/2015	13.04	13.46	13.04	13.34	63,462
05/05/2015	13.41	13.65	13.02	13.07	37,834
05/04/2015	13.65	13.83	13.21	13.37	49,415
05/01/2015	13.39	13.83	13.2	13.32	39,787
04/30/2015	13.75	13.75	13.2301	13.32	50,945
04/29/2015	14.04	14.08	13.82	13.83	18,773
04/28/2015	13.91	14.17	13.82	14.06	25,217
04/27/2015	14.03	14.21	13.7601	13.97	40,522
04/24/2015	13.86	14.11	13.8	14	32,371
04/23/2015	13.72	13.922	13.655	13.87	24,937
04/22/2015	13.55	13.86	13.47	13.82	36,016
04/21/2015	13.63	13.73	13.45	13.54	36,308
04/20/2015	13.29	13.75	13.29	13.67	28,055

Date	Open				
04/17/2015	13.59	13.59	13.13	13.25	61,500
04/16/2015	13.73	13.81	13.57	13.69	14,563
04/15/2015	13.54	13.9	13.4801	13.73	27,960
04/14/2015	13.61	13.66	13.43	13.51	25,301
04/13/2015	13.71	13.78	13.5501	13.61	34,509
04/10/2015	13.84	13.9	13.61	13.79	26,524
04/09/2015	13.82	13.83	13.35	13.81	31,130
04/08/2015	13.79	13.81	13.5201	13.81	27,446
04/07/2015	13.71	13.8	13.46	13.74	41,547
04/06/2015	13.46	13.825	13.35	13.69	52,914
04/02/2015	13.78	13.76	13.4	13.51	30,661
04/01/2015	13.41	13.76	13.41	13.71	99,304
03/31/2015	13.58	13.62	12.44	13.45	381,339
03/30/2015	13.46	13.63	13.44	13.62	41,277
03/27/2015	13.62	13.63	13.35	13.46	21,666
03/26/2015	13.43	13.69	13.36	13.62	19,829
03/25/2015	13.66	13.71	13.3802	13.46	36,437
03/24/2015	13.61	13.69	13.57	13.65	20,975
03/23/2015	13.61	13.67	13.58	13.61	54,772
03/20/2015	13.65	13.65	13.44	13.63	98,637

*This data reflects the latest intra-day delayed pricing.

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EXHIBIT 45

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EXHIBIT 46

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SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF LOS ANGELES, CENTRAL DISTRICT

In re the

JAMES J. COTTER LIVING TRUST dated August 1, 2000, as amended

Case No. BP159755

Assigned for All Purposes to:
The Hon. Clifford L. Klein

PETITION BY JAMES J. COTTER, JR. FOR IMMEDIATE SUSPENSION OF POWERS OF ANN MARGARET COTTER AND ELLEN COTTER AS CO-TRUSTEES AND FOR APPOINTMENT OF TEMPORARY TRUSTEE; PETITION FOR PERMANENT REMOVAL; DECLARATION OF RICHARD SPITZ IN SUPPORT THEREOF; CONSENT OF MICHAEL J. SEIBERT

Date: April _, 2016
Time: 8:30 a.m.
Dept: 9

RDI-A01191

I. INTRODUCTION

1. Pursuant to Probate Code sections 15642 and 17200, James J. Cotter, Jr. ("**Jim Jr.**") petitions this court for an order appointing a temporary trustee and suspending the powers of Ann Margaret Cotter ("**Margaret**") and Ellen Cotter ("**Ellen**"), as co-trustees of the James J. Cotter Living Trust dated August 1, 2000 (the "**Trust**"). Margaret and Ellen have abused their conflict of interest to favor their own personal, pecuniary self-interest over the interest of the beneficiaries. A temporary trustee whose loyalty is solely to the Trust beneficiaries is urgently needed to prepare for the annual stockholders' meeting of Reading International, Inc. (the "**Company**" or "**RDI**") in June 2016 and to act on behalf of the Trust in the sole interest of the beneficiaries.

2. The Trust's largest asset is a majority interest in the voting stock of RDI. James J. Cotter, Sr. ("**Jim Sr.**") directed the stock to be held in trust for the benefit of his grandchildren: three of whom are Jim Jr.'s children and two are Margaret's children. But Margaret and Ellen are wholly dependent upon RDI as employees for their livelihoods. Abusing their power over the stock as co-trustees of the Trust and executors of Jim Sr.'s will, Margaret and Ellen orchestrated promotions and massive compensation increases for themselves. They elevated their own self-interest over the interest of the grandchildren in finding an appropriate CEO to manage the Trust's largest asset. Ellen deliberately interfered with and corrupted a search process set in motion by the RDI Board so that she could take the CEO job for herself. That she is utterly unqualified is established conclusively by the RDI Board and its independent search firm who determined the criteria necessary for the new CEO: Ellen simply fails to match up in any possible way to the Board's own criteria.

3. To begin with, Margaret and Ellen abused their power to create the vacancy in the office of CEO. Jim Sr. was the CEO of RDI. At the Board's request, Jim Sr. submitted a succession plan. He recommended that Jim Jr., who was President, succeed his father as CEO. The RDI Board accepted that plan. When Jim Sr. stepped down, the Board named Jim Jr. as CEO. When their father died, Margaret and Ellen demanded

promotions, long-term employment contracts and pay-raises. Jim Jr., in exercising his fiduciary duties, properly declined such demands and Margaret and Ellen revolted.

4. Enraged, Margaret and Ellen exploited their fiduciary powers to stage a boardroom coup and fire Jim Jr. In order to find a replacement CEO, the RDI Board retained an independent search firm. But Margaret and Ellen then exploited their power to derail the search process and handed the job to Ellen. Ellen, however, woefully fails to match the criteria established by the Board and its independent search firm for the position. The Search Committee—with the concurrence of Margaret and Ellen—determined that the CEO must possess significant real estate development experience and expertise to help RDI unlock the growth driver of its business, its materially under-developed real estate assets. Ellen has no experience that would qualify her for the job as defined by the Board and the independent search firm. The search firm identified candidates who were interviewed for the position and who did have extensive real estate experience and proven track records in the field. In fact, had the RDI Board simply decided to hire from within, there are even other RDI employees with more appropriate credentials for the job than Ellen. But those employees lack one thing Ellen purports to have: power, together with Margaret, over the Trust and Jim Sr.'s estate. They exploited that power and thwarted the efforts of the search firm retained for the express purpose of finding an appropriate CEO to manage RDI.

5. The rationale? There can be no legitimate explanation for handing the job to a person who pales in comparison to the criteria for the position, the candidates identified by the independent search firm who matched that criteria, or even internal candidates whom the Board might have considered. Instead, the Search Committee explained: "as a practical matter, the nominee will need to be acceptable to Ellen Cotter and Margaret Cotter as representatives of the controlling stockholder of the Company … the scope and extent of [Ellen's] personal financial interest in the Company, and the scope and extent of her control over the Company given her position as Co-executor of the James J. Cotter, Sr. Estate, and as a Co-Trustee of the James J. Cotter, Sr. Trust, and the likely impact of such

interest and obligations on her performance as President and Chief Executive Officer." (Spitz Addendum Ex. H at 8.) That is all one needs to know: in their own words, by their own admission, it was their abuse of power that dictated the self-interested result.

6. But that's not all. Ellen then promoted Margaret to a position to which she is also wholly unqualified. And again, that's not all. Under the complete control and domination of Margaret and Ellen, the Board tripled Ellen's expected compensation and increased Margaret's significantly. Ellen's expected compensation is now quadruple the compensation that Jim Jr. received while he served as CEO of RDI. They did all this while the stock price for RDI has declined 17 percent since they ousted Jim Jr. Meanwhile, RDI has just reported to the Securities and Exchange Commission that it will not even be able to file its Annual Report on Form 10-K on time, a bad sign for a public company.

7. These actions have resulted in lawsuits by independent outside investor groups and have already caused significant damage to the stock value of RDI. In a lawsuit resulting from this sham CEO search, outside institutional investors allege:

> The CEO search process undertaken by the Search Committee was a ruse to give the outward appearance to Plaintiffs and other public shareholders that the Board had undertaken an independent search using search criteria employed by a national executive search firm. However, after paying Korn Ferry hundreds of thousands of dollars, Ellen Cotter, Margaret Cotter, Bill Gould and Doug McEachern (the Search Committee) abruptly cancelled Korn Ferry's search process before it could complete its assignment and make a recommendation on the most qualified candidate(s) to the Board. The payment of hundreds of thousands of dollars to Korn Ferry constitutes corporate waste. Further, the members of the Board did not exercise an independent, informed decision-making process when they voted to appoint Ellen Cotter as the permanent CEO, because (1) they did not interview any of the candidates; (2) they were only provided with a written summary of the Search Committee's work two days before the Board meeting to vote on Ellen Cotter; (3) Korn Ferry's further assessment of the semi-finalist candidates was terminated by the Search Committee before it could complete its contractual assignment and make a final recommendation to the Board on the most qualified candidate(s).

8. There is nothing about Ellen aborting the CEO search process, taking the CEO job for herself in an instance where she is demonstrably unqualified for it by RDI's

own metrics, promoting her sister, and massively increasing their own compensation (not to mention inviting litigation over their actions by outside investor groups), that benefited the beneficiaries of the Trust. Ellen hijacked the CEO process solely out of self-interest, preventing RDI from finding the appropriate and best person to manage this Company for the interest of the beneficiaries. Margaret and Ellen abused their power and their irreconcilable conflict of interest to benefit themselves. The court should appoint a temporary trustee whose loyalty is solely to the grandchildren, and who can exercise the rights of a Trustee free from any such conflicts of interest.

9. RDI's annual stockholders' meeting is set for June 2, 2016. A temporary trustee with the power to act for the benefit of the grandchildren's interest, free from any personal stake or conflict of interest, is critical. The temporary trustee will need time to become acquainted with RDI and the matters to be acted upon at the annual meeting; hence, the urgent need for this relief.

10. This petition is supported by the Declaration of Richard Spitz. From 1996 until 2009, Mr. Spitz rose to be the most successful executive recruiter and in the top brass of Korn/Ferry International, Inc. ("**Korn Ferry**"), the same independent search firm retained by RDI to find a CEO to replace Jim Jr. During his tenure at Korn Ferry, including as Chairman of the Global Technology Market, Mr. Spitz conducted well over 500 senior level executive searches, including well over 150 president and CEO searches.

11. Mr. Spitz examined the Company's search process and, as his Declaration demonstrates, has concluded the Board initiated an appropriate search, but that Ellen hijacked that process and prevented the Board and Korn Ferry from finding a suitable person for the job, instead causing the Board to appoint Ellen, who is totally unqualified based upon the criteria established by the RDI Board and Korn Ferry.

12. More specifically, Mr. Spitz declares at Paragraphs 34 to 38 of his Declaration:

> 34. From my review, it appears that the search process conducted by the Board was appropriate at its beginning. At the outset, the Board outlined a complete and proper search

process. It authorized the formation of a search committee and the selection of a reputable executive search firm from three leading firms. The Board, through the delegated Search Committee, took responsibility for developing the requirements for the new CEO. The Board retained authority to set the compensation for the CEO, and to interview the Search Committee's top three candidates. The Company hired a reputable search firm and provided for an assessment process that would "de-risk" the selection of the final candidate from either the internal or external candidate pool. Finally, the Position Specification was approved that reflected the strategic imperative of the Company and focused the search process on finding someone who could unlock the "value gap" of its real estate holdings.

35. At some point in time, Ellen Cotter announced her intention to be a CEO candidate to the Search Committee, and the search process then became corrupted. When she made the announcement to the Search Committee, Ellen Cotter had already interviewed and selected the executive search firm on behalf the Board, she had been the de-facto Search Committee chair and she had managed the Korn Ferry search activities for several months. That she did not interview candidates competing for the position did not remove the tremendous influence she had over the search process and its outcome. And while it is not clear exactly when she made her announcement to the Search Committee, a month or more after the first candidate interviews were conducted, the Search Committee still had not yet selected a new chair. The Company's materials additionally do not indicate that Ellen Cotter notified the Board of her candidacy until December 2015. Addendum Ex. K. The conduct of Ellen Cotter with respect to service on the Search Committee undermines the confidence one should have that the search process was properly directed and completed. As a key driver of the process who failed to announce her intentions on a timely basis, Ellen Cotter was in a position to ensure that the search for external candidates would not succeed. As a result of her activities as the de-facto chair of the Search Committee and the failure of the Search Committee to complete the search process in accordance with Positon Specification and the Engagement Letter, I have no confidence that the search process was properly managed.

36. While the Search Committee believed that the Korn Ferry search activities resulted in a number of "high caliber" external candidates, it decided not to have any external candidates assessed and presented to the entire Board. In so doing, the Search Committee did not follow the process mandated by the Board. Rather, the Search Committee determined on its own effectively that the Board would not consider a single candidate who satisfied the requisite candidate criteria set forth in the Position Specification. This is highly concerning not only because the Search Committee failed to properly follow the process but because the Search Committee failed to de-risk the CEO selection by providing the Board with "an objective

and unbiased comparison of both internal and external candidates." Equally concerning is that the Search Committee decided not to have Ellen Cotter's Assessment taken. Her Assessment would have shown the Board how she compared to the CEO success profiles and helped the Board determine whether she was ready to be CEO of RDI. Without interviewing the top Korn Ferry candidates and considering the Assessment for all candidates including Ellen Cotter, the Board could not have made an informed decision when it accepted the Search Committee's nomination.

37. For these reasons I find that the search process was corrupted and not properly conducted. Most importantly, as a result of these actions by Ellen Cotter and the Search Committee, the Board did not have the opportunity to address the strategic objective for the search, and the Search Committee had ignored the Position Specification that it had created. If unlocking the intrinsic value of the Company's real estate holdings was not the Company's objective for conducting the search process, one has to wonder why did the Board (or the Search Committee) authorize and undertake the following:

- Set up its externally focused search process;
- Hire an executive search firm;
- Pay Korn Ferry $230,000 in fees;
- Set up an Assessment process;
- Approve the Position Specification;
- Conduct a search for more than 5 months;
- Interview 6 senior executives with significant real estate development experience; and
- Dismiss all external candidates without a Board interview
- Ignore all internal candidates except one, the Board Chair and former Search Committee chair.

38. Had the search process been carried out properly and not been corrupted by actions of Ellen Cotter and the Search Committee, there would be no question about the purpose of the search. But they did corrupt the process, and the Board did not take corrective action. So one has to conclude I as do here that the search process was not undertaken with the intent for it to produce the final candidate.

(Sptiz Decl. ¶¶ 34-38.)

II. JURISDICTIONAL ALLEGATIONS

13. This court has jurisdiction over Jim Jr.'s Petition, which concerns the internal affairs of the Trust, pursuant to California Probate Code § 17000(a).

14. Venue is proper pursuant to California Probate Code § 17005(a)(1), because the principal place of the Trust's administration is in Los Angeles County.

III. MARGARET AND ELLEN BREACH THEIR FIDUCIARY DUTIES BY INSTALLING ELLEN AS RDI'S PRESIDENT AND CEO

15. Jim Jr. became RDI's President in June 2013. He became its CEO on August 7, 2014, pursuant to the Company's Board-accepted long-term succession plan, when Jim Sr. was no longer able to continue in that role.

16. As set forth in detail in Jim Jr.'s removal petition filed August 18, 2015, when Jim Jr. rejected demands by Ellen and Margaret for promotions and pay increases, they orchestrated a boardroom coup with their control over the Trust and Jim Sr.'s estate and terminated Jim Jr.'s employment with RDI. The Board named Ellen as interim President and CEO. Jim Jr. not only filed his removal petition but also filed a derivative action in Nevada District Court. Outside investors also filed a derivative action angered over the ouster of Jim Jr.

17. After this stunt, the Board approved a search process to find a replacement CEO. Margaret and Ellen acted as if they were heeding the advice for only so long as it suited their interests.

A. ELLEN LEADS A CEO SEARCH AND HIRES KORN FERRY

18. The search process began when, at its June 2015 meeting, the Board authorized the formation of a search committee (the "**Search Committee**"). Although the Board delegated some authority to the Search Committee, it retained for itself the responsibility of interviewing the "three top candidates," and setting the compensation of the chosen candidate. (Spitz Addendum, Ex. G at 2.)

19. With Margaret and Ellen playing along, Ellen populated the Search Committee (with Ellen acting as Chair) along with her sister Margaret and Board members

Doug McEachern and William Gould. Ellen obtained the right to select the executive search firm.

20. Ellen chose Korn Ferry. Korn Ferry had an advantage: Korn Ferry's proprietary assessment process for the finalists, available for an additional cost, would enable the Company to "de-risk" the search and selection process. (Spitz Addendum, Ex. I.)

21. Ellen herself signed an engagement agreement with Korn Ferry on August 3, 2015, of which she notified RDI's Board on August 4, 2015. (Spitz Addendum, Ex. J.)

22. The terms of Korn Ferry's engagement were clear (as memorialized in its engagement letter signed by Ellen): it was to find a "new CEO" who was "a strong leader and manager who can directly impact value creation for the firm's ***real estate*** portfolio." (Spitz Addendum, Ex. H at 11 (emphasis added).)

B. <u>THE SEARCH PROCESS</u>

23. Korn Ferry set forth a six-step process to be used to find a qualified President and CEO, including (1) developing a profile of a successful candidate, (2) assessing candidates, (3) interviewing candidates, (4) drafting assessment reports of the candidates, (5) reporting the assessments to the Board, and (6) providing face-to-face feedback to internal candidates and the new CEO. (Spitz Addendum, Ex H at 12-14.)

24. In September 2015, Korn Ferry, with Ellen and Margaret's input and approval, prepared a position specification for RDI, which confirmed that RDI sought to recruit a leader who possessed substantial real estate experience who could unlock the value of its real estate holdings, the Company's growth driver. (Spitz Decl. ¶¶ 9-11, 18-19; Addendum Ex H at 5, 13, 21-22.) This demonstrates recognition of the economic realities of this Company. According to the Company's Annual Report on Form 10-K filed with the SEC for 2014, its cinema business was mature with low growth potential. RDI thus decided to use the fairly consistent cash flow from its cinema activities to fund its real estate activities. As the Company and various third-party investors and analysts recognized, the Company's real estate activities were its growth driver. (Spitz Decl. ¶¶ 9-

11; Addendum Exs. A at 3, 4, 6, 39; C-E.) Thus, a CEO with significant full cycle real estate experience was required to unlock the value of those real estate assets in order for RDI to grow.

25. The position specification thus summarized that "the successful candidate will be a proven leader with significant real estate investment and development experience. The new Chief Executive ***must have*** a proven and verifiable track record in directing and managing diverse real estate organizations and businesses." (Spitz Addendum, Ex. H at 21 (emphasis added).)

26. The specification additionally provided specific qualifications related to real estate, including, without limitation: (1) a "[m]inimum of 20 years of relevant experience within the real estate industry, with at least five years in an executive leadership position within dynamic public or private company environments," (2) a "[p]roven track record in the full cycle management of development investments . . . and vertical construction, with a proven record of value creation," and (3) a "[a] track record or raising debt and equity capital, with additional exposure to joint-ventures, M&A, and institutional/investor relations.[1] (Spitz Addendum, Ex. H at 21-22.)

27. Consistent with this strategy of seeking a real estate person, between November 13, 2015 and December 23, 2015, the Search Committee interviewed six candidates, all of whom were real estate professionals with extensive real estate backgrounds. During the process, the Search Committee again confirmed that it was looking for a real estate professional, and "directed Korn Ferry to focus more on individuals with both operating company and real estate experience, ideally in a public company setting." (Spitz Addendum, Ex. H at 5.)

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[1] The position specification was beneficial to Ellen and Margaret. Even if Ellen was not President and CEO, a CEO with real estate experience but not cinema experience ensured Ellen would maintain control over the Company's U.S. cinema operations. Similarly, Margaret would maintain control over the live theater operations.

28. The Search Committee was also satisfied with the candidates it was interviewing, remarking that they were of "the highest caliber, and that any of them would likely be competent to run a company such as Reading." (Spitz Addendum, Ex. H at 8.)

29. None of that mattered, however, once Ellen, who has none of the desired real estate experience, declared her candidacy to the Board.

C. ELLEN DECLARES HER CANDIDACY, DISREGARDS THE SEARCH PROCESS, AND PURSUES HER OWN AGENDA

30. On December 17, 2015—four months after Ellen informed the Board of Korn Ferry's engagement—Ellen clued the Board in on the status of the search process, including for the first time, that she was a candidate for the CEO position—to be clear, Korn Ferry never identified Ellen as an appropriate candidate before she announced her candidacy on December 17, 2015.

31. From Ellen's December 17, 2015 communication and subsequent documents provided to the Board, it is clear that Ellen and Margaret used their power as purported controlling shareholders of RDI to abort the search process midway through and appoint Ellen President and CEO, despite her lack of qualifications.

32. Some time after declaring on her candidacy for CEO, in November 2015, Ellen resigned from the Search Committee, as though that would somehow cure how she corrupted the process.[2]

33. Although Ellen resigned from the Search Committee, Margaret, despite her obvious conflict of interest, did not.

34. On December 17, 2015, Korn Ferry recommended that it be permitted to undertake further and more detailed analysis of Ellen and two candidates with significant real estate experience whom Korn Ferry had actually identified for the job. Unlike the

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[2] Because Ellen did not did not inform the Board of her resignation from the Search Committee until December 17, 2015, no replacement chair was appointed until that date, making it unclear who was interfacing with Korn Ferry and otherwise leading the Search Committee after Ellen's supposed resignation.

other two candidates, Korn Ferry had not done any assessment of Ellen as a CEO candidate. Of course, what happened next should come as no surprise if one is following along: the Search Committee rejected Korn Ferry's recommendation that it needed to conduct further assessment of all three candidates, which was the raison d'être for choosing Korn Ferry in the first place.

35. Instead, the Search Committee decided on December 17, 2015 that the Search Committee—not Korn Ferry—would interview one last candidate identified by Korn Ferry on December 23, 2015, and if the Search Committee decided it preferred Ellen, the Search Committee would instruct Korn Ferry to suspend its work—for which RDI had already paid a significant amount of money—given the Committee members' extensive past experience with Ellen Cotter." (Spitz Addendum, Ex. H at 6.)

36. The Search Committee, including Margaret, purportedly interviewed Ellen on December 23, 2015, even though she had none of the real estate experience that the Board and independent search firm determined were the critical criteria for the job.

37. On December 23, 2015, after interviewing the final candidate, the Search Committee determined—despite Korn Ferry's recommendation that it conduct its independent assessment—that "the consensus of the Committee was that Ellen Cotter would likely be the Committee's recommended candidate." (Spitz Addendum, Ex. H at 7.)

38. Of course, that result was pre-ordained as evidenced by the fact that on December 18, 2015, five days before this last interview, Craig Tompkins, "special counsel" to Ellen as interim CEO, ordered Korn Ferry to suspend all further work pending a determination of Ellen's candidacy.

39. On December 29, 2015, the Search Committee again met and agreed to recommend Ellen for the President and CEO position. In another bit of Kabuki theater, once Messrs. Gould and McEachern voted in favor of Ellen's appointment, Margaret elected to abstain from the vote. Margaret, however, stated her wholehearted concurrence with and support of the Search Committee's recommendation of Ellen.

40. On January 8, 2016, on the basis of the Search Committee's recommendation of Ellen, the Board appointed Ellen as President and CEO, despite the fact that the Board did not, as originally agreed, interview any finalist candidates, the fact that Ellen did not undergo the in-depth Korn Ferry assessment, for which RDI paid handsomely, and did not in any way match the position specification.

D. THE SEARCH PROCESS DEMONSTRATES THAT MARGARET AND ELLEN ACTED IN THEIR SELF-INTEREST

41. The Company's abandonment of the CEO search process on which it had spent hundreds of thousands of dollars immediately upon Ellen's informing the Board of her candidacy makes clear that that Ellen and Margaret were acting in their self-interest—not in the best interest of the beneficiaries—and in breach of their fiduciary duties to the Trust.

42. Simply, Ellen and Margaret used their power as purported controlling shareholders to abort the search process and appoint Ellen President and CEO, despite her lack of qualifications. It is true that the Search Committee did mention real estate once—despite the clear focus on real estate executives in the search process—in recommending Ellen, claiming that Ellen "demonstrated her competency and experience in dealing with real estate matters in her handling of the Cannon Park and Sundance matters and her activities in connection with the development/refurbishment of a variety the Company's cinemas." (Spitz Addendum, Ex. H at 9.) This really simply serves as further evidence that RDI knew that real estate was king and it had to find some way of mentioning real estate after embarking on a costly search for a real-estate professional with 20 years of experience focused solely on real estate. However, Ellen's handling of an acquisition of a fully developed/stabilized shopping center that was fully leased, and a busted acquisition deal for some theatres (it was never consummated) not development of anything new, does not even come close to addressing the needs of the Company's strategic imperative, or the position specification, which sought a minimum of 20 years of experience through the full cycle of real estate development.

43. The Search Committee chose Ellen not for her qualifications, but because "as a practical matter, the nominee will need to be acceptable to Ellen Cotter and Margaret Cotter as representatives of the controlling stockholder of the Company. . . . the scope and extent of her [Ellen's] personal financial interest in the Company, and the scope and extent of her control over the Company given her position as Co-executor of the James J. Cotter, Sr. Estate, and as a Co-Trustee of the James J. Cotter, Sr. Trust, and the likely impact of such interest and obligations on her performance as President and Chief Executive Officer." (Spitz Addendum, Ex. H at 8.)

44. It is also interesting to consider what might have happened had the Board and Korn Ferry determined that real estate is not the growth driver and essential value of RDI, but that the Company needs a CEO with cinema experience. Ellen has been responsible for the domestic cinema operations. But even if the Board had made a drastically different decision—one that would make no sense based upon the economics of this Company—that the CEO should be someone with cinema experience, there was no search for a cinema person from outside the Company to determine whether Ellen's qualifications would have satisfied such a hypothetical CEO job description, and Ellen does not even match up internally at RDI. Take, for example, Wayne Smith. He actually submitted his resume, but no one considered Mr. Smith, because the Search Committee and Korn Ferry decided they needed a real-estate CEO. Had the Board set its sights on a cinema person, Mr. Smith runs circles around Ellen. He operates Australia and New Zealand. Mr. Smith's division trounces the performance of the domestic cinema division run by Ellen.

45. The Company's own records make clear that it was Ellen's identity, and not her performance or her qualifications, that landed her the CEO role.

E. ELLEN'S FIRST ACTS ARE SELF-INTERESTED BREACHES OF DUTY THAT HARM THE BENEFICIARIES

46. After succeeding in taking for herself the role of President and CEO, Ellen and Margaret have continued to act in their own self-interest, rather than in the best interests of the Trust's beneficiaries.

47. Given her total inexperience with real estate development, and the importance of real estate to the Company, as shown by the position specification (and supported by the Company's balance sheet), perhaps Ellen might have taken some action to shore up the Company's need for real-estate experience. Instead, at a February 18, 2016 Board meeting, Ellen declared that she was unilaterally appointing Margaret as head of the Company's domestic real estate division. Counsel advised her that she only had the authority as CEO to recommend such an appointment. Margaret, like her sister, is wholly unqualified for that role. Margaret has virtually no experience developing commercial real estate. Even Board member Edward Kane, one of Margaret and Ellen's staunchest supporters, said as of January 9, 2014 that Margaret should not have "control over the NYC properties given her total lack of experience."

48. Again putting themselves before the beneficiaries of the Trust, Ellen and Margaret caused themselves to be awarded huge bonuses from RDI—orders of magnitude greater than when Jim Sr. was alive. They received similarly startling compensation increases, with Ellen going from total compensation of $410,000 in 2014 to $1,177,500 in 2016 and Margaret going from $397,000in 2014 to $555,000 in 2016. They awarded themselves these salaries and expected bonuses even though RDI's stock has ***declined 17 percent*** since they ousted Jim Jr. in June 2015, and Ellen took over as interim President and CEO.

49. Ellen's new outlandish compensation is particularly important because the Search Committee justified hiring Ellen, as opposed to other external candidates who met the Company's real estate requirements, because of the compensation demands of the other candidates. (Spitz Decl. ¶ 31; Addendum Ex. H at 8,) The compensation that the other

candidates demanded, however, were not out-of-step with the $1.2 million that Ellen is expected to receive next year. Thus, the Company's focus on the compensation requested by outside candidates was merely a pretext to disregard them in favor of Ellen.

IV. INJURY TO THE BENEFICIARIES FROM ELLEN'S APPOINTMENT

50. Margaret and Ellen's conduct—appointing themselves to positions for which they are completely unqualified with exorbitant salaries—has injured and will continue to injure the beneficiaries of the Trust by harming the Company's performance.

51. The stock market has reacted very negatively to Ellen's leadership. Since Ellen became interim CEO in June 2015, RDI's stock is down more than *17%*. By comparison, the NASDAQ, of which RDI is a part, fell only 6% during the same time period.

52. The Trust owns approximately 70% of the voting shares of the Company, and millions of shares of non-voting stock. Stated otherwise, the Trust beneficiaries are paying dearly in losses from the fiduciary breaches by the Trustees.

53. As a result, the value of the Trust assets to the beneficiaries has significantly decreased as a result of Ellen and Margaret's actions.

V. MARGARET AND ELEN'S POWERS SHOULD BE SUSPENDED AND A TEMPORARY TRUSTEE SHOULD BE APPOINTED

54. A trustee has a duty to exercise reasonable care, skill, and prudence in administering the trust. Prob. Code § 16040(a).

55. Ellen and Margaret have a duty under Probate Code § 16002, to administer the trust solely in the interest of the beneficiaries. As part of that duty, a trustee must act impartially with all trust beneficiaries, and must not use or deal with trust property for the trustee's own profit, or take part in any transaction in which the trustee has an interest adverse to the beneficiaries. Prob. Code § § 16003-16004.

56. The trustee also has a fiduciary duty to take reasonable steps to control and preserve trust property, and to make the trust property productive. Prob. Code § § 16006-16007.

57. Ellen and Margaret have a duty to manage the corporation consistent with their duties as trustees, *i.e.*, in the interests of the beneficiaries of the trust. *Estate of Feraud* (1979) 92 Cal.App.3d 717, 723 (explaining that because "the beneficial owners of the stock of the corporation in this case were the beneficiaries of the three trusts ... [the trustee] was under a duty to these beneficiaries to administer the three trusts, including their principal asset, the Company, solely in their interests [citations] . . . ." (emphasis in original)).

58. Pursuant to Probate Code sections 15642 and 16420, Jim Jr. requests that the court immediately suspend the powers of Margaret and Ellen as co-trustees for violating their duties as co-trustees by causing Ellen to be appointed President and CEO of the Company, a role for which she is clearly unqualified, even by her own standards, because it is in their personal interest to do so, even though it is clearly not in the best interest of the beneficiaries. Cal. Probate Code §§ 15642(b)(1) ("Where the trustee has committed a breach of the trust"); (b)(2) ("Where the trustee is ... unfit to administer the trust"); (b)(3) ("Where hostility or lack of cooperation among co-trustees impairs the administration of the trust"); (b)(4) ("Where the trustee fails or declines to act"); and (b)(9) ("For other good cause").

59. Margaret and Ellen should be immediately suspended for violating their duties as co-trustees by causing Margaret to lead the Company's domestic real estate division, even though she is unqualified for such role and appointing Margaret to that role is clearly not in the best interest of the beneficiaries.

60. Margaret and Ellen have caused themselves to receive large and undeserved compensation increases, which shows that they are acting to further their personal interests, not protect the interests of the beneficiaries. For this additional reason, Margaret and Ellen should be immediately suspended.

61. Pursuant to Probate Code sections 15642 and 16420, Jim Jr. requests that the court appoint a temporary trustee to take all actions necessary to accomplish the Trust's terms during the period of suspension pending an outcome on the removal petition,

including without limitation, any authority to exercise any rights in respect of the Trust's ownership of RDI stock. Jim Jr. proposes the appointment of Michael J. Seibert, a private professional fiduciary, of LA Fiduciary Partners LLC to serve as the temporary trustee. Mr. Seibert's consent is attached hereto and incorporated herein by reference.

VI. PERSONS ENTITLED TO NOTICE

62. The following persons are entitled to notice of this Petition (there have been no requests for special notice):

Margaret G. Lodise, Esq. Kenneth M. Glazier, Esq. Douglas E. Lawson, Esq. SACKS, GLAZIER, FRANKLIN & LODISE LLP 350 South Grand Avenue, Suite 3500 Los Angeles, CA 90071	Attorneys for Petitioners, Ann Margaret Cotter and Ellen Cotter
Harry P. Susman, Esq. SUSMAN GODFREY L.L.P. 1000 Louisiana, Suite 5100 Houston, TX 77002	Attorneys for Petitioners, Ann Margaret Cotter and Ellen Marie Cotter
Glenn Bridgman, Esq. SUSMAN GODFREY L.L.P. 1901 Avenue of the Stars, Suite 950 Los Angeles, CA 90067-6029	Attorneys for Petitioners, Ann Margaret Cotter and Ellen Marie Cotter
James J. Cotter, Jr. 311 Homewood Los Angeles, California 90049	Adult Son; Beneficiary; Successor Co-Trustee
Ellen Marie Cotter 20 East 74th Street, Apt. 5B New York, NY 10021	Adult Daughter; Beneficiary; Successor Co-Trustee; Co-Executor
Ann Margaret Cotter 120 Central Park South Apt. 8A New York, NY 10019	Adult Daughter; Beneficiary; Successor Co-Trustee; Co-Executor
Duffy James Drake 120 Central Park South	Minor Grandson; Beneficiary

Apt. 8A New York, NY 10019	
Margot James Drake Cotter 120 Central Park South Apt. 8A New York, NY 10019	Minor Granddaughter; Beneficiary
Sophia I. Cotter 311 Homewood Los Angeles, California 90049	Minor Granddaughter; Beneficiary
Brooke E. Cotter 311 Homewood Los Angeles, California 90049	Minor Granddaughter; Beneficiary
James J. Cotter 311 Homewood Los Angeles, California 90049	Minor Grandson; Beneficiary
Gerard Cotter 226 Pondfield Road Bronxville, New York 10708	Beneficiary
Victoria Heinrich 186 Cherrybrook Lane Irvine, California 92613	Beneficiary
Susan Heierman 262 West Pecan Place Tempe, Arizona 85284	Beneficiary
Eva Barragan 13914 Don Julian La Puente, California 91746	Beneficiary
Mary Cotter 2818 Dumfries Road Los Angeles, California 90064	Beneficiary
James J. Cotter Foundation Reading International 6100 Center Drive	Beneficiary

Suite 900 Los Angeles, California 90045	

VII. PRAYER FOR RELIEF

WHEREFORE, Jim Jr. prays for an order granting the Petition as follows:

1. Immediately suspending the powers of Margaret and Ellen pending hearing on permanent removal;

2. Appointing Michael J. Seibert as the temporary trustee in place and instead of Margaret and Ellen to exercise all powers under Trust pending hearing on permanent removal of Margaret and Ellen;

3. Permanently removing Margaret and Ellen and appointing Michael J. Seibert as successor trustee of the Trust in their place;

4. Surcharging Margaret and Ellen for any damage caused by their breaches of fiduciary duty according to proof at trial;

5. That Margaret and Ellen be ordered to disgorge any attorneys' fees and costs paid from the Trust in defense of this Petition, as not being reasonably incurred for the benefit of the Trust;

6. For costs of suit, including attorneys' fees; and

7. For such other relief as the court may deem just and proper.

Dated: March 24, 2016

SHEPPARD, MULLIN, RICHTER & HAMPTON LLP

By _____

ADAM F. STREISAND
NICHOLAS J. VAN BRUNT
Attorneys for JAMES J. COTTER, JR.

VERIFICATION

STATE OF CALIFORNIA, COUNTY OF LOS ANGELES

I have read the foregoing **PETITION BY JAMES J. COTTER, JR. FOR IMMEDIATE SUSPENSION OF POWERS OF ANN MARGARET COTTER AND ELLEN COTTER AS CO-TRUSTEES AND FOR APPOINTMENT OF TEMPORARY TRUSTEE; PETITION FOR PERMANENT REMOVAL; DECLARATION OF RICHARD SPITZ IN SUPPORT THEREOF; CONSENT OF MICHAEL J. SEIBERT** and know its contents.

I am a party to this action. The matters stated in the foregoing document are true of my own knowledge except as to those matters which are stated on information and belief, and as to those matters I believe them to be true.

Executed on March 23, 2016, at Los Angeles, California.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

James J. Cotter, Jr.
Print Name of Signatory

Signature

SMRH:475114214

RDI-A001212-2024
Filed Under Seal

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CLERK OF THE COURT

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EIGHTH JUDICIAL DISTRICT COURT

CLARK COUNTY, NEVADA

JAMES J. COTTER, JR. individually and derivatively on behalf of Reading International, Inc.,

Plaintiffs,

v.

MARGARET COTTER, ELLEN COTTER, GUY ADAMS, EDWARD KANE, DOUGLAS McEACHERN, WILLIAM GOULD, JUDY CODDING, MICHAEL WROTNIAK, and DOES 1 through 100, inclusive,

Defendants.

AND

READING INTERNATIONAL, INC., a Nevada corporation,

Nominal Defendant.

Case No.: A-15-719860-B
Dept. No.: XI

Case No.: P-14-082942-E
Dept. No.: XI

Related and Coordinated Cases

BUSINESS COURT

INDIVIDUAL DEFENDANTS' MOTION FOR PARTIAL SUMMARY JUDGMENT (NO. 2) RE: THE ISSUE OF DIRECTOR INDEPENDENCE

Judge: Hon. Elizabeth Gonzalez
Date of Hearing: 10/25/16
Time of Hearing: 8:30 AM

TO ALL PARTIES, COUNSEL, AND THE COURT:

Pursuant to Nevada Rule of Civil Procedure 56, Defendants Margaret Cotter, Ellen Cotter, Guy Adams, Edward Kane, Douglas McEachern, Judy Codding, and Michael Wrotniak (collectively, the "Individual Defendants"), by and through their counsel of record, Cohen|Johnson|Parker|Edwards and Quinn Emanuel Urquhart & Sullivan, LLP, hereby submit this Motion for Partial Summary Judgment (No. 2) as to the First, Second, Third, and Fourth Causes of Action in Plaintiff's Second Amended Complaint, to the extent that they assert or rely upon an argument that any of the non-Cotter directors of Reading International, Inc. ("RDI") are not "independent."

This Motion is based upon the following Memorandum of Points and Authorities, the accompanying Declaration of Noah S. Helpern ("HD") and exhibits thereto, the pleadings and papers on file, and any oral argument at the time of a hearing on this motion.

Dated: September 23, 2016

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Attorneys for Defendants Margaret Cotter, Ellen Cotter, Douglas McEachern, Guy Adams, and Edward Kane

NOTICE OF MOTION

TO: LEWIS ROCA ROTHGERBER CHRISTIE LLP, Attorneys for Plaintiff.

PLEASE TAKE NOTICE that the above Motion will be heard the 25 day of Oct., 2016 at 8:30 AM in Department ~~XXVII~~ XI of the above designated Court or as soon thereafter as counsel can be heard.

Dated: September 23, 2016

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MEMORANDUM OF POINTS AND AUTHORITIES

I. INTRODUCTION

In an attempt to circumvent the "business judgement" rule that would otherwise immediately nullify his challenges to a variety of transactions entered into, and a multitude of corporate conduct engaged in, by the Board of Directors of Reading International, Inc. ("RDI" or "the Company"), Plaintiff has questioned the independence of certain RDI Board members. While he concedes that directors Douglas McEachern, Timothy Storey, and William Gould are "independent" as a matter of law, Plaintiff maintains that historic directors Edward Kane and Guy Adams, as well as newer directors Dr. Judy Codding and Michael Wrotniak, are somehow "beholden" to his sisters Margaret and Ellen Cotter as a result of close personal friendships or significant economic ties. Plaintiff's challenge is, of course, entirely motivated by the Board's termination of him as the Company's CEO and President on June 12, 2015; prior to that time, all historic directors had been elected with his support (including directors Kane and Adams), and he approved of their description as "independent" in documents filed with the SEC mere weeks before his firing.

Plaintiff faces a difficult task to avoid summary judgment on the issue of director independence. As a matter of black-letter law, there is a presumption that all directors are independent, even in situations where a single stockholder or coordinated group controls a majority of a company's shares. To overcome this legal inference, Plaintiff must produce evidence sufficient to show that the challenged non-Cotter directors are so "beholden" to Margaret and Ellen Cotter that their discretion is "sterilized" and they are "unable to consider a business decision on the merits." Because Plaintiff has not made—and cannot make—this showing with respect to ***any*** of the non-Cotter Board members (let alone a majority), there is no genuine issue of triable fact, and summary judgment on the issue of director independence is fully warranted.

First, the "deep friendship" of which Plaintiff complains with respect to director Kane was actually between Kane and the now-deceased James J. Cotter, Sr.—not between Kane and the Cotter sisters. While Margaret and Ellen Cotter at times have called Kane "Uncle Ed," so

has Plaintiff. While each has spoken with Kane outside of the office, so has Plaintiff, who has personally visited Kane at his residence. While Kane has supported certain transactions that Plaintiff now questions, such as a 20% annual raise provided to Ellen Cotter, Plaintiff himself explicitly approved many of them (including the raise), and the others were not in any way improper. There is simply no evidence that the outside relationship between Kane and the Cotter sisters is of such "a bias-producing nature" that Kane would be more willing to risk his well-earned reputation rather than jeopardize his relationship with them. Instead, Kane has stressed that he does not "take into account the Cotter children" when evaluating what is best for RDI, and Plaintiff himself "reviewed" and approved materials filed by RDI with the SEC weeks prior to his termination that identified Kane as "independent." Because the personal relationships and corporate actions that Plaintiff has identified with respect to Kane are factually inapposite and legally insufficient to disturb his presumed independence, summary judgment on the issue of Kane's independence is warranted.

Second, similar to Kane, the "long standing, close personal friendship" of which Plaintiff complains with respect to director Codding is actually between Codding and Plaintiff's *mother*—not with Margaret and Ellen Cotter. Not only is such a relationship wholly irrelevant to Codding's independence, there is no evidence that Plaintiff's mother has chosen sides in the intra-family dispute, that she has relayed this choice to Codding, or that Codding would consider that view to be any way material to her exercise of her duties as an RDI director. Under well-settled law, the fact that Ellen Cotter played a role in Codding's nomination to the RDI Board is also a nonstarter. Courts have routinely held that a director's nomination or election by a large stockholder does not render them "beholden" to their sponsor. Because Plaintiff has not raised a reasonable doubt as to Codding's presumed independence, summary judgment on the issue of Codding's independence is also justified.

Third, as with Codding, the "close" friendship of which Plaintiff complains with respect to director Wrotniak is actually between Margaret Cotter and Wrotniak's *wife*. Prior to his joining RDI's Board, the evidence is that Wrotniak and Margaret Cotter did not have a substantial "ongoing relationship," as they saw each other about "once a year" and only

communicated sporadically via email regarding "show tickets." This falls well short of the "thick as blood relations" standard required to overturn Wrotniak's presumptive independence. Again similar to Codding, the fact that Margaret and Ellen Cotter may have proposed Wrotniak as a nominee is not legally pertinent to the "independence" analysis; the relevant inquiry is not how the director got his position, but rather how he comports himself in it. Because the personal relationship and nomination process identified by Plaintiff are factually irrelevant and legally insufficient to disturb Wrotniak's presumed independence, summary judgment is warranted.

Fourth, and finally, the financial ties of which Plaintiff complains with respect to director Adams are clearly insufficient to render him "beholden" to Margaret and Ellen Cotter as a matter of law. There is nothing unusual about the fees that Adams has earned as an RDI director: the amounts paid to him by the Company are consistent with the compensation paid to all other non-employee directors who have spent substantial time in the past two years addressing the deficiencies in Plaintiff's performance as CEO, Plaintiff's ultimate termination, and the various challenges encountered by the Company in its normal course of business and as a result of Plaintiff's baseless personal attacks. To the extent that Adams has ties to certain Cotter family entities outside of his Board service, those dealings originated years before his election to the RDI Board, were the result of dealings with James J. Cotter, Sr. (rather than any of the Cotter siblings), were well-known to Plaintiff (who worked with Adams on some of these outside ventures), and the funds from those ventures are either contractually-owed to him (and thereby immune from present-day pressures) or immaterial to his overall economic situation. Plaintiff has identified no financial reason why Adams would be biased in favor of Margaret and Ellen Cotter and against him. Instead, given that Adams is of retirement age, has a net worth approaching [redacted], and has been repeatedly found to be "independent" under the NASDAQ standards for the purposes of his general service as an RDI director, there is no reasonable legal basis upon which his presumed independence can be questioned. As such, summary judgment on the issue of Adams' independence is also entirely merited.

II. FACTUAL BACKGROUND

A. The RDI Board at the Time of Plaintiff's Termination

As of June 12, 2015, the date on which Plaintiff was terminated from his positions as CEO and President of RDI, the following individuals served on the Company's Board of Directors: (1) Plaintiff James J. Cotter, Jr. ("Plaintiff"); (2) Margaret Cotter; (3) Ellen Cotter; (4) Douglas McEachern; (5) Edward Kane; (6) Guy Adams; (7) Timothy Storey; and (8) William Gould. (HD Ex. 10 at 3-6; HD Ex. 18 at 1-2.)[1]

1. Margaret and Ellen Cotter

Margaret Cotter, Plaintiff's sister, has served as a director of RDI since September 2002. (HD Ex. 10 at 4.) At the time of Plaintiff's termination in June 2015, Margaret Cotter had been Vice-Chairman of the Board since August 2014, ran the Company's live theater division, managed certain live theater real estate, and was responsible for re-development work on RDI's Manhattan theater properties. (*Id.*) Margaret Cotter is currently a member of RDI's Executive Committee. (HD Ex. 12 at 16.) On March 10, 2016, RDI's Board appointed Margaret Cotter as Executive Vice President-Real Estate Management and Development-NYC, which resulted in the termination of her previous outside management agreement but continued her supervision of RDI's live theater properties and operations, including oversight on certain Manhattan-based re-development projects. (*Id.*)

Ellen Cotter, Plaintiff's other sister, has served as a director of RDI since March 2013. (HD Ex. 10 at 4.) At the time of Plaintiff's termination, Ellen Cotter had been RDI's Chairman of the Board since August 2014, been a RDI employee since March 1998, and had run the day-to-day operations of the Company's domestic cinema operations since 2002. (*Id.*) Ellen Cotter also served as the Chief Executive Officer of the Company's subsidiary, Consolidated Entertainment, LLC, which operates substantially all of RDI's cinemas in Hawaii and California. (*Id.*) Following Plaintiff's termination, Ellen Cotter became interim CEO and President of RDI,

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[1] The documentary and testimonial evidence supporting this Motion is attached to the Declaration of Noah S. Helpern ("HD").

positions to which she was appointed in a permanent capacity on January 8, 2016. (HD Ex. 12 at 14.) Ellen Cotter is also currently a member of RDI's Executive Committee. (*Id.*)

2. Douglas McEachern

Douglas McEachern has served as a director of RDI since May 2012. (HD Ex. 10 at 6.) McEachern has been the Chairman of the Company's Audit Committee since August 1, 2012, and has served as a member of its Compensation Committee since May 14, 2016. (HD Ex. 12 at 17.) McEachern has also served on (1) the Board of Directors and Audit and Compensation Committee for Willdan Group, a NASDAQ-listed engineering company, since 2009; (2) as Chairman of the Board of Directors and a member of the Audit Committee of Community Bank in Pasadena, California; and (3) on the Finance Committee of the Methodist Hospital in Arcadia, California. (HD Ex. 10 at 6.) McEachern formerly worked as an audit partner at Deloitte & Touche from 1985-2009, with client concentrations in financial institutions and real estate, and since July 2009 has served as an instructor of auditing and accountancy at Claremont McKenna College and of accounting at California State Polytechnic University in Pomona. (*Id.*) In all, McEachern has more than 37 years of experience in the accounting and auditing of financial institutions and real estate clients, in reporting as an independent auditor to various boards of directors, and as a board member himself to various public and not-for-profit companies. (*Id.*)

McEachern received a total of $82,000 in 2015 as a result from his service as an RDI director. (HD Ex. 12 at 18.) Like all non-employee RDI directors, McEachern received a director's fee of $50,000; he also received—along with directors Adams, Gould, and Kane—a one-time fee of $25,000 for the unexpected, additional time he had to spend on the Company's business that year, as well as another $7,000 for his role on the Audit Committee. (*Id.*) In 2016, in addition to his usual annual director's fees at RDI, McEachern received another $10,000 in "special compensation" in return "for extraordinary services to the Company and devotion of time in providing such services." (*Id.*) During his deposition, Plaintiff confessed that McEachern is "independent" and has "no relationship" or "business relationship" with Ellen and/or Margaret Cotter that would lead him to question McEachern's independence. (HD Ex. 7 at 84:21-86:4.)

3. Edward Kane

Edward Kane has served as a director of RDI since October 2004, had previously served on the Company's Board from 1985 to 1997, and was once President of two of the its corporate predecessors—Craig Corporation and Reading Company. (HD Ex. 10 at 5-6.) Kane also serves as Chairman of RDI's Compensation Committee, and is a member of its Executive Committee and Audit and Conflicts Committee. (HD Ex. 12 at 16.) Kane previously served as Chairman of the Company's Tax Oversight Committee, whose functions were moved to the Audit Committee on May 5, 2016. (*Id.*) Since 1996, Kane's principal occupation has been as a healthcare consultant and advisor; in that capacity, he has served as President and sole shareholder of High Avenue Consulting, a healthcare consulting firm, and as the head of its successor proprietorship. (HD Ex. 10 at 5.) Kane also has a background as a tax attorney and law professor, having—at various times in the three decades prior to June 2015—served as an Adjunct Professor of Law at Thomas Jefferson School of Law and California Western School of Law. (*Id.*) Kane now considers himself retired but for the "countless hours" he spends on his duties as an RDI director. (HD Ex. 3 at 50:8-52:20.) Currently, his sole source of income outside of RDI are the self-funded retirement plans that he and his wife have, which have assets in excess of [redacted]; his personal or joint debts are presently less than [redacted]. (*Id.*)

Kane received a total of $98,000 in 2015 as a result from his service as an RDI director. (HD Ex. 12 at 18.) Like all non-employee RDI directors, Kane received a director's fee of $50,000; he also received—along with directors Adams, Gould, and McEachern—a one-time fee of $25,000 for the unexpected, additional time he had to spend on the Company's business that year, as well as another $23,000 for his roles on various RDI committees. (*Id.*) In 2016, in addition to his usual annual director's fees at RDI, Kane received another $10,000 in "special compensation" in return "for extraordinary services to the Company and devotion of time in providing such services." (*Id.*)

Kane had been friends with James J. Cotter, Sr. from 1963 until his passing in 2014, serving at an usher during Cotter, Sr.'s wedding with Mary Cotter and participating with Cotter, Sr. in an outside citrus grove investment utilized as a tax shelter in the 1970s, which Kane

subsequently exited in the early 1980s. (HD Ex. 3 at 29:4-35:6.) Both Kane and his children have known Plaintiff, Ellen, and Margaret Cotter since they were children, and all three Cotter siblings—including Plaintiff—have historically called him "Uncle Ed," with Plaintiff ceasing to do so only after his termination. (*Id.*; *see also* HD Ex. 7 at 83:6-12.) Kane testified that he did not "think my relationship was any different with the three of them," given that he has known each "all their lives" but did not frequently socialize with the Cotter siblings due to the distance between his home in San Diego and their typical location in Los Angeles. (HD Ex. 3 at 36:5-25.) During their time at RDI, Kane has occasionally met with or talked to the Cotter siblings outside of the office. (*Id.* at 35:10-22.) For instance, he has talked with Ellen Cotter on "the phone" outside of work hours given that Ellen, "like her father," "like[s] to work at night," and Plaintiff, while he was CEO of RDI, "visited [Kane] in San Diego" to have "lunch" and "dr[ive] around" for several hours. (*Id.*; *see also* Ex. 8 at 753:9-754:8.)

In September 2014, shortly after Plaintiff became CEO of RDI, Kane—as Chairman of the Compensation and Stock Options Committee—authorized his signature on a letter that Ellen Cotter needed to qualify for a mortgage, which stated that it was anticipated that Ellen would receive "a total cash compensation increase of no less than 20%." (HD Ex. 4 at 213:15-214:7; HD Ex. 5 at 459:22-460:22; HD Ex. 21.) Kane assented to this letter because it was expected that a compensation consultant previously retained by James J. Cotter, Sr. would soon "recommend that Ellen and other top executives receive a substantial increase in compensation," Ellen's 2013 year-end bonus remained delayed and unpaid, her division's performance was strong, Plaintiff himself was "clearly on record stating [Ellen] deserves a raise and will receive one," and Kane was "confident" that the predicted increase would happen. (HD Ex. 21.)

During his deposition, Plaintiff admitted that Kane does not have a business relationship with either Ellen or Margaret Cotter. (HD Ex. 7 at 82:2-5.) On May 8, 2015, the Company filed a Form 10-K/A, Amendment No. 1, with the United States Securities and Exchange Commission ("SEC"), in which it stated that the "standing Compensation and Stock Options Committee," which included Kane as its Chairman, was "comprised entirely of independent directors." (HD Ex. 11 at -5644.) Plaintiff, as CEO and President of RDI at the time it filed this Form 10-K/A,

certified that he had "reviewed" this statement (and all other statements in the filing) and that the "report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading." (*Id.* at -5665; *see also* HD Ex. 25 at Resp. Nos. 24-26.) Moreover, Plaintiff has admitted that, prior to May 21, 2015, the first Board meeting at which his possible termination was discussed, he never claimed that Kane lacked sufficient disinterestedness to serve on RDI's Board. (HD Ex. 25 at Resp. No. 21.) Kane has testified that as a "director of this company . . . I do what I think is in the best interest of the shareholders and the employees of the company. I don't mix my personal feelings for [the Cotter siblings] with my decisions." (HD Ex. 3 at 37:16-38:4.) According to Kane, "[w]hat I do does not take into account [t]he Cotter children." (*Id.*)

4. <u>Guy Adams</u>

Guy Adams, who is 65 years-old, has served as a director of RDI since his unanimous election—which included Plaintiff's vote—in January 2014. (HD Ex. 10 at 5; HD Ex. 13 at -7563; HD Ex. 20 at 1.) Adams is currently Chairman of RDI's Executive Committee, and was a member of the Company's Compensation Committee until May 14, 2016. (HD Ex. 12 at 15.) During the ten years prior to June 2015, Adams served as an independent director on the boards of Lone Star Steakhouse & Saloon, Mercer International, Exar Corporation, and Vitesse Semiconductor, and been—at various times—Lead Director, Audit Committee Chair, and/or Compensation Committee Chair at those entities. (HD Ex. 10 at 5.) Adams also provided investment advice to various family offices as well as investing his own capital in public and private equity transactions. (*Id.*) In this capacity, Adams was a Managing Member of GWA Capital Partners, LLC, a registered investment adviser managing GWA Investments, LLC (a fund which invests in various publicly-traded securities). (*Id.*) However, GWA Capital Partners let its last employee go in 2009, and since that date the fund has simply held Adams' personal funds; while the fund is still registered, it has been largely "dormant" and its revenues have been [redacted] since 2010. (HD Ex. 2 at 11:19-12:21, 24:14-26:6.) Adams' net worth, as of May 2015, was approximately [redacted]. (*Id.* at 35:21-36:25.)

Adams received a total of $75,000 in 2015 from his service as an RDI director. (HD Ex. 12 at 18.) Like all non-employee RDI directors, Adams received a director's fee of $50,000; he also received—along with directors McEachern, Gould, and Kane—a one-time fee of $25,000 for the unexpected, additional time he had to spend on the Company's business that year. (*Id.*) In 2016, in addition to his usual annual director's fees at RDI, Adams received another $50,000 in "special compensation" in return "for extraordinary services to the Company and devotion of time in providing such services." (*Id.*) Moreover, in 2015, Adams realized a "net" of approximately [redacted] from the sale of a condominium in Santa Barbara, which his ex-wife purchased from him pursuant to the terms of their divorce decree. (HD Ex. 2 at 13:17-15:5.) Adams, in March or April 2015, also "exercised options" and sold some RDI stock, given that "[t]he stock was up quite a bit," and Adams "wanted to capture the financial gain," which resulted in another net return of approximately [redacted]. (*Id.* at 236:17-238:11.)

Prior to serving on the RDI Board, Adams partnered with James J. Cotter, Sr. in September or October 2012 in four real estate ventures; this agreement provided Adams with a 5% carried interest in Shadow View in Coachella (a venture in which Cotter, Sr. owns 50% and RDI owns the remainder), Sorento Holdings, Panorama Holdings, and Leander Holdings. (*Id.* at 41:16-47:11.) Adams, who disclosed the 5% interest in the prospective Shadow View development to "all board members" at RDI, has received approximately $29,000 in proceeds from Panorama Holdings, anticipates that he will ultimately receive $100,000 from Leander Holdings, and likely will not receive any proceeds from Sorento Holdings until 2019. (*Id.* at 44:25-58:14.)

In or about September 2012, pursuant to a deal with James J. Cotter, Sr., Adams also began earning approximately [redacted] annually from the Cotter Family Farms (which include an orchard, packing house, and entities that run the operation) for his estate-planning work on behalf of James J. Cotter, Sr. and, subsequently, the Estate of James J. Cotter, Sr. (*Id.* at 16:4-17:16, 27:1-35:20.) As part of Adams' estate-planning work for the Cotter family, he also serves as Chief Financial Officer focused on filing and reporting at two "captive insurance companies" that are owned by a Cotter family trust, of which Margaret Cotter is President: York Street

Guaranty Insurance Company and South Street Guaranty Insurance Company. (*Id.* at 27:1-35:20.) All three Cotter siblings, including Plaintiff, are board members of the two captive insurance companies. (*Id.* at 34:24-35:20.) With respect to the captive insurance companies, Adams interfaces with Margaret Cotter, and with respect to the Cotter Family Farms, Adams typically has dealt with outside individuals such as Alice Nelson and David Roth rather than any of the Cotter siblings. (*Id.* at 27:1-35:20.)

On May 8, 2015, the Company filed a Form 10-K/A, Amendment No. 1, with the SEC, in which it stated that the "standing Compensation and Stock Options Committee," which at the time included Adams, was "comprised entirely of independent directors." (HD Ex. 11 at -5644.) Plaintiff, as CEO and President of RDI at the time it filed this Form 10-K/A, certified that he had "reviewed" this statement (and all other statements in the filing) and that the "report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading." (*Id.* at -5665; *see also* HD Ex. 25 at Resp. Nos. 24-26.) Moreover, Plaintiff has admitted that, prior to May 21, 2015, the first Board meeting at which his possible termination was discussed, he never claimed that Adams lacked sufficient disinterestedness to serve on RDI's Board. (HD Ex. 25 at Resp. No. 22.) Following Plaintiff's newfound concern regarding the independence of director Adams, first raised when his termination was being discussed, Bill Ellis, then-General Counsel of RDI, looked into the issue of Adams' independence and concluded that Adams met the standard required for director "independence." (HD Ex. 2 at 47:25-49:8; HD Ex. 9 at 157:5-158:4, 159:1-23.) Plaintiff was so informed. (HD Ex. 17 at 2.)

5. <u>Timothy Storey</u>

Timothy Storey served as a director of RDI from December 2011 until his retirement on October 11, 2015, bringing with him significant experience in New Zealand corporate law and commercial real estate matters. (HD Ex. 1 at 14:20-23; HD Ex. 10 at 6; HD Ex. 12 at 18 n.3.) During his tenure on the RDI Board, Storey served on the Company's Compensation Committee. (HD Ex. 12 at 18 n.3.) In addition, Storey has served as the sole outside director of the Company's wholly-owned New Zealand subsidiary since 2006. (HD Ex. 10 at 6.) Since April

2009, Storey has also served as a director and chairman of the board of DNZ Property Fund Limited, a New Zealand-based commercial property investment fund, and had previously served as a director of NZ Farming Systems Uruguay, which owns and operates dairy farms in Uruguay, from 2011 to 2012. (*Id.*) Prior to 2009, Storey was a partner in Bell Gully, a law firm in New Zealand, and a principal in Prolex Advisory, a private company that provides commercial advisory and consulting services across a range of industries, including health care, community housing, student accommodation, and agriculture. (*Id.*)

Storey received a total of $112,500 in 2015 as a result from his service as an RDI director. (HD Ex. 12 at 18.) Like all non-employee RDI directors, Storey received a director's fee of $37,500 (pro rated from $50,000); he also received a one-time fee of $75,000 for the unexpected, additional time he had to spend on the Company's business that year, as well as another $7,000 for his role on the Audit Committee. (*Id.*) In addition, Storey received a $21,136 fee for his service as the sole outside director of the Company's wholly-owned New Zealand subsidiary in 2015. (*Id.*) During his deposition, Plaintiff admitted that Storey "was independent." (HD Ex. 7 at 146:18-149:11.)

6. <u>William Gould</u>

William Gould has served as a director of RDI since October 2004, and is currently Lead Independent Director. (HD Ex. 10 at 5; HD Ex. 12 at 16.) Gould has been a member of the law firm of TroyGould PC since 1986, prior to which he was a partner at the law firm of O'Melveny & Myers. (HD Ex. 10 at 5.) RDI has retained TroyGould PC from time to time for legal advice. (*Id.*) The total fees paid by RDI to TroyGould PC for the calendar year 2015 were $61,000.84. (HD Ex. 12 at 16.) During his time as a corporate attorney and as an author and lecturer on the subjects of corporate governance and mergers and acquisitions, Gould has acquired significant corporate transactional experience and expertise in corporate governance matters. (HD Ex. 10 at 5.)

Gould received a total of $80,000 in 2015 as a result from his service as an RDI director. (HD Ex. 12 at 18.) Like all non-employee RDI directors, Gould received a director's fee of $50,000; he also received—along with directors McEachern, Adams, and Kane—a one-time fee

of $25,000 for the unexpected, additional time he had to spend on the Company's business that year, and another $5,000 for his committee service. (*Id.*) During his deposition, Plaintiff conceded that Gould, whom he has known "at least since 2002," "is independent" and "doesn't have a relationship with me and my two sisters that would be of such that would question his independence." (HD Ex. 7 at 79:12-80:16.)

B. The Composition of the RDI Board Changes

The composition of the RDI Board changed in October 2015, with Dr. Judy Codding added to the Board on October 5, 2015 and Michael Wrotniak joining on October 12, 2015. (HD Ex. 12 at 15, 17.) Codding and Wrotniak filled the spots made vacant by the death of James J. Cotter, Sr. and the retirement of Storey from service on the RDI Board. (*Id.*)

1. Dr. Judy Codding

Codding has served as a director of RDI since October 5, 2015, and is currently a member of the Company's Compensation Committee. (HD Ex. 12 at 15.) A globally-respected education leader, Codding previously served as the Managing Director of "The System of Courses," a division of Pearson, PLC, and as the Chief Executive Officer and President of America's Choice, Inc. (*Id.*) Codding has also served on various other boards, including the Board of Trustees of both Curtis School in Los Angeles, California, and Educational Development Center, Inc. (*Id.*) Through family entities, Codding has been and continues to be involved in the real estate business, through the ownership of hotels, shopping centers, and buildings in Florida and the exploration of mineral, oil, and gas rights in Maryland and Kentucky. (*Id.*)

Like all non-employee RDI directors, Codding received a director's fee of $11,957 in 2015 (pro rated from $50,000). (*Id.* at 18.) Codding has been a friend of Mary Cotter, the mother of Plaintiff and his sisters, for approximately 30 years. (HD Ex. 7 at 70:18-25.) During his deposition, Plaintiff conceded that Codding "might" satisfy a "legal technical definition of independence." (*Id.* at 70:18-71:6.)

2. Michael Wrotniak

Wrotniak has served as a director of RDI since October 12, 2015, and is currently a member of the Company's Audit Committee. (HD Ex. 12 at 17.) A specialist in foreign trade with a focus on Europe and Asia, Wrotniak has been a partner of Aminco Resources, LLC, a privately-held international commodities trading firm, since 2002, and its Chief Executive Officer since 2009. (*Id.*) Wrotniak has also served as a trustee of St. Joseph's Church in Bronxville, New York, and a member of the Board of Advisers of the Little Sisters of the Poor in the Bronx, New York. (*Id.*)

Like all non-employee RDI directors, Wrotniak received a director's fee of $11,005 in 2015 (pro rated from $50,000). (*Id.* at 18.) After first recommending two other candidates, Margaret Cotter raised the idea of Wrotniak joining the RDI Board in mid-2015. (Ex. 6 at 314:10-327:18.) Margaret Cotter has been a "close friend" of Wrotniak's wife, Patricia, since college; they speak "every three or four weeks" and see each other "maybe four times a year." (*Id.*) While Margaret Cotter became acquainted with Wrotniak "later in college," she does not have "an ongoing relationship with him," sees him about "once a year if I went to [Patricia Wrotniak's] house for dinner," and their communications prior to Wrotniak joining the RDI Board were mainly via "email" if Wrotniak "wanted show tickets." (*Id.*.)

III. LEGAL STANDARD

Summary judgment is warranted under Nevada Rule of Civil Procedure 56 whenever the "pleadings, depositions, answers to interrogatories, admissions, and affidavits, if any, that are properly before the court demonstrate that no genuine issue of material fact exists, and the moving party is entitled to judgment as a matter of law." *Wood v. Safeway, Inc.*, 121 Nev. 724, 731 (2005). "The substantive law controls which factual disputes are material and will preclude summary judgment; other factual disputes are irrelevant." *Id.*; *see also Anderson v. Liberty Lobby, Inc.*, 477 U.S. 242, 248 (1986) ("Factual disputes that are irrelevant or unnecessary will not be counted."). A factual dispute is "genuine" only "when the evidence is such that a rational trier of fact could return a verdict for the nonmoving party." *Holcomb v. Ga. Pac., LLC*, 289 P.3d 188, 192 (Nev. 2012) (citation omitted).

While the pleadings and other proof are "construed in the light most favorable to the nonmoving party," *LaMantia v. Redisi*, 118 Nev. 27, 29 (2002), that party "bears the burden to more than simply show that there is some metaphysical doubt as to the operative facts in order to avoid summary judgment." *Wood*, 121 Nev. at 732 (citation and internal quotation marks omitted) (rejecting the "slightest doubt" standard). The nonmoving party "is not entitled to build a case on the gossamer threads of whimsy, speculation, and conjecture," *id.* (citation omitted), but instead must identify "admissible evidence" showing "a genuine issue for trial." *Posadas v. City of Reno*, 109 Nev. 448, 452 (1993); *Shuck v. Signature Flight Support of Nev., Inc.*, 126 Nev. 434, 436 (2010) ("bald allegations without supporting facts" are insufficient); *LaMantia*, 118 Nev. at 29 (nonmovant must "show specific facts, rather than general allegations and conclusions"). A nonmoving party that fails to make this showing will "have summary judgment entered against him." *Wood*, 121 Nev. at 732 (citation omitted).

IV. ARGUMENT

Plaintiff does not contend that any of RDI's non-Cotter directors are "interested" in the corporate actions and/or transactions of which he complains.[2] Nor can he. "No issue of self-interest exists where directors did not stand on both sides of the transaction or receive any personal financial benefit." *La. Mun. Police Emps.' Ret. Sys. v. Wynn*, No. 2:12-cv-509 JCM, 2014 WL 994616, at *4 (D. Nev. Mar. 13, 2014) (applying Nevada law); NRS 78.140(1)(a) (defining "interested director"). Here, there are no allegations, let alone evidence, that this occurred. Instead, Plaintiff focuses his action on a theory that certain non-Cotter directors—as a result of friendship or economic ties—are somehow "beholden" to Ellen and Margaret Cotter. (*See, e.g.*, SAC ¶¶ 20-21, 24-25, 63-71, 121-134, 171.) This is a arduous undertaking. "[T]here is a presumption that directors are independent," *In re MFW S'holders Litig.*, 67 A.3d 496, 509 (Del. Ch. 2013), *aff'd sub nom.*, *Kahn v. M & F Worldwide*, 88 A.2d 635 (Del. 2014), and "even

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[2] The Individual Defendants, for the purposes of this motion, do not contest the independence of Ellen and Margaret Cotter as RDI directors with respect to the transactions and/or corporate conduct at issue—which are addressed in the Individual Defendants' other, contemporaneously-filed summary judgment motions.

proof of majority ownership of a company does not strip the directors of the presumptions of independence, and that their acts have been taken in good faith and in the best interests of the corporation." *Aronson v. Lewis*, 473 A.2d 805, 815 (Del. 1984). *See also* NRS 78.138(3) ("Directors and officers, in deciding upon matters of business, are presumed to act in good faith, on an informed basis and with a view to the interests of the corporation.").

As the evidence adduced during discovery has made clear, Plaintiff cannot show that ***any*** of the non-Cotter directors are so "beholden" to Ellen and Margaret Cotter "or so under their influence that their discretion would be sterilized." *Rales v. Blasband*, 634 A.2d 927, 936 (Del. 1993); *Shoen v. SAC Holding Corp.*, 122 Nev. 621, 639 (2006) (same). Plaintiff has conceded that directors McEachern, Storey, and Gould are independent, and that Codding "might" be. (*See* Factual Background, *supra* at 8, 11-12.) To the extent that Plaintiff continues to assert that directors Kane, Codding, and Wrotniak are "beholden" to Ellen and Margaret Cotter as a result of personal or familial friendship, or that director Adams is as a result of certain business relationships with the Cotter family, his allegations are wrong as a matter of fact and contrary to established law, as set forth below. Courts have regularly decided director independence as a matter of law at the summary judgment stage, and this Court should do so accordingly.[3]

A. The Personal or Familial Friendships Involving Directors Kane, Codding, and Wrotniak Are Legally Insufficient to Render Them "Beholden"

1. Director Kane Is Independent as a Matter of Law

Plaintiff has conceded that director Kane does not have a business relationship with either Ellen or Margaret Cotter that would lead him to question Kane's independence. (HD Ex. 7 at 85:2-5.) Instead, Plaintiff challenges Kane's independence based on (1) his "relationship going back . . . close to 50 years with the three of us," pursuant to which he has been called "Uncle Ed" by the Cotter siblings; and (2) certain actions that he has purportedly taken with

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[3] *See, e.g.*, *Kahn*, 88 A.2d at 647-50 (affirming finding of director independence at summary judgment stage); *SEPTA v. Volgenau*, C.A. No. 6354-VCN, 2013 WL 4009193, at *12-21 (Del. Ch. Aug. 5, 2013) (same); *In re Transkaryotic Therapies, Inc.*, 954 A.2d 346, 369-70 (Del. Ch. 2008) (same); *In re Gaylord Container Corp. S'holders Litig.*, 753 A.2d 462, 465 (Del. Ch. 2000) (same).

respect to Ellen Cotter's compensation and the director fees afforded to those on RDI's Board. (HD Ex. 7 at 81:7-17; HD Ex. 26 at 25.) Not only is Plaintiff's attack on Kane's independence not supportable under law, his bald allegations are contradicted by the undisputed facts. There is no triable issue of fact as to Kane's independence.

First, "[a]llegations of mere personal friendship or mere outside business relationship, standing alone, are insufficient to raise a reasonable doubt about a director's independence." *Beam ex rel. Martha Stewart Living Omnimedia, Inc. v. Stewart*, 845 A.2d 1040, 1050 (Del. 2004); *see also Khanna v. McMinn*, No. Civ. A. 20545-NC, 2006 WL 1388744, at *19 (Del. Ch. May 9, 2006) ("Mere allegations that the directors in question move in the same business and social circles, or a characterization that they are close friends, is not enough to negate independence.") (citation omitted). Rather, to undermine the presumption of independence, "a relationship must be of a bias-producing nature." *Beam*, 845 A.2d at 1050. "In other words, considering the risks that directors would take by protecting their social acquaintances in the face of allegations that those friends engaged in misconduct," Plaintiff must provide evidence sufficient "to create a reasonable doubt" that Kane "would be more willing to risk his . . . reputation than risk the relationship with the interested director." *Khanna*, 2006 WL 1388744, at *19 (citation omitted).

Plaintiff cannot meet this standard. The evidence establishes that any "deep friendship" was between Kane and the deceased James J. Cotter, Sr.—not with his daughters Ellen and Margaret Cotter. (*See* Factual Background, *supra* at 6-8.) While Kane has known Ellen and Margaret Cotter "all their lives," the same is true of his relationship with Plaintiff. While Ellen and Margaret Cotter have called him "Uncle Ed," so has Plaintiff—at least up to the point of his termination in June 2015. While Kane speaks with Ellen Cotter at times after work hours on the phone, those conversations are work-related, as one would expect between a CEO and Board member. Plaintiff has also called on Kane outside of the office, including a trip and day-long visit to Kane's house in the spring of 2015. Ultimately, any visits between Kane and any of the Cotter siblings are limited and rare, given the distance between Los Angeles and Kane's residence in San Diego. Kane has made clear that he "does not take into account [t]he Cotter

children" and does not "mix my personal feelings for [the Cotter siblings] with my decisions" as an RDI director. (*Id.* at 8.) RDI's Board has concluded that Kane is "independent," including in materials filed with the SEC that Plaintiff "reviewed" and approved, and Plaintiff himself has conceded that, prior to May 21, 2015, the first Board meeting at which his possible termination was discussed, he never claimed that Kane lacked sufficient disinterestedness to serve on RDI's Board—despite the fact that all of the ties of which Plaintiff now complains with respect to Kane were known to him by that time. (*Id.* at 7-8.)

In short, there is no evidence sufficient to undermine the presumption of director independence with respect to Kane based on friendships or familial relationship, or showing that he would more willing to risk his reputation than risk a relationship with Ellen or Margaret Cotter. Rather, the facts establish that the relationship between Kane and the Cotter sisters was the equivalent of the relationship between Kane and Plaintiff, and that there is no underlying reason why Kane would be inherently biased as to one particular side when evaluating what is best for RDI as a director. *See La. Mun. Police Emps.' Ret. Sys. v. Wynn*, --- F.3d ----, 2016 WL 3878228, at *7 (9th Cir. July 18, 2016) (applying Nevada law and finding that allegations involving social ties between controlling shareholder and director were insufficient to cast the director's "impartiality into doubt" even where they were longtime friends whose fathers once operated a joint business). Courts have repeatedly found that similar friendships or familial relationships are entirely insufficient to disturb the presumption of independence as a matter of law. *See, e.g.*, *Wynn*, 2014 WL 994616, at *6 (30-year friendship between controlling shareholder and director, which involved large donations by shareholder to entities run by director, insufficient to establish that director was "beholden"); *Beam*, 845 A.2d at 1054 (allegations regarding longtime "close personal friendship" between director and controlling shareholder, including wedding attendance, did not "create a reasonable doubt of independence" and were not a "close call"); *Crescent/Mach I Partners, L.P. v. Turner*, 846 A.2d 963, 980-81 (Del. Ch. 2000) (allegation of a "long-standing 15-year professional and personal relationship" between "controlling shareholder and director" failed to raise a reasonable doubt that director could "exercise his independent business judgment").

Second, the corporate actions identified by Plaintiff in no way support his claims of demonstrable bias. (*See* SAC ¶¶ 38-40.) While Plaintiff complains that Kane authorized his signature on a letter required for mortgage qualification purposes, which attested to a likely "a total cash compensation increase of no less than 20%" for Ellen Cotter (*id.* ¶ 38), Plaintiff conspicuously avoids the fact that he also "support[ed]" the "letter with minor suggested changes," he vowed in writing that he "would definitely support [a] 20% increase to her total compensation, which is below market," and he explicitly voted in favor of the 20% increase to Ellen Cotter's compensation at the November 13, 2014 Compensation and Stock Option Committee meeting. (HD Ex. 16 at -713; HD Ex. 22 at -115.) Similarly, while Plaintiff criticizes Kane's support for a measure that provided Ellen Cotter with a $50,000 tax reimbursement in October 2014 due to "a company screw-up" relating to her stock options (SAC ¶ 39; HD Ex. 21; HD Ex. 23), the fact is that all three Cotter directors abstained from a vote on that payment, "the remaining five directors voted to reimburse this amount to Ms. Cotter," and Plaintiff has identified nothing improper with respect to this reimbursement. (*See* HD Ex. 14 at -315.)

Finally, Plaintiff alleges that Kane "began pressing Plaintiff" in September 2014 to recommend to the RDI Board that the annual fees for the Company's outside directors be increased. (SAC ¶ 40.) There are multiple flaws with Plaintiff's assertion. First, the record shows that director Gould, rather than Kane, suggested the increase in the Company's director fees from $35,000 to $50,000 per annum in the fall of 2014. (*See* HD Ex. 16 at -115–116; HD Ex. 24 at -927.) Moreover, Plaintiff himself supported and affirmatively voted in favor of this increase. (*See* HD Ex. 25, Resp. No. 12.) The previous compensation "had not been increased for several years" (HD Ex. 15 at -537), Plaintiff has no evidence that this increase was in any way improper, and "[s]peculation on motives for undertaking corporate action" is "wholly insufficient" to impugn Kane's presumed independence. *Grobow v. Perot*, 539 A.2d 180, 188 (Del. 1988). And, of course, Plaintiff must show that Kane's "particular" interest in this increase of a mere $15,000/year is somehow so "material and debilitating" that it would affect his

independence, *Orman v. Cullman*, 794 A.2d 5, 24 (Del. Ch. 2002), which he cannot, given Kane's healthy economic status. (HD Ex. 3 at 50:8-52:20 (showing Kane's net worth).)

Because the personal relationships and corporate actions identified by Plaintiff are factually inapposite and legally insufficient to disturb Kane's presumed independence, summary judgment as a matter of law on the issue of Kane's independence is fully warranted.

2. Director Codding Is Independent as a Matter of Law

Plaintiff has admitted that director Codding "might" satisfy a "legal technical definition of independence." (HD Ex. 7 at 70:18-71:6.) At most, he attempts to challenge the presumed independence of Codding by noting that she "maintains a long standing, close personal friendship with Mary Cotter" (the mother of Plaintiff, Ellen, and Margaret Cotter), whom Plaintiff claims "has chosen the side" of the sisters "in the family disputes," and that Codding's nomination was proposed by Ellen Cotter. (SAC ¶¶ 124-125; HD Ex. 26 at 12-13.) Neither proposition, even if true, is sufficient to undermine the presumption of Codding's independence, and thus no triable issue of fact remains.

First, "the law is well-settled that [a defendant's] involvement in selecting [board members] is insufficient to create a reasonable doubt about their independence," *White v. Panic*, 793 A.2d 356, 366 (Del. Ch. 2000), and "[m]erely because a director is nominated and elected by a large or controlling shareholder does not mean that [s]he is necessarily beholden to [her] initial sponsor." *Frank v. Elgamal*, C.A. No. 6120-VCN, 2014 WL 957550, at *22 (Del. Ch. Mar. 10, 2014); s*ee also Aronson*, 473 A.2d at 815 (observing that a 47 percent shareholder who personally selected *all* of the directors of the corporation was not sufficient to establish that the stockholder dominated and controlled the corporation's board of directors); *Beam*, 845 A.2d at 1045 n.3 (directors independent despite the fact that they were nominated and approved by holder of 94% of the company's voting stock). "Directors must be nominated and elected to the board in one fashion or another," *In re W. Nat'l Corp. S'holders Litig.*, No. 15927, 2000 WL 710192, at *15 (Del. Ch. May 22, 2000), and the mere fact that Ellen Cotter played a role in Codding's nomination—to which only Plaintiff objected (SAC ¶ 125)—is not enough to show dominance or control. *See Aronson*, 473 A.2d at 816 ("It is the care, attention and sense of

individual responsibility to the performance of one's duties, not the method of election, that generally touches on independence.").

Second, as with director Kane's friendship with the now-deceased James J. Cotter, Sr., *supra* Section I(A)(1), Codding's personal relationship with Mary Cotter—who is not a defendant and is not herself a director or significant shareholder of RDI—is entirely irrelevant to the legal issue of whether Codding is "beholden" to Ellen and Margaret Cotter, and therefore "unable to consider a business decision on the merits" as it relates to their interests. *La. Mun. Police Emps.' Ret. Sys.*, 2014 WL 994616, at *7. Indeed, like Codding, Plaintiff himself has had a "long-standing personal relationship" with his mother but considers himself "independent." (HD Ex. 7 at 71:8-72:15.)[4] Moreover, there exists no non-hearsay evidence establishing what Mary Cotter thinks as to the intra-family fight, whether she has even communicated her feelings to Codding, and whether Mary Cotter's view would be in any way material to Codding's exercise of her director duties.[5] "Mere insinuation is unfair and improper," and Plaintiff's pure speculation does not "support a *reasonable* inference" that Codding "could not act independently." *In re W. Nat'l Corp. S'holders Litig.*, 2000 WL 710192, at *16.

Because the personal relationships and nomination process identified by Plaintiff are factually irrelevant and legally insufficient to disturb Codding's presumed independence, summary judgment as a matter of law on the issue of her independence is fully warranted.

3. Director Wrotniak Is Independent as a Matter of Law

Plaintiff attempts to challenge the presumption of independence as to director Wrotniak by claiming that Wrotniak is "the husband of a close friend of Margaret Cotter," the idea behind

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[4] In fact, Plaintiff's testimony that, during a conversation at breakfast around the time of her appointment, Codding communicated to Plaintiff her initial reaction that "your sister Ellen should be CEO or you should be CEO" (HD Ex. 7 at 73:17-74:11) undermines his claim that Codding is somehow controlled by Ellen Cotter, given that Codding was purportedly contemplating Plaintiff, rather than Ellen, as permanent CEO.

[5] It is well-settled that "inadmissible hearsay," like the purported statements identified by Plaintiff, "cannot [be] consider[ed] on a motion for summary judgment." *In re Transkaryotic Therapies*, 954 A.2d at 367 (refusing to consider hearsay statements from third-party bankers in evaluating independence of corporate director in context of summary judgment motion).

his nomination was mooted by Margaret Cotter and both sisters formally proposed his addition, and the Board selected Wrotniak notwithstanding the fact that an allegedly more-qualified "senior executive" had expressed his willingness to serve. (SAC ¶¶ 131-133; HD Ex. 26 at 13.) Similar to Plaintiff's challenge to the independence of directors Kane and Codding, none of these considerations—even if true—are legally sufficient to undermine the presumption of Wrotniak's independence. No triable issue of fact remains.

First, as with both Kane and Codding, the preexisting relationship identified by Plaintiff is not nearly enough to remove the presumption of Wrotniak's independence. Once again, the alleged "close friendship" is actually between Margaret Cotter and Wrotniak's wife—not Wrotniak himself. (*See* Factual Background, *supra* at 13.) The evidence instead indicates that Margaret Cotter did not have a substantial "ongoing relationship" with Wrotniak, would see him about "once a year" prior to his joining the RDI Board, and their communications were mainly limited to "email" and focused on the topic of "show tickets." (*Id.*) This falls well short of the kind of "thick as blood relations" that could possibly question Wrotniak's presumptive independence. *See In re MFW S'holders Litig.*, 67 A.3d at 509 n.37 (no justified concerns regarding independence where the parties "occasionally had dinner over the years, go to some of the same parties and gatherings annually, and call themselves 'friends'"); *La. Mun. Police Emps.' Ret. Sys.*, 2016 WL 3878228, at *6-7 (applying Nevada law and finding that a 23-year friendship with dominant shareholder, coupled with political contributions, threat against an opponent in an election, and a million dollar charitable contribution did not disturb the presumption of independence).

Second, as with Codding, the Cotter sisters' participation in the proposal of Wrotniak as a nominee to the RDI Board is irrelevant as a matter of law, and any argument to the contrary "has consistently been rejected" by courts. *Andreae v. Andreae*, Civ. A. No. 11,905, 1992 Del. Ch. LEXIS 44, at *13-14 (Del. Ch. Mar. 3, 1992) (also noting that "the relevant inquiry is not how the director got his position, but rather how he comports himself in that position"); *In re W. Nat'l Corp. S'holders Litig.*, 2000 WL 710192, at *16 (prior relationship with, and nomination by, a

significant or controlling shareholder "merely establishes" that board member was "known and trusted," not that director was "beholden"); *see also supra* Section I(A)(2) (collecting cases).

Third, Plaintiff's complaint that the Board selected Wrotniak over his preferred candidate, whom he claims had superior experience, is legally irrelevant to the actual issue of whether or not Wrotniak is able to independently function as a board member pursuant to his own business judgment, as opposed to being "beholden" to those that nominated him. Even assuming *arguendo* that despite his undisputed expertise in foreign trade (highly relevant to an international company like RDI), Wrotniak was not the best available candidate, "[a]spirational ideals" in which companies always "go beyond minimal requirements" or choose the most exceptional candidate may be preferable, but "they are not required by the corporation law and do not define standards of liability." *Brehm v. Eisner*, 746 A.2d 244, 255-56 (Del. 2000); *see also McWhirter v. Washington Royalties Co.*, 152 A. 220, 224 (Del. Ch. 1930) (decision as to whether board members are "fit and competent" or alternative candidates are "of equal fitness and competency" is left to "the stockholders").[6]

Because the personal relationship and nomination process identified by Plaintiff are factually irrelevant and legally insufficient to disturb Wrotniak's presumed independence, summary judgment as a matter of law on the issue of his independence is warranted.

B. The Financial Relationships Involving Director Adams Are Legally Insufficient to Render Him "Beholden"

Rather than focus on pre-existing personal friendship, Plaintiff contends that director Adams is "beholden" to, and cannot act independently with respect to, Ellen and Margaret Cotter as a result of financial ties between Adams and RDI and/or certain Cotter family entities now within the Estate of James J. Cotter, Sr. (*See* SAC ¶¶ 64-71; HD Ex. 26 at 18-20.) Plaintiff's

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[6] The throw-away insinuation that "[t]o Adams knowledge, no background check had been conducted on . . . Wrotniak," present in Plaintiff's expert report (*see* HD Ex. 26 at 13), distorts the record and is factually wrong. Regardless of Adams' apparent recollection during his deposition, the contemporaneous written record is clear that Craig Tompkins, in-house counsel for RDI, reported at the October 6, 2015 meeting of the Company's Special Nominating Committee, that "the Company had conducted its usual and customary background check on Mr. Wrotniak, and that it revealed no causes for concern." (*See* HD Ex. 19 at -589.)

attack on the presumptive independence of Adams is factually flawed, legally unsupportable, and fails to raise a genuine issue of triable fact.

It is beyond dispute that Adams is not "interested" in any of the corporate actions or transactions at issue in this litigation. He did not "appear on both sides of a transaction or expect to derive any personal financial benefit from it in the sense of self-dealing, as opposed to a benefit which devolves upon the corporation or all stockholders generally." *Aronson*, 473 A.2d at 812. Thus, the only way that Adams' independence can be subject to question is if his "material ties to the person whose proposal or actions [he] is evaluating"—*i.e.*, Ellen and Margaret Cotter—"are sufficiently substantial that [he] cannot objectively fulfill [his] fiduciary duties." *In re MFW S'holders Litig.*, 67 A.3d at 509. "[T]he simple fact that there are some financial ties between the interested party and the director is not disqualifying." *Id.* Instead, the financial ties or benefit must be "material" to Adams himself, meaning that they are "significant enough *in the context of the director's economic circumstances* as to have made it improbable that the director could perform [his] fiduciary duties to the . . . shareholders without being influenced by [his] overriding personal interest." *Orman*, 794 A.2d at 23 (citation omitted) (emphasis in original). Plaintiff cannot make this showing.

Adams is of retirement age (65 years-old) and has substantial assets, with a net worth, as of May 2015, of approximately [redacted]. (*See* Factual Background, *supra* at 8.) There is nothing unusual about the fees that he earns as an RDI director: like all non-employee directors, he received the regular annual $50,000 director's fee in 2015. (*Id.* at 9.) While he was provided an additional one-time fee of $25,000 for the unexpected, additional time that he spent on the Company's business that year, directors McEachern and Gould (each of whom Plaintiff concedes are independent) as well as director Kane also received that same amount. (*Id.*) Director Storey (whose independence Plaintiff does not challenge) received more than that. (*Id.* at 11.) While Adams was awarded another $50,000 in "special compensation" in return "for extraordinary services to the Company and devotion of time in providing such services" in 2016, that additional compensation is due to his extra service as Chairman of RDI's Executive Committee and is far less than the $75,000 one-time fee that director Storey received for similar service as

ombudsman in 2015. (*Id.* at 9, 11.) It is well-settled that "the mere fact that a director receives compensation for [his] service as a board member adds little or nothing" to the independence analysis. *Khanna*, 2006 WL 1388744, at *16, *17 (claim that a "director's salary . . . might influence his decision" was insufficient to disturb presumption of independence); *see also Grobow*, 539 A.2d at 188 ("allegation that all GM's directors are paid for their service as directors . . . does not establish any financial interest" and did not undermine independence).

While Adams has ties to certain Cotter family entities outside of RDI, those dealings originated years before the corporate conduct and transactions at issue in this litigation. Indeed, both Adams' investment in a real estate venture involving some Cotter family assets and his general estate planning assistance began in 2012 or 2013—before Adams was even an RDI director—and each were at the insistence of James J. Cotter, Sr., rather than Ellen or Margaret Cotter. (*See* Factual Background, *supra* at 9.) And, of course, "[t]he naked assertion of a previous business relationship is not enough to overcome the presumption of a director's independence." *Orman*, 794 A.2d at 27. Moreover, Adams' 5% carried interest in the real estate venture is a preexisting contractual right, and is unaffected by whatever Cotter sibling maintains control of the Estate of James J. Cotter, Sr. (*See* Factual Background, *supra* at 9.) To the extent that Ellen and Margaret Cotter may control that estate at the moment, this outside "business agreement" between a director and these significant shareholders "where both parties could benefit financially" once certain properties are developed is not enough to show "with sufficient particularity that [Adams] could not form business decisions independently" with respect to RDI. *La. Mun. Police Emps.' Ret. Sys.*, 2014 WL 994616, at *7.

Ultimately, Plaintiff's entire attack on Adams' independence is predicated upon a bald assertion that Adams must have made certain corporate decisions in the manner that he did (such as voting to terminate Plaintiff) because, if he did not act in favor of Ellen and Margaret Cotter, he would face removal from the Board, loss of his annual director's fees, and termination of the additional [redacted] he has earned annually from estate planning work for the Cotter Family Farms. (*See* SAC ¶¶ 64-71; HD Ex. 26 at 18-20.) There are multiple fatal problems with this claim.

First, Plaintiff has not identified "any facts tending to show" that Adams' positions with the RDI Board or the Cotter Family Farms were "actually threatened" by Ellen and Margaret Cotter at any point. *Grobow*, 539 A.2d at 188 (rejecting attack on director independence for this reason). In fact, director Gould, who voted ***against*** terminating Plaintiff at the June 12, 2015 Board meeting, still remains a member of RDI's Board and the Company has continued to engage his law firm (TroyGould PC), paying over $61,000 in fees in 2015. (HD Ex. 10 at 16.) Given that Adams—like all RDI directors—has been well aware of Plaintiff's ongoing challenge to his sisters' control of the Estate of James J. Cotter, Sr. and their ability to vote or control certain RDI shares formerly held by their father, Plaintiff also cannot articulate why Adams would be any more "beholden" to the viewpoint of Ellen and Margaret Cotter than Plaintiff himself. In fact, because the assets of the Estate ultimately pour over into the Trust, the control of which is still up in the air due to ongoing litigation, there is no reason for a director such as Adams to prefer Ellen and Margaret Cotter over Plaintiff from a pure self-preservation point of view.

Moreover, while Adams' income from GWA Capital Partners and GWA Investments has been inconsistent and limited in recent years, and—outside of some recent stock or asset sales—his compensation relating to RDI and/or the Cotter family entities has represented a noteworthy portion of his annual income, the mere fact that directors may receive "relatively substantial compensation provided by . . . board membership compared to their outside salaries" does not alone "lead to a reasonable doubt as to the[ir] independence." *In re Walt Disney Co. Deriv. Litig.*, 731 A.2d 342, 359-60 (Del. Ch. 1998), *aff'd in relevant part, rev'd in part and remanded sub non*, *Brehm v. Eisner*, 746 A.2d 244 (Del. 2000). Indeed, courts have expressed concern that focusing too much on this fact would "discourage the membership on corporate boards of people of less-than extraordinary means" as well as "regular folks." *Id.* (concluding the fact that board member's "salary as a teacher is low compared to her director's fees and stock options" did not undermine presumption of independence). Moreover, focusing on the importance of RDI and/or Cotter family entities to Adams' ***yearly*** income vastly overstates the materiality of such funds on his ***overall*** economic picture. Given that Adams has served on at least four different corporate

boards within the last decade (including as Lead Director, Audit Committee Chair, and Compensation Committee Chair), is of retirement age, and has a net worth of nearly [redacted], there is no basis to conclude that he would risk his reputation for the relatively immaterial rewards he receives from his RDI Board service or his work for the Cotter Family Farms. (*See* Factual Background, *supra* at 8-10.)

Finally, not only has Plaintiff admitted that, prior to the commencement of discussions regarding his termination on May 21, 2015, he never claimed that Adams lacked sufficient disinterestedness to serve on RDI's Board, Adams repeatedly has been found to be "independent" under the NASDAQ listing standards for the purposes of his service generally as a director of RDI—including in documents filed with the SEC and "approved" by Plaintiff himself, and again following an investigation by internal and outside counsel in May 2015 once Plaintiff challenged Adams' independence prior to the vote on Plaintiff's termination. (*See* Factual Background, *supra* at 10.)[7] While not outcome-determinative, the NASDAQ standards—like the NYSE rules—"were influenced by experience in Delaware and other states," "were the subject of intensive study by expert parties," "cover many of the key factors that bear on independence," and "are a useful source for [the] court to consider when assessing an argument that a director lacks independence." *In re MFW S'holders Litig.*, 67 A.3d at 510

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[7] The fact that Adams, as advocated by director Gould, later voluntarily resigned as a member of RDI's Compensation Committee on May 14, 2016 is entirely irrelevant to his general independence. (HD Ex. 12 at 15.) Gould's concern was that, given Adams' financial ties to the Cotter family generally, he could not be independent in passing on the compensation of Cotter family members. (*See* Def. William Gould's Mot. for Summ. J. at 13.) Gould did not express a concern that Adams could not fairly weigh in on disputes ***between*** the Cotters that were unrelated to compensation. Plaintiff also overlooks the fact that the NASDAQ Marketplace Rules with respect to service on a Compensation Committee are stricter than those that apply to service on a board generally. Not only does a director need to be "independent," as Adams is, *see* NASDAQ Rule 5605(d)(2)(A), a Compensation Committee member also cannot receive any fees (other than for service as a director), such as consulting or advisory fees, that are "material" to him from the Company or its subsidiaries. *See* NASDAQ Rule 5605(d)(2)(A)(i). Thus, while Adams disagreed that his financial ties were material, that Adams decided to resign from the Compensation Committee out of an abundance of caution in light of NASDAQ Rule 5605(d)(2)(A)(i) and the fees he earns from his advisory work with the Cotter Family Farms does not affect his "general" independence—an inquiry which is separately determined under NASDAQ Rule 5605(a)(2) and does not concern itself with the advisory fee issue.

(rejecting challenge to director independence). Thus, the fact that Adams so qualifies for the purpose of his general service as an RDI Board member makes it "more likely that [he] is independent for the purposes of [controlling law]." *In re EZCORP Inc. Consulting Agreement Deriv. Litig.*, C.A. No. 9962-VCL, 2016 WL 301245, at *36 (Del. Ch. Jan. 25, 2016) (further noting that the NASDAQ listing standards and Delaware law "are mutually reinforcing and seek to advance similar goals").[8]

Because the financial relationships involving director Adams are factually irrelevant, monetarily immaterial, and legally insufficient to disturb Adams' presumed independence, summary judgment as a matter of law on the issue of his independence is fully warranted.

V. CONCLUSION

For the foregoing reasons, the Individual Defendants respectfully request that the Court grant them partial summary judgment as to the First, Second, Third, and Fourth Causes of Action set forth in Plaintiff's SAC, the extent that they assert or rely upon an argument that any of the non-Cotter directors of RDI are not "independent."

Dated: September 23, 2016

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[8] The same is true with respect to the fact that director Kane was also found to be "independent" under the NASDAQ standards, including in materials filed with the SEC that were authorized by Plaintiff. (*See* Factual Background, *supra* at 7-8.)

865 South Figueroa Street, 10th Floor
Los Angeles, CA 90017

Attorneys for Defendants Margaret Cotter, Ellen Cotter, Douglas McEachern, Guy Adams, and Edward Kane

DECLARATION OF COUNSEL NOAH S. HELPERN IN SUPPORT OF THE INDIVIDUAL DEFENDANTS' MOTION FOR PARTIAL SUMMARY JUDGMENT (NO. 2) RE: THE ISSUE OF DIRECTOR INDEPENDENCE

I, Noah Helpern, state and declare as follows:

1. I am a member of the Bar of the State of California, and am an attorney with the law firm of Quinn Emanuel Urquhart & Sullivan, LLP ("Quinn Emanuel"), attorneys for the Individual Defendants. I make this declaration based upon personal, firsthand knowledge, except where stated to be on information and belief, and as to that information, I believe it to be true. If called upon to testify as to the contents of this Declaration, I am legally competent to testify to its contents in a court of law.

2. Attached hereto as Exhibit 1 is a true and correct copy of transcript excerpts from the deposition of Timothy Storey, taken on February 12, 2016.

3. Attached hereto as Exhibit 2 is a true and correct copy of transcript excerpts from the deposition of Guy Adams, taken on April 28, 2016.

4. Attached hereto as Exhibit 3 is a true and correct copy of transcript excerpts from the deposition of Edward Kane, taken on May 2, 2016.

5. Attached hereto as Exhibit 4 is a true and correct copy of transcript excerpts from the deposition of Edward Kane, taken on May 3, 2016.

6. Attached hereto as Exhibit 5 is a true and correct copy of transcript excerpts from the deposition of Edward Kane, taken on June 9, 2016.

7. Attached hereto as Exhibit 6 is a true and correct copy of transcript excerpts from the deposition of Margaret Cotter, taken on May 13, 2016.

8. Attached hereto as Exhibit 7 is a true and correct copy of transcript excerpts from the deposition of James J. Cotter, Jr. ("Plaintiff"), taken on May 16, 2016.

9. Attached hereto as Exhibit 8 is a true and correct copy of transcript excerpts from the deposition of Plaintiff, taken on July 6, 2016.

10. Attached hereto as Exhibit 9 is a true and correct copy of transcript excerpts from the deposition of William D. Ellis, taken on June 28, 2016.

11. Attached hereto as Exhibit 10 is a true and correct copy of a Form DEF 14A filed by RDI on April 25, 2014.

12. Attached hereto as Exhibit 11 is a true and correct copy of a Form 10-K/A, Amendment No. 1, filed by RDI on May 18, 2015, previously marked as Exhibit 411 during Plaintiff's deposition.

13. Attached hereto as Exhibit 12 is a true and correct copy of a Form DEF 14A filed by RDI on May 18, 2016.

14. Attached hereto as Exhibit 13 is a true and correct copy of the Minutes of the Meeting of the RDI Board of Directors held on January 14, 2014.

15. Attached hereto as Exhibit 14 is a true and correct copy of the Minutes of the Meeting of the RDI Board of Directors held on October 20, 2014.

16. Attached hereto as Exhibit 15 is a true and correct copy of the Minutes of the Meeting of the RDI Board of Directors held on November 13, 2014.

17. Attached hereto as Exhibit 16 is a true and correct copy of the Minutes of the Meeting of the RDI Compensation and Stock Option Committee held on November 13, 2014, previously marked as Exhibit 95 during Guy Adams' deposition.

18. Attached hereto as Exhibit 17 is a true and correct copy of Minutes of the Meeting of the RDI Board of Directors held on May 29, 2015, previously marked as Exhibit 200 during Plaintiff's deposition.

19. Attached hereto as Exhibit 18 is a true and correct copy of draft Minutes of the Meeting of the RDI Board of Directors held on June 12, 2015, previously marked as Exhibit 346 during William Ellis' deposition.

20. Attached hereto as Exhibit 19 is a true and correct copy of the Minutes of the Meeting of the RDI Special Nominating Committee held on October 6, 2015, previously marked as Exhibit 52 during Timothy Storey's deposition.

21. Attached hereto as Exhibit 20 is a true and correct copy of an Income and Expense Declaration filed by Guy Adams, dated October 9, 2013, previously marked as Exhibit 53 during Guy Adams' deposition.

22. Attached hereto as Exhibit 21 is a true and correct copy of an email sent by Edward Kane to Timothy Storey and Guy Adams re: "Ellen's Compensation," dated September 29, 2014, previously marked as Exhibit 287 during Edward Kane's deposition.

23. Attached hereto as Exhibit 22 is a true and correct copy of emails between Edward Kane and Plaintiff, dated September 30, 2014 and October 2, 2014, previously marked as Exhibit 408 during Plaintiff's deposition.

24. Attached hereto as Exhibit 23 is a true and correct copy of an email from Edward Kane to Plaintiff, Timothy Storey, and Guy Adams re: "Ellen's $50,000 'Settlement' for the Stock Option Screw-Up," dated October 19, 2014, previously marked as Exhibit 410 during Plaintiff's deposition.

25. Attached hereto as Exhibit 24 is a true and correct copy of an email from Edward Kane to Guy Adams, William Gould, Doug McEachern, and Timothy Storey re: "Compensation and Other Items for Our Meeting on the 13th," dated November 5, 2014, previously marked as Exhibit 102 during Edward Kane's deposition.

26. Attached hereto as Exhibit 25 is a true and correct copy of Plaintiff's Amended Responses to Edward Kane's First Set of Requests for Admission, dated July 27, 2016.

27. Attached hereto as Exhibit 26 is a true and correct copy of the report of Plaintiff's expert Myron T. Steele, Esq., dated August 25, 2016.

28. This declaration is made in good faith and not for the purpose of delay.

I declare under penalty of perjury under the laws of the State of Nevada that the foregoing is true and correct.

Executed on the 23rd day of September, 2016, in Los Angeles, California.

/s/ *Noah Helpern*
Noah Helpern

CERTIFICATE OF SERVICE

I hereby certify that, on September 23, 2016, I caused a true and correct copy of the foregoing **INDIVIDUAL DEFENDANTS' MOTION FOR PARTIAL SUMMARY JUDGMENT (NO. 2) RE: THE ISSUE OF DIRECTOR INDEPENDENCE** to be served on all interested parties, as registered with the Court's E-Filing and E-Service System.

/s/ *C.J. Barnabi*
An employee of Cohen|Johnson|Parker|Edwards

EXHIBIT 1

DISTRICT COURT

CLARK COUNTY, NEVADA

JAMES J. COTTER, JR., individually and derivatively on behalf of Reading International, Inc.,

Plaintiff,

vs.

MARGARET COTTER, ELLEN COTTER, GUY ADAMS, EDWARD KANE, DOUGLAS McEACHERN, TIMOTHY STOREY, WILLIAM GOULD, and DOES 1 through 100, inclusive,

Defendants.

and

READING INTERNATIONAL, INC., a Nevada corporation,

Nominal Defendant.

No. A-15-719860-B
Coordinated with:
P-14-082942-E

DEPOSITION OF TIMOTHY STOREY, a defendant herein, noticed by LEWIS ROCA ROTHGERBER CHRISTIE LLP, at 1453 Third Street Promenade, Santa Monica, California, at 9:28 a.m., on Friday, February 12, 2016, before Teckla T. Hollins, CSR 13125.

Job Number 291961

New Zealand.

Q. And describe for us generally, please, your experience beyond what you just told us with respect to cinema operations.

A. I had a little experience, other than what I've gleaned with Reading. In fact, I acted for Reading since the mid-'90s, since they entered New Zealand. So I guess I have history in that regard.

Q. And what was the nature of the business of DNZ?

A. DNZ is a list of property investment company.

Q. So do you have experience with real estate, other than DNZ and Reading?

A. I've had various -- Well, as a lawyer, I practiced predominantly in real estate, but around corporate and commercial matters. And I've had various property investments and consultancies since.

Q. Okay.

And you remain a director of DNZ today; correct?

A. Of Stride, yes.

Q. Stride, yes. I'm sorry.

And you retired, in one manner or another, as a director of RDI in October of 2015; correct?

A. That is as I recollect.

THE REPORTER: What was that?

THE WITNESS: That is as I recollect.

EXHIBIT 2

Confidential – Filed Under Seal

EXHIBIT 3

DISTRICT COURT

CLARK COUNTY, NEVADA

JAMES J. COTTER, JR., individually and derivatively on behalf of Reading International, Inc., Plaintiff, vs. MARGARET COTTER, et al., Defendants. and READING INTERNATIONAL, INC., a Nevada corporation, Nominal Defendant	Case No. A-15-719860-B Coordinated with: Case No. P-14-082942-E

DEPOSITION OF: EDWARD KANE

TAKEN ON: MAY 2, 2016

REPORTED BY:

PATRICIA L. HUBBARD, CSR #3400

and it became in- -- difficult.

And so the regulators came down and they suggested that I leave, and I did.

Q. When did you first meet Jim Cotter, Sr.?

A. He was in the master's of tax program with me in 1963. So I met him in the fall of 1963.

Q. When did you and he become friends?

A. Very shortly thereafter. We found that we had similar backgrounds even though we don't -- didn't have similar religions.

But we were both middle class, lower middle class. We lived in that neighborhood. We didn't have any money when we went to college or law school.

And we just -- just became fast friends.

He was the first person I invited to my house for dinner.

I was married. I had gotten married in the summer of '63. And we started socializing with he and his, I guess, fiance, Mary Ellen Cotter, went to the World's Fair with them, because Mary was working for American Airlines, could get us free tickets.

And then I got the position with Donovan Leisure. And he joined the -- the IRS as a trial

counsel.

And in those days he couldn't stay in New York. He went to Los Angeles because they felt that his looking at cases or tax situations with people in the neighborhood, it would be bad. So he was -- he went to L.A. Liked it in L.A.

He came back I think in 1965 to get married to Mary. And I was an usher at his wedding. And then Mary, of course, moved out to California, because he wanted -- decided to stay here.

Well -- and then he was offered the job with Pacific Theatres. And he stayed out there.

I was looking for a job at Donovan Leisure, because I couldn't afford to stay there.

In those days -- I was treated as if I was employed in '63, because they gave me credit for my master's degree. And beginning of 1967 I was making $12,000, and I had two children. Inflation began. I couldn't afford to live in New York. I was commuting, taking the train from Yonkers. It was a hell of a life.

So I went back to N.Y.U. And they had a enormous placement service for people with a degree in tax.

And I was -- I had the highest grades in

my class and was on Tax Law Review. They put me on the law review.

So I took interviews and was offered jobs in Hawaii, which I took and came home and told my wife and she said "I'm not going." So that took care of that job. And in Denver.

But Jim called me and said, "You know, there's a firm in San Diego, big firm. It's called Gray -- Gray, Cary, Ames and Frye. And they just lost their one tax attorney."

And I -- he knew him because he also worked for the Government in that area.

And he said, "Why don't you go out and take a -- a look at it."

And so I did fly out with my wife and they offered me the position at Gray, Cary.

And we had an idea together, I take the bar and he took the California Bar. And we would form a firm, he and I. He would do the litigation and I would do the tax planning.

But then he was handling a couple cases that came to the attention of the head of Peat, Marwick, Mitchell. And he recommended him to Bill Foreman at Pacific Theatres. And Jim -- there was a four-year commitment, he had a four-year commitment.

And he called me up and said, "The partnership is over because Bill Foreman has offered me four times what I'm making here to come in."

And so I said "Okay."

And I left Gray, Cary and joined with these other guys who -- they were from back east and fine lawyers. It was a very small firm. But four of them became Superior Court judges and one of them became a Court of Appeals judge.

Q. Let me interject a question, Mr. Kane.

A. Sure.

Q. I thought you said something to the effect that he said the partnership was over.

To what were you referring there?

A. Our -- our dream of becoming partners in a law firm, he and I. That was over.

Q. Okay. I'm sorry. Please continue.

A. Sure. So I joined the firm as equal partner.

And I guess I've covered the rest of it except that Jim and I had a very close relationship, even then. And he called me up, and he had a tax problem at Pacific Theatres, a personal tax problem. And he said there are some -- "We have some theaters up in the Fresno area and we could -- maybe we

should buy an orange grove. It's a great tax shelter."

Well, I looked it up and it was a terrific thing. I mean it's one of the few shelters, you could lose money and be ahead of the game.

So, he and I went up there, and we -- he had heard from Prudential, they were foreclosing on thousands of acres of citrus. And we ended up buying an 80-acre citrus grove.

Q. The two of you did?

A. Two of us, yeah.

Q. Okay. Go ahead, please.

A. Actually it was $120,000, ten percent down, $12,000. He didn't have six. And so I put up eight and he put up four. And of course he paid me back.

And we never -- neither of us ever went up there except one time when I took my family without the other one coming.

And we would go up there on a regular basis. I'd drive up to L.A. and then he would drive up there, we'd stay in the same Holiday Inn Motel. And we kept expanding. And after a while we owned about 220 acres.

And then my kids -- he wanted to expand. And my kids were both starting college. They had graduated high school in the same year. Vassar and Cal was expensive, and I said, "I'm not expanding."

Then -- but he -- you had to know him. He was so ethical in many ways. He said, "All right. Just stay here. And I'm going to buy more, but I'll make sure that -- that they pick our groves first before they pick mine so" -- because in those days they had a marketing order and you had to pick only so much off of each grove at different periods.

I said, "It isn't going to work, Jim. It's just not going to. So, buy me out."

And he did. He said set a price. We never had an agreement. I set the price, he said that sounds fair, and that was it.

Q. When did that happen?

A. Approximately -- let me think. My son was born in 1965 and he was going to college. So that was probably 1982 or '3.

Q. And when did the two of you buy the first 80 acres?

A. It was in the '70's. I don't remember exactly when.

Q. And was that the end of your involvement

with Mr. Cotter, Sr., and orange groves?

A. Yeah. Yeah.

Q. Okay.

A. He expanded. I don't know. I think he -- his son can tell you, but I think they may have as many as 2,000 acres by now.

Q. So you've known Mary Cotter since before she and Jim Cotter, Sr., were married?

A. Yes.

Q. You still communicate with her, correct?

A. Not regularly. Lately I talk to her more because I -- when Ellen is out here, Ellen will stay with her or Margaret.

And Ellen is a bit like her father. She does like to work at night. So she'll call me and I'll see the number and I'll call back and it's at the house, and then Mary will answer the phone. So we'll chitchat a bit.

But I -- the last time I saw her was in -- around Christmas. What is that? Four or five months ago. And before that it might have been as long as a year before I actually saw her.

Q. Have you had other business ventures with Jim Cotter, Sr., beyond what you've already described to us?

MR. SEARCY: Objection. Vague.

THE WITNESS: Trying to think. I can't think of any.

BY MR. KRUM:

Q. Answer this as you see fit, Mr. Kane. Describe your historical relationship with Ellen and Margaret Cotter.

MR. SEARCY: Objection. Vague, overbroad.

THE WITNESS: I knew them as children, just as I know Jim, Jr. I don't think my relationship was any different with the three of them.

It was just a relationship I've had with someone I've known all my -- all their lives.

BY MR. KRUM:

Q. Do your family and the family of Jim Cotter, Sr., socialize?

MR. SEARCY: Objection. Vague.

BY MR. KRUM:

Q. Socialize meaning see each other socially.

A. No. No. Just because of the distance.

Q. Between San Diego and Los Angeles?

A. Right. Right. Right.

Q. Do your children know the three Cotter children?

A. I -- I think they do, yes. Yes.

Q. Do any of Ellen Cotter, Margaret Cotter or Jim Cotter call you Uncle Ed?

A. All of them, including their mother and their father.

Q. But for the three kids, has that been how they've addressed you since they were able to speak?

MR. SEARCY: Objection. Vague.

THE WITNESS: I think that's true. And they still do except for Mr. Cotter, Jr. He stopped calling me Uncle Ed when he was terminated.

BY MR. KRUM:

Q. In your decision-making with respect to any or all of the three Cotter children since the passing of Jim Cotter, Sr., have you attempted to do what you thought he would have wanted you to do?

MR. SEARCY: Objection. Vague and lacks foundation.

THE WITNESS: What I do does not take into account The Cotter children.

I'm a director of this company. And I do what I think is in the best interest of the

shareholders and the employees and the company.

I don't mix my personal feelings for them with my decisions.

BY MR. KRUM:

Q. So the answer to my question is a "no," with the explanation you just provided?

A. Yes.

Q. So, over the years, Mr. Kane, have you -- did you have conversations with Jim Cotter, Sr., about what his hopes and aspirations or plans, as the case may be, were for any or all of his three children?

MR. SEARCY: Objection. Vague.

THE WITNESS: I -- you'd have to be more specific.

BY MR. KRUM:

Q. Okay.

A. They were in the business. I didn't -- he didn't ask me if Ellen should go in the business or Margaret go into the business over his decisions or Jimmy.

Q. Do you recall the circumstances of any of the three Cotter children going into the Redding or RDI business?

A. No, I don't. I don't.

VIDEOTAPE OPERATOR: We are on the record.

The time is 11:32 A.M.

This is the beginning of media number two in the continuing deposition of Edward Kane volume one.

BY MR. KRUM:

Q. Mr. Kane, do you consider yourself retired, sir?

A. I guess yes, yes.

Q. For how long have you been retired?

A. I stopped teaching two or three years ago. So, I guess since then.

Q. So you --

A. Let me rephrase that. I'm retired except I'm working countless hours for this company.

Q. Reading?

A. Reading.

Q. What was the last non-teaching job you had?

A. The last non-teaching job was at Sharp Community Medical Group where, as I said, I was a non-director/director. And that took a good bit of time, probably 15, 20 hours a week.

Q. When did that end?

A. Probably two, two and a half years ago.

Q. What was your compensation in that role?

A. I think I was paid $6500 month.

Q. And just to be clear, so that ended in -- somewhere between the beginning and the middle of 2014?

A. Something like that.

Q. Since that time have you had any income other than as a Reading director?

MR. SEARCY: Objection. Vague.

BY MR. KRUM:

Q. Excluding passive investment income.

A. Well, I have self-funded -- my wife and I have self-funded retirement plans. That's passive, I suppose you could say.

Q. Okay. So, since the work ended with the Community Medical Group --

A. Uh-huh.

Q. -- your sole source of income has been your self-funded retirement plans and your work as a Reading director, correct?

A. That's correct.

Q. How many retirement plans do you have, sir?

A. My wife has one and I have two.

Q. What are the principal balances of your two self-funded retirement plans?

A. Mine?

Q. Yes.

A. In excess of $2 million.

Q. What sort of financial obligations do you have of a material magnitude, whether it be rent, mortgage, cars, that kind of thing?

A. I have home equity loans, less than $200,000.

I have two other home equity loans, but they're joint with my children. One with one child, one with the other, $100,000. But the money is sitting there in a savings account -- in the bank account where -- who gave me that. That's in case there's -- we're in Europe or something or something fatal happens they'll have access to money right away.

So, it's joint accounts, but it's my Social Security number.

(Whereupon Mr. Ferrario re-entered the deposition proceedings at this time.)

BY MR. KRUM:

Q. Is that it -- excuse me.

EXHIBIT 4

DISTRICT COURT

CLARK COUNTY, NEVADA

JAMES J. COTTER, JR., individually and derivatively on behalf of Reading International, Inc., Plaintiff, vs. MARGARET COTTER, et al., Defendants. and READING INTERNATIONAL, INC., a Nevada corporation, Nominal Defendant	Case No. A-15-719860-B Coordinated with: Case No. P-14-082942-E

VIDEOTAPED DEPOSITION OF EDWARD KANE

TAKEN ON MAY 3, 2016

VOLUME 2

Job no. 305191

REPORTED BY:

PATRICIA L. HUBBARD, CSR #3400

MR. SEARCY: Objection. Vague.

THE WITNESS: I don't know that that was an issue of importance, at least it never came to me that way.

BY MR. KRUM:

Q. Did you have any discussions or communications with Ellen Cotter about the subject of her title?

A. I don't believe I did.

Q. Did you have any conver- --

Well, okay. One of the issues between Ellen Cotter on the one hand and Jim Cotter, Jr., on the other was Ellen's compensation, correct?

A. No. I don't think that is correct.

Q. Did you ever have communications with Ellen Cotter regarding either her title or her compensation or both?

A. I don't believe I had any conversations with her over her title. She did come to me for a raise in her pay in 2014 as chairman of the compensation committee.

Q. Was that the circumstance where she needed a raise to secure a mortgage on a piece of real estate?

A. Correct.

Q. Okay. That's the circumstance where you signed a letter to the lender saying that as chairman of the compensation committee you would expect or the committee expected that she would have a raise of at least 20 percent starting the beginning of the next year?

A. Correct.

Q. Now, my question before, Mr. Kane, was about communications. Not conversations.

And to be clear, the reason I do that is I include in the question written communications, whether email or otherwise.

So, with that by way of explanation, let me ask the question again.

Did you ever have communications with Ellen Cotter regarding her title?

A. I may have. I just don't remember.

Q. Did you ever have communications with Jim Cotter, Jr., regarding Ellen's title?

A. Again, I may have, but I don't remember.

Q. Did you ever have communications with any of the four other non-Cotter directors regarding Ellen's title?

A. I don't recall ever talking with them about it.

EXHIBIT 5

DISTRICT COURT

CLARK COUNTY, NEVADA

JAMES J. COTTER, JR., individually and derivatively on behalf of Reading International, Inc., Plaintiff, vs. MARGARET COTTER, et al., Defendants. and READING INTERNATIONAL, INC., a Nevada corporation, Nominal Defendant	Case No. A-15-719860-B Coordinated with: Case No. P-14-082942-E

VIDEOTAPED DEPOSITION OF EDWARD KANE

TAKEN ON JUNE 9, 2016

VOLUME 3

Job No.: 315759

REPORTED BY:

PATRICIA L. HUBBARD, CSR #3400

Q. In any event, neither Ellen Cotter nor Craig Tompkins have brought to your attention the issues that have arisen with Jim Cotter, Jr., and the question of who's responsible for payment of certain taxes on account of him exercising an options -- exercising options in 2013?

A. Never been brought to my attention.

MR. SEARCY: Objection. Vague and lacks foundation.

BY MR. KRUM:

Q. Directing your attention back to Exhibit 287.

A. Yes.

Q. Item one in your email is an increase to Ellen's compensation, and item three is a letter from you as compensation committee chairman to a lender.

A. Yes.

Q. Now, were those separate issues or were those, in effect, the flip side of the same coin?

A. Those were separate issues.

Q. And the letter was simply that Ellen needed a letter to the lender to -- saying that she had the 20 percent increase in her compensation so she could qualify for a mortgage, right?

A. Right.

Q. And that letter was sent out under your signature?

A. Yes.

Q. Ellen signed it for you, right?

A. Yes, she did. I authorized her to do it. It was a time issue.

Q. Now, item number one, an increase in her compensation, what was the genesis of that? Meaning how did it come about that in September of 2014 you were raising the subject of increase in Ellen's compensation?

A. She raised it with me. And I consulted with Jim, Jr. And he gave me the name of the consultant they had met with.

He -- I think his father, Ellen and Margaret, it was Pearl Meyer. They weren't using Towers Watson or they decided not to use Towers Watson. And either he gave me or I obtained a copy of the Pearl Meyer recommendations, which would provide a substantial increase in both his and Ellen's compensation if adopted.

Q. Do you recall that Mr. Adams agreed with the recommendations you have made in Exhibit 287?

A. Which recommendation are you talking

EXHIBIT 6

DISTRICT COURT

CLARK COUNTY, NEVADA

JAMES J. COTTER, JR., individually and derivatively on behalf of Reading International, Inc., Plaintiff, vs. MARGARET COTTER, et al., Defendants. and READING INTERNATIONAL, INC., a Nevada corporation, Nominal Defendant	Case No. A-15-719860-B Coordinated with: Case No. P-14-082942-E

VIDEOTAPED DEPOSITION OF MARGARET COTTER

TAKEN ON MAY 13, 2016

VOLUME II

REPORTED BY:

PATRICIA L. HUBBARD, CSR #3400

A. Ms.

Q. Had you dealt with her before?

A. For 16 years.

Q. Did Ms. Ward handle the arbitration?

A. No, she did not.

Q. Who handled the arbitration for Reading?

A. Quinn Emanuel.

Q. Oh, yes. Good lawyers, huh?

A. Very good.

Q. Did there come a time, Ms. Cotter, that you had communications with your sister Ellen about a new director or possible new director for the RDI board of directors?

A. Yes.

Q. When was that?

A. I don't recall.

Q. What was the context?

A. We spoke about Fehmi Karahan. And she thought that he would be a great addition to the board. And he -- she had a conversation with him, and he was willing to join the board.

Q. And how did it arise that you and your sister Ellen began to talk about the subject of a new director as distinct from the identity of the new director?

A. How did we begin to talk about it?

I don't know. There was a vacancy on the board.

Q. Well, the vacancy on the board was a longstanding vacancy, right?

MR. SEARCY: Objection. Vague.

THE WITNESS: It was my father's spot.

BY MR. KRUM:

Q. Do you recall discussions with either your sister Ellen or your brother Jim or any other member of RDI's board of directors in which the notion that the board spot that was vacant on account of your father's passing would be left vacant for some period of time?

MR. SEARCY: Objection. Vague.

THE WITNESS: You're asking if I recall having a conversation about that vacant spot?

BY MR. KRUM:

Q. Yeah.

A. With anyone. Other than my sister?

Q. No. With any member of RDI's board. Your sister, your brother or any of the other five.

A. I had the conversation with my sister. I don't know when it was, though.

Q. Did you discuss with her any other

persons as candidates or possible candidates to be added to the RDI board of directors?

A. When?

Q. At any time prior to June 12, 2015 when your brother was terminated.

A. No.

Q. Had you had any discussions with your sister Ellen or anyone else regarding the subject of whether your brother could or would be -- could or would remain on the RDI board of directors following his termination?

A. Did I have any conversation whether --

Q. I'll ask it again.

A. Yeah.

Q. Did you have any communications with your sister Ellen or anyone else at any time prior to June 12, 2015, regarding the subject of whether your brother would or could remain a member of the RDI board of directors following termination of him as president and C.E.O.?

A. I don't recall having that conversation with anyone.

Q. Well, do you recall that at the board meeting on June 12, 2015, Ellen said in words or substance that your brother, having been terminated

as president and C.E.O., was required to resign from the RDI board of directors?

A. I -- I think I recall that. I think she was referring to an employment agreement or something my brother had.

Q. And had you heard the notion prior to that meeting of June 12, 2015, that your brother was required to or would be asked to resign as a director upon termination of him as president and C.E.O.?

A. I don't recall hearing that.

Q. Did you have any communications with anybody about a person to replace your brother as director -- as an RDI director?

A. No.

Q. When was the first time you had any communications with anyone other than what you've already described with your sister about Mr. Fehmi regarding possible additions or replacements to or for the RDI board of directors?

MR. SEARCY: Objection. Vague.

THE WITNESS: I remember speaking to somebody who I thought would be a possible candidate sometime in 2015. I don't recall when it was.

///

BY MR. KRUM:

Q. Well, was it before or after June 12, 2015?

A. I don't recall that.

Q. Who was the person with whom you spoke?

A. Simon Roberts.

Q. Who is Simon Roberts?

A. He was a partner from Bain Capital. And he worked at a hedge -- hedge fund, I believe.

Q. How do you know Simon Roberts?

A. I know him socially in New York.

Q. And when you say you know him socially, Ms. Cotter, explain that or describe that, please.

I mean is it dinner quarterly or did you golf with his wife, whatever it is?

A. I maybe see him once a year. He's friendly with my wife's husband.

Q. How long have you known Mr. Roberts?

A. I believe I first met him in 2005 or 2006.

Q. And what was the circumstance or context, meaning were you out for dinner or -- or what, that you had this discussion with him about becoming a member of the RDI board of directors?

A. I think I had called him up on the

phone.

Q. Had you previously communicated to him that you wanted to speak to him about a business matter, such as had you scheduled a call or did you just extemporaneously call him?

A. I don't recall that.

Q. And had you discussed with your sister Ellen or any other person that you were going to call Mr. Roberts or that you had called and spoken with him?

A. I told my sister I was going to call him. And I believe later on a couple of the directors knew that I had talked to him, because he turned it down.

Q. Who were those couple of the directors that knew?

A. I don't recall who it was.

Q. How do you know they knew?

A. I brought it up in a meeting. I just don't remember who was on the call.

Q. Was that an executive committee meeting?

A. I don't remember what type of meeting it was.

Q. Do you recall what else, if anything, was discussed at that meeting?

A. The meeting that I told him about Simon Roberts?

Q. Yes.

A. I think they were at the meeting about other possible candidates for the board.

Q. So, having gone through that sequence, does that refresh your recollection at all about the time frame in which you had this communication with Mr. Roberts and meeting with other directors in which you discussed your communication with Mr. Roberts?

A. I don't recall when I first had a conversation with Mr. Roberts.

The meeting with the other directors I believe was sometime in 2015 in the fall.

Q. Was there any other person with whom you spoke or communicated about becoming an RDI director at any point in time in 2015?

A. Michael Wrotniak.

Q. Who is he?

A. He is somebody that I went to college with, and he is married to a friend of mine.

Q. What's her name?

A. Patricia Wrotniak.

Q. How long have you known Michael

Wrotniak?

A. I met him in college, so --

Q. We have your education. You don't have to do the calculations.

A. Thank you.

Q. And how long have you known his wife Patricia?

A. I've known her longer than Michael Wrotniak.

Q. Dating back to when, whether my date or place in life?

A. Freshman year in college.

Q. So you've known her since freshman in college and Michael Wrotniak since later in college?

A. That's correct.

Q. I assume because she started dating him, correct?

A. That's correct.

Q. Sometimes lawyers can fuse together a couple points of data.

When did you first communicate with either Patricia or Michael Wrotniak about Michael Wrotniak joining the RDI board of directors?

A. Sometime in the fall of 2015.

Q. Describe your relationship with Patricia

Wrotniak, please.

A. She is a college friend. I speak to her -- I don't know -- once every three or four weeks. I see her maybe four times a year. It varies. She had kids very early on after college, so I really didn't see her that much.

And now that I have kids and work, I don't see her that often.

Q. Does she still -- well, as of today is she one of your best friends?

MR. SEARCY: Objection. Vague.

THE WITNESS: I would consider her a close friend.

BY MR. KRUM:

Q. And describe your relationship with Michael Wrotniak.

A. I don't talk to him or see him as I -- as I had done with Patricia. I would maybe see him once a year if I went to her house for dinner, but I wouldn't consider I have, you know, an ongoing relationship with him.

Q. How often do you communicate with him?

A. Now?

Q. How often did you communicate with him in 2014?

A. Oh, he would email me if he wanted show tickets.

Q. How often did you communicate with him in 2015?

A. I don't know.

MR. KRUM: I'll ask the court reporter to mark as Exhibit 160 --

THE REPORTER: Yes.

MR. KRUM: -- two pages, the first of which is dated April 9, 2015, and appears to be an email from Margaret Cotter to Kelley Anderson with the subject "Michael Wrotniak." Production numbers are MC2812 and 13.

(Whereupon the document referred to was marked Plaintiffs' Exhibit 160 by the Certified Shorthand Reporter and is attached hereto.)

MR. FERRARIO: This has a red mark on it.

MR. KRUM: A what?

MR. FERRARIO: 158. There you go.

MR. KRUM: Oh, I passed you a prior exhibit --

MR. FERRARIO: That's all right.

MR. KRUM: -- that I picked up by accident.

BY MR. KRUM:

Q. Ms. Cotter, do you recognize Exhibit 160?

A. It's an email from me to Kelley with an attachment of Michael Wrotniak's cell phone number.

Q. Kelley Anderson's your assistant?

A. Yes.

Q. She's in New York?

A. Yes.

Q. And why on -- and did you send this email on the date it bears, April 9, 2015?

A. It appears so, yes.

Q. Why did you send Michael Wrotniak's telephone number to her on April 9, 2015?

A. I don't know. I don't know. Or I don't recall.

Q. Does that refresh your recollection as to when you first communicated with Michael Wrotniak regarding the subject of possibly becoming a member of the RDI board of directors?

A. No.

Q. Did you have communications with Michael or Patricia Wrotniak in April of 2015 about Michael

possibly becoming a member of the RDI board of directors?

A. I may have.

Q. And how would that have occurred at that time?

A. I don't know.

MR. KRUM: Okay. I'm going to show the witness what is marked production number MC2814. For the record, it says nothing other than "sent from my iPhone on it."

BY MR. KRUM:

Q. Ms. Cotter, does this page belong at the back of what we've marked as Exhibit 160?

A. I don't know if it does or not.

Q. Okay. Can you tell from looking at Exhibit 160 whether that email from you to Kelley Anderson on April 9 was sent by iPhone or computer or any other way?

A. It's Bates stamped, so -- and then it's --

Q. Sequential?

A. Right. Possibly.

Q. Okay. Well, let's do this. We'll amend the exhibit to -- Exhibit 160 to be 2812 through 2814, because it appears that likely is the case.

The witness has said it's possible, and the record is now clear.

I apologize for that little hiccup.

(Off-the-record discussion.)

MR. KRUM: Well, I can fix this, and I apologize.

BY MR. KRUM:

Q. So, let's mark as Exhibit 161 -- the answer is it's correct.

160 should be three pages, 2812 through 14.

MR. FERRARIO: Okay.

MR. KRUM: Let's mark as Exhibit 161 another April 9 email from Ms. Cotter to Kelley Anderson with the subject "Michael Wrotniak." This one bears production number 2815.

(Whereupon the document referred to was marked Plaintiffs' Exhibit 161 by the Certified Shorthand Reporter and is attached hereto.)

BY MR. KRUM:

Q. Okay, Ms. Cotter. Do you recognize Exhibit 161?

A. Yes. It's an email from me to Kelley

Anderson on April 9, 2015 with an address.

Q. Did you receive the email at the bottom of 161 from Ms. Anderson and then respond with the address on April 9, 2015?

A. Yes.

Q. So does this refresh your recollection that what transpired is that you had sent Ms. Anderson Mr. Wrotniak's V-card, but it didn't have an address, and she asked and you provided it?

A. Yeah.

Q. Does that refresh your recollection that in or about April 9 or at some point in April of 2015 you had communications with Michael Wrotniak about joining the RDI board of directors?

MR. SEARCY: Objection. Lacks foundation.

THE WITNESS: I really don't recall when it was. And this doesn't help.

BY MR. KRUM:

Q. Okay. Do you recall that there came a point in time in April of 2015 when you determined to exercise an option or options you held to acquire RDI class B voting stock?

A. My personal --

Q. Yes. Your personal --

EXHIBIT 7

EIGHTH JUDICIAL DISTRICT COURT
CLARK COUNTY, NEVADA

JAMES J. COTTER, JR., derivatively on behalf of Reading International, Inc.,
Plaintiff,

vs. Case No.

MARGARET COTTER, ELLEN COTTER, GUY ADAMS, EDWARD KANE, DOUGLAS McEACHERN, TIMOTHY STOREY, WILLIAM GOULD, JUDY CODDING, MICHAEL WROTNIAK, and DOES 1 through 100, inclusive, Defendants. A-15-719860-B

and

READING INTERNATIONAL, INC., a Nevada corporation,
Nominal Defendant.

(CAPTION CONTINUED ON NEXT PAGE.)

VIDEOTAPED DEPOSITION OF JAMES COTTER, JR.
Los Angeles, California
Monday, May 16, 2016
Volume I

Reported by:
JANICE SCHUTZMAN, CSR No. 9509
Job No. 2312188
Pages 1 - 297

T2 PARTNERS MANAGEMENT, LP, a Delaware limited partnership, doing business as KASE CAPITAL MANAGEMENT, et al.,

Plaintiffs,

vs.

MARGARET COTTER, ELLEN COTTER, GUY ADAMS, EDWARD KANE, DOUGLAS McEACHERN, WILLIAM GOULD, JUDY CODDING, MICHAEL WROTNIAK, CRAIG TOMPKINS, and DOES 1 through 100, inclusive,

Defendants.

and

READING INTERNATIONAL, INC., a Nevada corporation,

Nominal Defendant.

Videotaped Deposition of JAMES COTTER, JR., Volume I, taken at 865 South Figueroa Street, 10th Floor, Los Angeles, California, commencing at 10:09 a.m. and ending at 5:40 p.m., Monday, May 16, 2016, before Janice Schutzman, CSR No. 9509.

PAGES 1 - 297

referenced and the cost incurred in defending the derivative suit, you, as you sit here, you can't identify any other monetary damages that you believe any of the grievances you're complaining about have caused shareholders; correct? 11:16:02

MR. KRUM: Objections -- same objections.

THE WITNESS: As I sit here today, that's what I recall.

BY MR. TAYBACK:

Q. Did you ever talk to any shareholders that said that they sold Reading stock because you were terminated? 11:16:18

A. No.

Q. Have you ever heard that from anybody?

A. No. 11:16:29

Q. I'm going ask you some questions about the individual directors.

Judy Codding, do you -- is she an independent director, in your view?

MR. KRUM: Objection, vague and ambiguous, may call for a legal conclusion. 11:17:03

THE WITNESS: Judy Codding has been a long-standing friend of my mother's. I believe Judy Codding has known my mother close to 30 years, if not longer. 11:17:26

Based on her conduct at the board, I do question her independence. Now, whether she satisfies some legal technical definition of independence, she might. But based on a relationship with my mother and her behavior at the board, I do question her independence. 11:17:45

BY MR. TAYBACK:

Q. Well, she's -- you say she's been a long-standing friend of your mother's.

She -- your relationship with your mother goes back longer than hers; correct? 11:18:02

A. Yes.

Q. And you indicated you believe you were independent?

MR. KRUM: Well, objection. The testimony was what it was. 11:18:14

BY MR. TAYBACK:

Q. Is that -- isn't that correct?

A. I think --

MR. KRUM: Same objection. 11:18:20

THE WITNESS: I think I testified that for certain decisions, I'm independent, yes. I mean, it -- but based on -- and yes, I do -- I do go way back with my mother. I mean, but today, there's been -- I don't have the same relationship with my 11:18:32

mother so that it's not equivalent.

But based on Judy Codding's behavior and her relationship with my mother, I do question her independence.

BY MR. TAYBACK: 11:18:50

Q. And you said that based on her decisions.

So you sort of look at how she voted on things and conclude that she's not independent?

MR. KRUM: Object to the char- -- mischaracterizes the testimony. 11:19:02

THE WITNESS: Frankly, I don't know. There were certain decisions that Judy Codding has made that I was not privy to. So I can't tell you exactly how she behaved and whether her independence impacted her decisions. 11:19:28

BY MR. TAYBACK:

Q. So the two grounds that you said made you question her independence were her friendship with your mother and certain of the decisions that she's made? 11:19:42

MR. KRUM: Objection, mischaracterizes the testimony.

BY MR. TAYBACK:

Q. And I'm trying to find out now, what are the decisions that she's made that you think cause 11:19:46

you to question her independence?

A. It's --

MR. KRUM: Same objection.

Go ahead. You can answer.

THE WITNESS: It's more than that. It's more than that. It's based on my communication with Judy Codding that Judy Codding viewed Reading the way that Ellen and Margaret viewed Reading, which was as a family-owned business to be run by the Cotters and that the Cotters' interests should be served first. 11:19:57 11:20:17

And so, yes, I do question Judy Codding's independence. I question not only her relationship with my mother, but derivatively her relationship with my two sisters. 11:20:36

BY MR. TAYBACK:

Q. What did she say that -- what's the communication that you're describing, either say or writing, I'm not sure what it was.

But what was the communication that you're describing with Ms. Codding that gave you -- gives you reason to question her independence that you're describing here? 11:20:47

A. Shortly before or shortly after Judy Codding joined the board, I had breakfast with her. 11:21:03

And this is during a period at which this CEO search committee was looking for a CEO.

And she said something to the effect of, well, you know, your sister Ellen should be CEO or you should be CEO and, you know, it should be one of you guys. 11:21:22

And so this is before Ellen had declared her interest in becoming CEO. And looking back on it, I found it very odd that she would have said something like that as this process to find an outside CEO was unfolding. 11:21:39

Q. So you thought it was odd that she would suggest that a Cotter should be a CEO of the company?

A. Yeah, and -- 11:21:56

MR. KRUM: Objection, mischaracterizes testimony.

THE WITNESS: In my discussion with her, she was describing Reading almost as a family-owned small business, not a public company which would be accountable to outside stockholders. And so that gave me pause and made me question her independence. 11:22:05

BY MR. TAYBACK:

Q. Isn't it true that you became the CEO because you were Mr. Cotter's son -- 11:22:24

MR. KRUM: Same objections.

THE WITNESS: Again, technically, he may be independent. Yes. I mean --

BY MR. TAYBACK:

Q. Yes, he's independent, in your view? 11:28:22

A. I mean, I'm -- again, Mr. Tayback, I'm not a lawyer. I -- so I don't --

Q. I'm not asking the legal definition. I'm asking your view. You've stated that some people in your view aren't independent, and so now I'm asking 11:28:33 about these other people.

Mr. Gould, in your view, is he independent?

A. Technically, I believe he's independent.

Q. Technically.

Are you giving me a legal definition there, 11:28:47 or are you telling me --

A. I don't --

Q. -- what you think?

You don't know.

So with respect to -- I mean, all the other 11:28:54 people we've asked about, Ms. Codding, Mr. Wrotniak, you said, I'm not giving you the legal definition, I'm telling you what I think.

A. Right.

Q. Because you expressed a concern that there 11:29:03

aren't enough independent directors on the board and on this executive committee, and I'm trying to find out if you have a view as to whether Mr. Gould is independent or not.

And you think, in your view, he's independent? 11:29:13

A. For a period of time, Bill was independent but has -- yes, I mean, he is independent.

Q. Okay. And why do you think he's independent? 11:29:23

Does he have no connection to your family?

A. At least he doesn't have a relationship going back with me and my two sisters that would be of such that would question his independence.

Q. How long have you known Mr. Gould? 11:29:44

A. Maybe since -- at least since 2002.

Q. Was he a friend of your father's?

A. He was.

Q. A close friend?

A. I don't know. I mean, he was a business associate with my dad's. I wouldn't describe him as a close friend. 11:30:03

Q. So he did business with your father?

A. He's -- I think he's been on the board for a number years, going back to perhaps 1985. 11:30:16

Q. And did you feel that that made him an independent board member even when your father was in control of the company?

MR. KRUM: Same objections.

THE WITNESS: I don't know. 11:30:28

BY MR. TAYBACK:

Q. Mr. Kane, is he independent, in your view?

A. No.

Q. Why not?

A. Because Mr. Kane has had a relationship going back close to 50 years with -- close to 50 years with the three of us, with my dad. I think he went back close to 40 years with my father. 11:30:51

And based on that relationship, my sisters call him uncle, Uncle Ed. And based on his behavior and actions that he's taken, I would say he's not independent. 11:31:26

Q. Mr. Gould's relationship with your father didn't -- doesn't make him currently independent -- does not make him currently not independent, but Mr. Kane's relationship with your father makes him not independent; is that correct? 11:31:44

MR. KRUM: Objection, mischaracterizes the testimony.

THE WITNESS: Mr. Kane and Mr. Gould had a 11:31:56

BY MR. TAYBACK:

Q. That's just coincidence?

MR. KRUM: Asked and answered as well.

THE WITNESS: The answer was no.

BY MR. TAYBACK: 11:32:46

Q. Do you call Mr. Kane -- have you ever called him Uncle Ed?

A. At some point I did. But when I became more involved in Reading, I thought it was odd and I stopped. And I did not have the same level of 11:33:01 relationship with him and his family that my two sisters had.

Q. What does that mean, "the same level of relationship"?

They're just closer personally to him? 11:33:15

A. Yes.

Q. Do you perceive that he likes them better?

A. I think he's -- he is closer with both of them on a personal level.

Q. And do you -- did you always feel that way? 11:33:29

Let's say when you were younger, did you feel that he liked them more than you?

MR. KRUM: Objection, vague.

THE WITNESS: I mean, in the last 15 years, he's had a closer relationship with both of them. 11:33:44

He would often go out to dinner with the two of them and his family.

I really didn't have that level. So I would describe my two sisters' relationship with Ed Kane and his family to be different than the one that I had. 11:33:59

BY MR. TAYBACK:

Q. And do you feel that was your choice or his choice to not have that kind of relationship with Mr. Kane? 11:34:08

A. I mean, I don't know what he was thinking. I just didn't have it with him. I mean, I --

Q. Were there occasions where you asked him to go to dinner more and he --

A. No.

Q. -- wouldn't?

A. No, no, no. No. I would never -- outside of Reading, my interaction with Ed Kane and his family was limited, or certainly much more limited than Ellen and Margaret's. 11:34:37

Q. Mr. McEachern, is he independent, in your view?

A. Yes. I mean, he's -- I mean, again, he's independent. He's got no relationship with Ellen and Margaret or, you know, no business relationship 11:34:58

with Ellen and Margaret. So --

Q. No business relationship -- Mr. Kane has no business relationship with Ellen and Margaret also; correct?

A. That's correct. 11:35:20

Q. So in your view, Mr. McEachern is independent and has always been independent?

MR. KRUM: Asked and answered.

THE WITNESS: Yeah, the testimony speaks for itself. 11:35:30

BY MR. TAYBACK:

Q. So the answer's yes?

MR. KRUM: Well, asked and answered. He said what he said.

BY MR. TAYBACK:

Q. Well, was your answer --

MR. KRUM: But it was yes with an explanation.

Do you want him to withdraw the explanation? 11:35:41

MR. TAYBACK: No. I was going to say, he's independent and he's always been independent.

BY MR. TAYBACK:

Q. I think you can answer it yes -- or not. But I think the answer's yes, and I want to make 11:35:48

sure I understand the answer.

MR. KRUM: All right. Same objections.

You can answer.

THE WITNESS: Okay. Yes.

BY MR. TAYBACK: 11:35:54

Q. Guy Adams, is he independent?

MR. KRUM: Same -- may call for a legal conclusion.

BY MR. TAYBACK:

Q. In your view? 11:36:03

A. No.

Q. Okay. Why not?

A. A significant portion of his income derives from entities that are controlled by my two sisters, a significant portion. And I don't see how 11:36:28 Mr. Adams can make decisions that, in one way or the other, impact Ellen and Margaret and do so in an independent way.

He is fully involved with a number of entities that my two sisters now purportedly 11:36:48 control, and his livelihood really depends on them.

Q. Would he be independent if you controlled those entities?

MR. KRUM: Objection, calls for a legal conclusion, incomplete hypothetical. 11:37:11

(The deposition of JAMES COTTER, JR., was reconvened at 2:04 p.m.)

THE VIDEOGRAPHER: This marks the beginning of media No. 3. Going back on the record at 2:04 p.m. 02:04:20

JAMES COTTER, JR.,

the witness, having been previously administered an oath by the Court Reporter, testified further as follows:

EXAMINATION (CONTINUING)

BY MR. TAYBACK:

Q. So before I resume sort of talking about your early work with Reading, I wanted to go back and ask a couple follow-up questions. 02:04:26

When I asked you about the different directors, I didn't ask you about Tim Storey.

Did you believe that Tim Storey was independent? 02:04:40

A. Yes.

Q. Okay. And Tim Storey also had a job, a position, doing work for Reading, correct, in New Zealand? Didn't he perform functions for 02:04:55

Reading other than being a director?

A. He did.

Q. Did that compromise his integrity -- his independence, rather?

A. He served as a director of our New Zealand subsidiary. 02:05:07

Q. Did that impact his independence, in your view?

A. No.

Q. Why not? 02:05:17

A. 20 -- he -- I think he earned $25,000 as a director of a subsidiary. I mean, relative to his overall income, it was a small percent -- he didn't depend on the income from Reading for his livelihood. 02:05:48

Q. What's his overall income?

A. I don't know.

Q. You have no idea?

A. I don't know.

Q. Then how do you know that it's not a large percentage of his -- that he doesn't depend on it for his livelihood? How do you know that? 02:06:01

A. I mean, I can't say that I do, but I mean, it seems safe to assume that he had other sources of income and he was actively engaged. He had -- he 02:06:21

was the chairman of DNZ Corporation, and he had an income from that. So it seems safe for me to assume that he wasn't relying on $25,000 as a director of a -- of one of Reading's subsidiaries for his livelihood. 02:06:47

Q. So -- but that's an assumption because you don't know?

A. It's an assumption to a degree. I mean, I knew that he was making income from DNZ. So I knew at a minimum he was getting some income from DNZ, so 02:07:02 he wasn't simply depending on the $25,000 from Reading.

Q. And do you know, did he -- did Mr. Storey also have a relationship with your father?

A. In what sense? 02:07:19

Q. Had they been friends? Had they had a business relationship of any sort? The things that -- you've lodged questions about independence of other directors.

Did he have any of those kinds of 02:07:35 relationships?

A. I would characterize my father's relationship with Mr. Storey as primarily business, almost entirely business.

Q. And -- but that being the case, did you 02:07:48

feel like that business relationship with your father compromised Mr. Storey's independence?

A. When I referred to business, I meant Reading.

Q. Oh, only through Reading? 02:08:02

A. Right.

Q. Through his tenure as a director?

A. Through his tenure as a director of one of our subsidiaries of Reading International and through his tenure as a board member of Reading International. 02:08:13

Q. And why did you sue Mr. Storey initially? He's initially named as a defendant in your lawsuit.

MR. KRUM: Objection insofar as that calls for a legal conclusion. 02:08:29

You can answer that without disclosing any communications with your counsel.

THE WITNESS: Unfortunately, I would have to disclose communication with my counsel.

BY MR. TAYBACK: 02:08:40

Q. So other than your communication with counsel, as you sit here as the plaintiff who filed the lawsuit, you have no view as to why you sued Mr. Storey?

A. No view outside of my discussions with my 02:08:51

EXHIBIT 8

EIGHTH JUDICIAL DISTRICT COURT
CLARK COUNTY, NEVADA

JAMES COTTER, JR., derivatively on behalf of Reading International, Inc.,
Plaintiff,

vs. Case No.

MARGARET COTTER, ELLEN COTTER, GUY ADAMS, EDWARD KANE, DOUGLAS McEACHERN, TIMOTHY STOREY, WILLIAM GOULD, JUDY CODDING, MICHAEL WROTNIAK, and DOES 1 through 100, inclusive,
Defendants.

and

READING INTERNATIONAL, INC., a Nevada corporation,
Nominal Defendant.

(CAPTION CONTINUED ON NEXT PAGE.)

VIDEOTAPED DEPOSITION OF JAMES COTTER, JR.
Los Angeles, California
Wednesday, July 6, 2016
Volume III

Reported by:
JANICE SCHUTZMAN, CSR No. 9509
Job No. 2343561
Pages 568 - 838

T2 PARTNERS MANAGEMENT, LP, a Delaware limited partnership, doing business as KASE CAPITAL MANAGEMENT, et al.,

Plaintiffs,

vs.

MARGARET COTTER, ELLEN COTTER, GUY ADAMS, EDWARD KANE, DOUGLAS McEACHERN, WILLIAM GOULD, JUDY CODDING, MICHAEL WROTNIAK, CRAIG TOMPKINS, and DOES 1 through 100, inclusive,

Defendants.

and

READING INTERNATIONAL, INC., a Nevada corporation,

Nominal Defendant.

Videotaped Deposition of JAMES COTTER, JR., Volume III, taken at 865 South Figueroa Street, 10th Floor, Los Angeles, California, commencing at 9:51 a.m. and ending at 5:13 p.m., Wednesday, July 6, 2016, before Janice Schutzman, CSR No. 9509.

PAGES 568 - 838

an appeal for him to help you save your job; correct?

A. It was an attempt by me to utilize Mr. Kane in the position that he had with my two sisters to initiate a mediation and to appeal to them. 03:08PM

Q. And in fact, Mr. Kane wrote back and offered to help; correct?

A. He responded to my email.

Q. And did you speak to him further after this with respect to his possible efforts to try to help bring back unity and respect between the siblings? 03:08PM

A. I did.

Q. And what were your subsequent communications with him?

A. I recall -- 03:08PM

MR. KRUM: With respect to the same subject?

MR. TAYBACK: Yes.

THE WITNESS: I recall that I visited him in San Diego shortly after that meeting. 03:08PM

BY MR. TAYBACK:

Q. How long was that meeting?

A. We had lunch, drove around -- maybe two and a half hours.

Q. And did -- if you could summarize for me 03:09PM

the advice, if any, that he gave you?

A. I had suggested a proposed solution that I thought would be palatable to Ellen and Margaret, and I had suggested it to him.

And he had said, yeah, you know, that makes sense with me. 03:09PM

And he seemed agreeable towards the end of the discussion. He seemed agreeable.

Q. And did you have any further conversations or meetings with him after that with respect to this same subject matter before the next board meeting that followed? 03:10PM

A. At some point, my recollection is that while he was amenable to what I had discussed with him, he then might have run it by Ellen and Margaret, who were less than agreeable, and he had taken it off the table and no longer supported it. That's just my general recollection of his response. 03:10PM

Q. What was the proposal?

A. I can't recall today what it was. But it was certainly -- it was something that left me in the position as CEO. 03:11PM

Q. But it was different than the proposal that Margaret and Ellen made, which also left you in as CEO; correct? 03:11PM

EXHIBIT 9

DISTRICT COURT

CLARK COUNTY, NEVADA

JAMES J. COTTER, JR., individually and derivatively on behalf of Reading International, Inc., Plaintiff, vs. MARGARET COTTER, et al., Defendants. and READING INTERNATIONAL, INC., a Nevada corporation, Nominal Defendant	Case No. A-15-719860-B Coordinated with: Case No. P-14-082942-E

VIDEOTAPED DEPOSITION OF WILLIAM D. ELLIS

TAKEN ON JUNE 28, 2016

REPORTED BY:

PATRICIA L. HUBBARD, CSR #3400

MR. SEARCY: Objection. Assumes facts, lacks foundation.

THE WITNESS: Did not know that.

BY MR. KRUM:

Q. This is a "yes" or "no" question. Were you ever responsible for addressing the subject of whether one or more non-Cotter members of the RDI board of directors were independent for any purpose?

A. Yes.

Q. Okay. Without telling me what you did or what you learned or what you concluded, what was the purpose or what were the purposes?

A. It was a response to a claim that Jim made that Guy was not independent.

Q. Without telling me anything you said or he said, did you interview Mr. Adams in connection with whatever you were doing to determine his independence?

A. I don't recall the process I undertook.

Q. To your knowledge, did Mr. Adams ever provide to you or anybody else at RDI information indicating the source or sources of his income?

A. He did not provide it to me. I don't know if he provided it to others.

Q. Did you ever have any communications

with Guy Adams with respect to his completing a director and officer questionnaire?

A. I asked all the officers and directors to complete officers and directors questionnaires.

Q. Beyond that, did you ever have any communications with Guy Adams with respect to him completing a D and O questionnaire?

A. I don't recall any separate communications.

Q. Did you or, to your knowledge, anybody at RDI ever undertake any action to review publicly available information to test the accuracy of information provided by any of the non-Cotter directors in connection with their completing D and O questionnaires?

MR. SEARCY: Objection. Vague.

THE WITNESS: I did not. Others may have.

BY MR. KRUM:

Q. What responsibility, if any, did you have for or with respect to the exercise of stock options or the sale of options or RDI stock by members of the RDI board of directors?

A. That was Craig and the compensation committee.

Q. Other than what you previously referenced in your testimony regarding statements by Jim Cotter, Jr., did you ever otherwise hear or learn of anything that raised a question about the independence or disinterestedness of any non-Cotter member of the RDI board of directors?

MR. SEARCY: Objection. Vague.

THE WITNESS: Other than Jim's claims and following up on them, I don't know of anybody independently raising those issues.

BY MR. KRUM:

Q. Without disclosing any privileged communications, which I'm not asking you to disclose, who -- who else, if anyone, beyond you played any role in assessing Jim's claims that Guy Adams lacked independence or, as the case may, be disinterestedness?

MR. SEARCY: Objection. Vague.

THE WITNESS: I think Craig was involved and possibly Nevada counsel.

BY MR. KRUM:

Q. Who is Nevada counsel?

A. That would be Greenberg Traurig.

Q. Did you ever hear or learn or were you ever told anything that you understood related to

EXHIBIT 10

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FORM DEF 14A

READING INTERNATIONAL INC - RDI

Filed: April 25, 2014 (period: April 25, 2014)

Official notification to shareholders of matters to be brought to a vote (Proxy)

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A
Proxy Statement Pursuant to Section 14(a) of the Securities Exchange Act of 1934

Filed by the Registrant ☑
Filed by a party other than the Registrant ☐

Check the appropriate box:
☐ Preliminary Proxy Statement
☐ Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
☑ Definitive Proxy Statement
☐ Definitive Additional Materials
☐ Soliciting Material under Sec. 240.14a-12

READING INTERNATIONAL, INC.
(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

☑ No fee required

☐ Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11
(1) Title of each class of securities to which transaction applies: _____
(2) Aggregate number of securities to which transaction applies: _____
(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined): _____
(4) Proposed maximum aggregate value of transaction: _____
(5) Total fee paid: _____

☐ Fee paid previously with preliminary materials.

☐ Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid: _____
(2) Form, Schedule or Registration Statement No.: _____
(3) Filing Party: _____
(4) Date Filed: _____

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READING INTERNATIONAL, INC.
6100 Center Drive, Suite 900
Los Angeles, California 90045

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS
TO BE HELD ON THURSDAY, MAY 15, 2014

TO THE STOCKHOLDERS:

The 2014 Annual Meeting of Stockholders (the "Annual Meeting") of Reading International, Inc., a Nevada corporation, will be held at 6100 Center Drive, Suite 900, Los Angeles, California 90045, on Thursday, May 15, 2014, at 11:00 a.m., local time, for the following purposes:

1. To elect nine Directors to our Board of Directors to serve until the 2015 Annual Meeting of Stockholders;

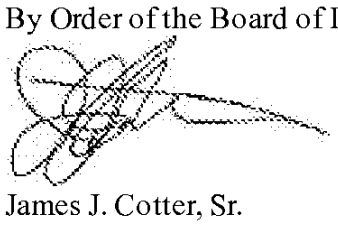
2. To act on an advisory vote on executive compensation; and

3. To transact such other business as may properly come before the meeting or any adjournment or postponement thereof.

A copy of our Annual Report on Form 10-K for the fiscal year ended December 31, 2013 is enclosed. Only holders of our class B voting common stock at the close of business on April 17, 2014 are entitled to notice of and to vote at the meeting and any adjournment or postponement thereof.

If you hold shares of our class B voting common stock, you will have received a proxy card enclosed with this notice. Whether or not you expect to attend the Annual Meeting in person, please complete, sign, and date the enclosed proxy card and return it promptly in the accompanying postage-prepaid envelope to ensure that your shares will be represented at the Annual Meeting.

By Order of the Board of Directors



James J. Cotter, Sr.
Chairman

April 25, 2014

PLEASE SIGN AND DATE THE ENCLOSED PROXY CARD AND MAIL IT PROMPTLY IN THE ENCLOSED RETURN ENVELOPE TO ENSURE THAT YOUR VOTES ARE COUNTED.

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READING INTERNATIONAL, INC.
6100 Center Drive, Suite 900
Los Angeles, California 90045

PROXY STATEMENT

Annual Meeting of Stockholders
Thursday, May 15, 2014

INTRODUCTION

This Proxy Statement is furnished in connection with the solicitation by the Board of Directors of Reading International, Inc. (the "Company," "Reading," "we," "us," or "our") of proxies for use at our 2014 Annual Meeting of Stockholders (the "Annual Meeting") to be held on Thursday, May 15, 2014, at 11:00 a.m., local time, at 6100 Center Drive, Suite 900, Los Angeles, California, and at any adjournment or postponement thereof. This Proxy Statement and form of proxy are first being sent or given to stockholders on or about April 25, 2014.

At our Annual Meeting, you will be asked to (1) elect nine Directors to our Board of Directors to serve until the 2015 Annual Meeting of Stockholders, (2) act on an advisory vote on executive compensation, and (3) act on any other business that may properly come before the Annual Meeting or any adjournment or postponement of the Annual Meeting.

As of April 17, 2014, the record date for the Annual Meeting (the "Record Date"), there were outstanding 1,495,490 shares of our class B voting common stock ("Class B Stock"). James J. Cotter, Sr., our Chairman and Chief Executive Officer, beneficially owned 1,123,888 shares of our Class B Stock on the Record Date, which shares represent a majority of the outstanding voting rights of the Company. Accordingly, Mr. Cotter, Sr. has the power, acting alone and regardless of the vote of our other stockholders, to determine the outcome of each of the proposals on the agenda for the Annual Meeting. Mr. Cotter, Sr. has advised us that he intends to follow the recommendations of our Board of Directors in casting his votes and to vote in favor of each of the proposals described in this Proxy Statement.

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE STOCKHOLDERS MEETING TO BE HELD ON MAY 15, 2014 – This Proxy Statement, along with the proxy card, and our Annual Report to Stockholders on Form 10-K for the year ended December 31, 2013 as filed with the Securities and Exchange Commission are available at our website, http://www.readingrdi.com, under "Investor Information."

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VOTING AND PROXIES

Am I eligible to vote?

If you owned shares of Class B Stock on the Record Date, you are eligible to vote, and you should have received a proxy card enclosed with this notice. If you own Class B Stock and did not receive a proxy card, please contact our Corporate Secretary at (213) 235-2240. Your shares of Class B Stock are entitled to one vote per share.

What if I own Class A Nonvoting Common Stock?

If you do not own any class B Stock, then you have received this proxy statement only for your information. You and other holders of our class A nonvoting common stock ("Class A Stock") have no voting rights with respect to the matters to be voted on at the Annual Meeting.

How will my shares be voted if I am a stockholder of record?

If you are a stockholder of record and do not vote via the Internet, by telephone or by returning a signed proxy card, your shares will not be voted unless you attend the Annual Meeting and vote your shares or designate some other person to vote on your behalf by issuance to such person of a valid proxy and such person attends the meeting and votes such shares on your behalf.

If you vote via the Internet or telephone and do not specify contrary voting instructions, your shares will be voted in accordance with the recommendations of our Board of Directors with respect to each of the Proposals. Similarly, if you sign and submit your proxy card with no instructions, your shares will be voted in accordance with the recommendations of our Board of Directors with respect to each of the Proposals.

If I am a beneficial owner of shares, can my brokerage firm vote my shares?

If you are a beneficial owner and do not vote via the Internet, by telephone or by returning a signed voting instruction card to your broker, your shares may be voted only with respect to so-called routine matters where your broker has discretionary voting authority over your shares. Brokers will have no such discretionary authority to vote on any of the Proposals. We encourage you, therefore, to provide instructions to your brokerage firm by returning the voting instruction card provided by that broker.

How do I vote in person?

If you are a stockholder of record, you may vote in person by attending the 2014 Annual Meeting.

If your shares are held in the name of a brokerage firm, bank nominee, or other institution, only it can give a proxy with respect to your shares. Accordingly, if you want to vote in person, you will need to bring that proxy with you to evidence your rights to vote such shares. If you do not have record ownership of your shares and want to vote in person at the Annual Meeting, you must obtain a proxy from the record holder of your shares and bring it with you to the Annual Meeting.

If I plan to attend the Annual Meeting, should I still submit a proxy?

Whether or not you plan to attend the Annual Meeting, we urge you to submit a proxy. Submission of a proxy will not in any way affect your right to attend the Annual Meeting and vote in person.

What if I want to revoke my proxy?

You have the right to revoke your proxy at any time before it is voted on your behalf by:

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RDI-A02140

- submitting to our Corporate Secretary at our address at 6100 Center Drive, Suite 900, Los Angeles, California 90045, prior to the commencement of the Annual Meeting, a duly executed instrument dated subsequent to such proxy revoking the same;
- submitting a duly executed proxy bearing a later date; or
- attending the Annual Meeting and voting in person.

Proxy Solicitation and Expenses

In addition to the solicitation by mail, our employees may solicit proxies in person or by telephone, but no additional compensation will be paid to them for such services. We will bear all the costs of soliciting proxies on behalf of our Board of Directors and will reimburse persons holding shares in their own names or in the names of their nominees, but not owning such shares beneficially, for the expenses of forwarding solicitation materials to the beneficial owners.

Quorum and Vote Required

The presence in person or by proxy of the holders of a majority of our outstanding shares of Class B Stock will constitute a quorum at the Annual Meeting. Each share of our Class B Stock entitles the holder to one vote on all matters to come before the Annual Meeting.

The following voting rights are associated with respect to the Proposals:

- As to Proposal 1 regarding the election of Directors, you may vote "FOR" or "WITHHOLD" with respect to all or any of the nominees.
- As to Proposal 2 regarding the approval, by non-binding vote, of the compensation of our named executive officers as disclosed in this proxy statement, you may vote "FOR," "AGAINST" or "ABSTAIN." If you elect to abstain, it will have the same effect as an "AGAINST" vote.

An automated system administered by our transfer agent will tabulate votes cast by proxy at the Annual Meeting, and the inspector of elections for the Annual Meeting will tabulate votes cast in person at the Annual Meeting.

Is my vote kept confidential?

Proxies, ballots and voting tabulations identifying stockholders are kept confidential and will not be disclosed to third parties except as may be necessary to meet legal requirements.

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RDI-A02141

PROPOSAL 1: ELECTION OF DIRECTORS

Nominees for Election

Nine Directors are to be elected at our Annual Meeting to serve until the annual meeting of stockholders to be held in 2015 or until their successors are elected and qualified. Unless otherwise instructed, the proxy holders will vote the proxies received by us "FOR" the election of the nominees below, all of whom currently serve as Directors. The nine nominees for election to the Board of Directors who receive the greatest number of votes cast for the election of Directors by the shares present and entitled to vote will be elected Directors. If any nominee becomes unavailable for any reason, it is intended that the proxies will be voted for a substitute nominee designated by the Board of Directors. We believe the nominees named will be able to serve if elected.

The names of the nominees for Director, together with certain information regarding them, are as follows:

Name	Age	Position
James J. Cotter, Sr.	76	Chairman of the Board and Chief Executive Officer (1)
James J. Cotter, Jr.	44	Vice Chairman of the Board(2)
Ellen M. Cotter	48	Director
Margaret Cotter	46	Director
Guy W. Adams	63	Director
William D. Gould	75	Director (3)
Edward L. Kane	76	Director (1)(2)(4)(5)
Douglas J. McEachern	62	Director (4)
Tim Storey	56	Director (4)(5)

(1) Member of the Executive Committee.

(2) Member of the Tax Oversight Committee.

(3) Lead Independent Director.

(4) Member of the Audit and Conflicts Committee.

(5) Member of the Compensation Committee.

James J. Cotter, Sr.

James J. Cotter, Sr. has been a Director of our Company since 1991, the Chairman of our Board since 1992, and our Chief Executive Officer since December 27, 2000. Mr. Cotter, Sr. also served as our Chief Executive Officer from August 1, 1999 to October 16, 2000, and as a Director of our Company from 1986 to 1988. Mr. Cotter, Sr. is a 50% owner of Sutton Hill Associates, a general partnership engaged in cinema-related activities primarily with our Company, a 50% member in Shadow View Land and Farming, LLC, a limited liability company in which our Company owns the remaining membership interest, and the sole voting member of Cotter Enterprises LLC (a family-owned private investment vehicle). Mr. Cotter, Sr. is the father of Ellen M. Cotter, James J. Cotter, Jr., and Margaret Cotter. Mr. Cotter also serves as a Director, officer, and/or manager of all of our consolidated subsidiaries, other than Shadow View Land and Farming, LLC, which is managed by our Company under the supervision of the Audit and Conflict Committee.

Mr. Cotter, Sr. is highly qualified to serve on our Board due to his decades of experience as an executive in the film exhibition and real estate industries, as well as experience in diverse ventures and investments. Mr. Cotter, Sr. has also served on several Boards of public and private companies, primarily engaged in banking and real estate activities. Furthermore, as the largest stockholder of the Company, his

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RDI-A02142

interests are generally aligned with those of the other stockholders of the Company, which enhances his value as a Director. In those situations where there may be a conflict of interest, such matters are referred to our Audit and Conflicts Committee comprised entirely of independent Directors.

James J. Cotter, Jr.

James J. Cotter, Jr. has been a Director of the Company since March 21, 2002, and was appointed Vice Chairman of the Board in 2007. The Board of Directors appointed Mr. James J. Cotter, Jr. to serve as the Company's President, beginning June 1, 2013. He had been Chief Executive Officer of Cecelia Packing Corporation (a Cotter family-owned citrus grower, packer, and marketer) since July 2004. Mr. Cotter, Jr. served as a Director to Cecelia Packing Corporation from February 1996 to September 1997 and as a Director of Gish Biomedical from September 1999 to March 2002. He was an attorney in the law firm of Winston & Strawn, specializing in corporate law, from September 1997 to May 2004. Mr. Cotter, Jr. is the son of James J. Cotter, Sr. and the brother of Margaret Cotter and Ellen M. Cotter.

James J. Cotter, Jr. brings to the Board his experience as a business professional and corporate attorney. In addition, with his direct ownership of approximately 671,000 shares of our Company's Class A Common Stock, Mr. Cotter, Jr. is a significant stake holder in our Company. Mr Cotter Jr. also holds options to acquire an additional 22,500 shares of Class A Common Stock.

Ellen M. Cotter

Ellen M. Cotter has been a member of the Board of Directors since March 13, 2013. She joined the Company in March 1998, is a graduate of Smith College and holds a Juris Doctorate from Georgetown Law School. Prior to joining the Company, Ms. Cotter spent four years in private practice as a corporate attorney with the law firm of White & Case in Manhattan. Ms. Cotter is the daughter of James J. Cotter, Sr. and the sister of James J. Cotter, Jr. and Margaret Cotter.

Ms. Cotter brings to the Board her 15 years of experience working in our Company's cinema operations, both in the United States and Australia. For the past 12 years, she has served as the senior operating officer of our Company's domestic cinema operations. She has also served as the Chief Executive Officer of Reading's subsidiary, Consolidated Entertainment, LLC, which operates substantially all of our cinemas in Hawaii and California. With her direct ownership of approximately 674,000 shares of Class A Stock, Ms. Cotter is a significant stake holder in our Company. Ms. Cotter also holds options to acquire an additional 95,000 shares of Class A Common Stock and 50,000 shares of Class B Voting Common Stock.

Ms. Cotter is a senior executive officer of our Company and, accordingly, will not be paid for her services as a Director, but has been granted the 20,000 stock options customarily granted to all new Directors.

Margaret Cotter

Margaret Cotter has been a Director of the Company since September 27, 2002. Ms. Cotter is the owner and President of OBI, LLC, a company that provides live theater management services to our live theaters. Pursuant to that management arrangement, Ms. Cotter also serves as the President of Liberty Theaters, the subsidiary through which we own our live theaters. Ms. Cotter manages the real estate which houses each of the four live theaters (without compensation). Ms. Cotter secures leases, manages tenancies, oversees maintenance and regulatory compliance of the properties as well as heads the day to day pre-development process and transition of our properties from live theatre operations to major realty developments. Ms. Cotter was first commissioned to handle these properties by Sutton Hill Associates which subsequently sold the business to Reading with other real estate and theaters in 2000. Ms. Cotter is also a theatrical producer who has produced shows in Chicago and New York and a Board member of the League of Off-Broadway Theaters and Producers. Ms. Cotter, a former Assistant District Attorney for King's County in Brooklyn, New

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York, graduated from Georgetown University Law Center. She is the daughter of James J. Cotter, Sr. and the sister of James J. Cotter, Jr. and Ellen M. Cotter.

Ms. Cotter brings to the Board her experience as a live theater producer, theater operator and an active member of the New York theatre community, which gives her insight into live theater business trends that affect our business in this sector. Operating and overseeing these properties for over 15 years, Ms. Cotter contributes to the strategic direction for our developments. In addition, with her direct ownership of approximately 655,000 shares of our Company's Class A Common Stock, Ms. Cotter is a significant stake holder in our Company. Ms. Cotter also holds options to acquire an additional 27,500 shares of Class A Common Stock and 35,100 shares of Class B Voting Common Stock.

Guy W. Adams

Guy W. Adams is a Managing Member of GWA Capital Partners, LLC, a registered investment adviser managing GWA Investments, LLC. The fund invests in various publicly traded securities. Over the past ten years, Mr. Adams has served as an independent Director on the Boards of Directors of Lone Star Steakhouse & Saloon, Mercer International, Exar Corporation and Vitesse Semiconductor having served in various capacities as lead Director, Audit Committee Chair and/or Compensation Committee Chair. Prior to this Mr. Adams provided investment advice to various family offices as well as investing his own capital in public and private equity transactions.

Mr. Adams received his Bachelor of Science degree in Petroleum Engineering from Louisiana State University and his Masters of Business Administration from Harvard Graduate School of Business Administration.

Mr. Adams brings many years of experience serving as an independent Director on public company Boards, and in investing and providing financial advice in making investments in public companies.

William D. Gould

William D. Gould has been a Director of the Company since October 15, 2004 and has been a member of the law firm of TroyGould PC since 1986. Previously, he was a partner of the law firm of O'Melveny & Myers. We have from time to time retained TroyGould PC for legal advice.

As an author and lecturer on the subjects of corporate governance and mergers and acquisitions, Mr. Gould brings to the Board specialized experience as a corporate attorney. Mr. Gould's corporate transactional experience and expertise in corporate governance matters ensures that we have a highly qualified advisor on our Board to provide oversight in such matters.

Edward L. Kane

Edward L. Kane has been a Director of the Company since October 15, 2004. Mr. Kane was also a Director of the Company from 1985 to 1998, and served as President from 1987 to 1988. Mr. Kane currently serves as the Chairman of our Tax Oversight Committee and of our Compensation and Stock Option Committee (which we refer to as our Compensation Committee). He also serves as a member of our Executive Committee and our Audit and Conflicts Committee. Since 1996, Mr. Kane's principal occupation has been healthcare consultant and advisor. In that capacity, he has served as President and sole shareholder of High Avenue Consulting, a healthcare consulting firm, and as the head of its successor proprietorship. At various times during the past three decades, he has been Adjunct Professor of Law at two of San Diego's Law Schools, most recently in 2008 and 2009 at Thomas Jefferson School of Law, and prior thereto at California Western School of Law.

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Mr. Kane brings to the Board his many years as a tax attorney and law professor. Mr. Kane's tax law experience has served the Company in its recent tax litigation and his expertise and guidance in such complex matters continue to be invaluable to the Company. Mr. Kane also brings his experience as a past President of Craig Corporation and of Reading Company, two of our corporate predecessors, as well as a former member of the Boards of Directors of several publicly held corporations.

Douglas J. McEachern

Douglas J. McEachern has been a Director of the Company since May 17, 2012 and Chairman of our Audit and Conflicts Committee since August 1, 2012. He has served as a member of the Board of Directors and of the Audit and Compensation Committee for Willdan Group, a NASDAQ listed engineering company, since 2009. Mr. McEachern is also the Chairman of the Board of Directors of Community Bank in Pasadena, California and a member of its Audit Committee. He also is a member of the Finance Committee of the Methodist Hospital of Arcadia. Since July 2009, Mr. McEachern has also served as an instructor of auditing and accountancy at Claremont McKenna College and of accounting at California State Polytechnic University at Pomona. Mr. McEachern was an audit partner from July 1985 to May 2009 with the audit firm, Deloitte and Touche, LLP, with client concentrations in financial institutions and real estate. Mr. McEachern was also a Professional Accounting Fellow with the Federal Home Loan Bank Board in Washington DC, from June 1983 to July 1985. From June 1976 to June 1983, Mr. McEachern was a staff member and subsequently a manager with the audit firm, Touche Ross & Co. (predecessor to Deloitte & Touche, LLP). Mr. McEachern received a B.S. in Business Administration in 1974 from the University of California, Berkeley, and an M.B.A. in 1976 from the University of Southern California.

Mr. McEachern brings to the Board his more than 36 years' experience meeting the accounting and auditing needs of financial institutions and real estate clients, including our Company. Mr. McEachern also brings his experience reporting as an independent auditor to the Boards of Directors of a variety of public reporting companies and as a Board member himself for various companies and not-for-profit organizations.

Tim Storey

Tim Storey has been a Director of the Company since December 28, 2011. Mr. Storey has served as the sole outside Director of the Company's wholly-owned New Zealand subsidiary since 2006. He has served since April 1, 2009 as a Director of DNZ Property Fund Limited, a commercial property investment fund based in New Zealand and listed on the New Zealand Stock Exchange, and was appointed Chairman of the Board of that company on July 1, 2009. From 2011 to 2012, Mr. Storey was a Director of NZ Farming Systems Uruguay, also a New Zealand listed company. NZ Farming Systems Uruguay owns and operates dairy farms in Uruguay. Prior to being elected Chairman of DNZ Property Fund Limited, Mr. Storey was a partner in Bell Gully (one of the largest law firms in New Zealand). Mr. Storey is also a principal in Prolex Advisory, a private company in the business of providing commercial advisory services to a variety of clients and related entities. Prolex Advisory has provided consulting services primarily with respect to fund management and commercial property/project transactions across a range of industries including health care, community housing, student accommodations and agriculture.

Mr. Storey brings to the Board many years of experience in New Zealand corporate law and commercial real estate matters. He serves as a Director of our New Zealand subsidiary.

Attendance at Board and Committee Meetings

During the year ended December 31, 2013, our Board of Directors met five times. The Audit and Conflicts Committee and the Compensation Committee each held six meetings, while the Tax Oversight Committee held five meetings.

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RDI-A02145

Each Director attended at least 75% of these Board Meetings and at least 75% of the meetings of all committees on which he or she served.

Code of Ethics

We have adopted a Code of Ethics applicable to our principal executive officer, principal financial officer, principal accounting officer or controller and Company employees, which is available on our website at www.readingrdi.com.

Indemnity Agreements

We currently have indemnity agreements in place with each of our current Directors and senior officers, as well as certain of the Directors and senior officers of our subsidiaries. Under these agreements, we have agreed, subject to certain exceptions, to indemnify each of these individuals against all expenses, liabilities and losses incurred in connection with any threatened, pending or contemplated action, suit or proceeding, whether civil or criminal, administrative or investigative, to which such individual is a party or is threatened to be made a party, in any manner, based upon, arising from, relating to or by reason of the fact that such individual is, was, shall be or has been a Director, officer employee, agent or fiduciary of the Company.

Compensation of Directors

During 2013, all of our Directors, except those who are working executives, received an annual fee of $35,000 for their services, including attendance at meetings of the Board and Board committees. In addition, each Director received a one-time payment of $3,000. For 2013, the Chairman of our Audit and Conflicts Committee received an additional $7,000, the Chairman of our Compensation Committee received an additional $5,000, and the Chairman of our Tax Oversight Committee received an additional $18,000.

Prior to becoming the Company's President on June 3, 2013, James J. Cotter, Jr. received $59,000 for his services as Director and Vice Chairman of the Board in 2013.

In addition, upon joining the Board, new Directors receive immediately vested options to purchase 20,000 shares of our Class A Stock at an exercise price equal to the market price of the stock at the date of grant. Our Directors are from time to time granted additional stock options as a part of their continuing compensation for their ongoing participation on our Board of Directors. These awards are based upon the recommendations of our Chairman and principal shareholder, James J. Cotter, Sr., which recommendations are reviewed and acted upon by our entire Board of Directors. Typically, in such cases, each sitting Director (other than Mr. Cotter, Sr., who does not participate in such awards) is awa rded the same number of options, and such options are granted on the same terms. Historically, we have granted our officers and Directors replacement options where their options would otherwise expire with exercise prices that were out of the money at the time of such expiration. Such awards have in each case been recommended by Mr. Cotter, Sr. to our Compensation Committee for the committee's consideration.

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Director Compensation Table

The following table summarizes the Director compensation for the year ended December 31, 2013:

Name	Fees Earned or Paid in Cash ($)	Option Awards ($)	All Other Compensation ($)	Total ($)
James J. Cotter, Sr. (1)	$ --	$ --	$ --	$ --
James J. Cotter, Jr. (1)	$ 59,000	$ --	$ --	$ 59,000
Ellen M. Cotter (1)	$ --	$ 35,000 (4)	$ --	$ 35,000
Margaret Cotter (2)	$ 38,000	$ 10,000 (5)	$ --	$ 48,000
Guy W. Adams (3)	$ --	$ --	$ --	$ --
William D. Gould	$ 38,000	$ 10,000 (5)	$ --	$ 48,000
Edward L. Kane	$ 61,000	$ 10,000 (5)	$ --	$ 71,000
Douglas J. McEachern	$ 45,000	$ 10,000 (5)	$ --	$ 55,000
Tim Storey	$ 38,000	$ 10,000 (5)	$ 21,000 (6)	$ 69,000
Alfred Villaseñor (7)	$ 38,000	$ 10,000 (5)	$ --	$ 48,000

(1) Mr. Cotter, Sr. and Ms. Ellen Cotter receive compensation only as executive officers of the Company and not in their capacities as Directors. Prior to becoming the Company's President on June 3, 2013, James J. Cotter, Jr. received $59,000 for his services as Director and Vice Chairman of the Board in 2013.
(2) In addition to her Director's fees, Margaret Cotter receives a combination of fixed and incentive management fees under the OBI Management Agreement described under the caption "Certain Transactions and Related Party Transactions - OBI Management Agreement," below.
(3) Mr. Adams joined the Board on January 14, 2014 and was granted 20,000 options on the same date.
(4) As a new Director, Ellen Cotter was granted 20,000 options on March 7, 2013.
(5) Each of these Directors was granted 5,000 options on June 21, 2013.
(6) This amount represents fees paid to Mr. Storey as the sole independent Director of our Company's wholly-owned New Zealand subsidiary.
(7) Alfred Villaseñor, who has been a Director of the Company since 1987, has decided not to put his name forward for re-election this year. Accordingly, his term will end and he will be retiring from our Board, effective upon election of his successor at our upcoming Annual Meeting.

Board Committees and Corporate Governance

Our Board of Directors has standing Executive, Audit and Conflicts, Compensation, and Tax Oversight Committees. These committees are discussed in greater detail below.

James J. Cotter, Sr. owns beneficially a majority of our Class B Stock and accordingly holds more than 50% of the voting power for the election of Directors of the Company. Therefore, our Board of Directors, has determined that our Company is a "Controlled Company" under section 5615(c)(1) of the listing rules of The NASDAQ Capital Stock Market (the "NASDAQ Rules"). After reviewing the benefits and detriments of taking advantage of the exceptions to the corporate governance rules set forth in section 5605 of the NASDAQ Rules, our Board of Directors in 2009 unanimously determined to take advantage of all of the exceptions from the NASDAQ Rules afforded to our Company as a Controlled Company.

A Controlled Company is not required to have an independent nominating committee or independent nominating process. It was noted by our Directors that the use of an independent nominating committee or independent nominating process would be of limited utility, since any nominee would need to be acceptable to Mr. Cotter, Sr. as our controlling stockholder, in order to be elected. Mr. Cotter, Sr., as the holder of a majority of the voting power of our Company, is able to unilaterally elect candidates to our Board of Directors at our annual meeting or any other meeting where our Directors are to be elected or remove a Director from the

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Board of Directors. Historically, Mr. Cotter, Sr. has identified and recommended nominees to our Board of Directors in consultation with our other incumbent Directors.

Our Board of Directors does not have a formal policy with respect to the consideration of Director candidates recommended by our stockholders. No stockholder has, in more than the past ten years, made any proposal or recommendation to the Board as to potential nominees, nor has Mr. Cotter, Sr. ever proposed, in the time he has been our principal or controlling stockholder, any nominee that our remaining Directors have found to be unacceptable. Neither our governing documents nor applicable Nevada law place any restriction on the nomination of candidates for election to our Board of Directors directly by our stockholders. In light of the facts that (i) we are a Controlled Company under the NASDAQ Rules and exempted from the requirements for an independent nominating process and (ii) our governing documents and Nevada law place no limitation upon the direct nomination of Director candidates by our stockholders, our Board of Directors believes there is no need for a formal policy with respect to Director nominations.

Our Board of Directors will consider nominations from our stockholders, provided written notice is delivered to our Secretary at our principal executive offices not less than 120 days prior to the first anniversary of the immediately preceding annual meeting of our stockholders at which Directors are elected, or such earlier date as may be reasonable in the event that our annual stockholders meeting is moved forward. Such written notice must set forth the name, age, address, and principal occupation or employment of such nominee, the number of shares of our common stock that are beneficially owned by such nominee, and such other information required by the proxy rules of the SEC with respect to a nominee of our Board of Directors.

Our Directors have not adopted any formal criteria with respect to the qualifications required to be a Director or the particular skills that should be represented on our Board of Directors, other than the need to have at least one Director and member of our Audit and Conflicts Committee who qualifies as an "audit committee financial expert," and have not historically retained any third party to identify or evaluate or to assist in identifying or evaluating potential nominees. We have no policy of considering diversity in identifying Director nominees.

Five of the current nominees are long-standing incumbent Directors, and all nine nominees were originally recommended by Mr. Cotter, Sr. No other recommendations were received by us with respect to possible nominees to our Board of Director for consideration at our upcoming Annual Meeting of Stockholders.

James J. Cotter, Sr., serves as our Chief Executive Officer and as Chairman of the Board of Directors. We believe this leadership structure is appropriate because it is more efficient than having these roles divided, and, because the first-hand knowledge of our business operations that our Chairman possesses as Chief Executive Officer, better serves our entire Board in its decision making. In lieu of separating the Chief Executive Officer and Chairman functions, the Board has designated William D. Gould t o serve as our Lead Independent Director, to chair meetings of the independent Directors, and to act as liaison between our Chairman and our independent Directors.

Our Board of Directors oversees risk by remaining well-informed through regular meetings with management and our Chairman's personal involvement in our day-to-day business including any matters requiring specific risk management oversight. Our Vice-Chairman chairs regular senior management meetings, which are typically held weekly, one addressing domestic issues and the other addressing overseas issues. The risk oversight function of our Board of Directors is enhanced by the fact that our Audit and Conflict Committee is comprised entirely of independent Directors.

We encourage, but do not require, our Board members to attend our annual meeting of stockholders. Six of our nine then-incumbent Directors attended last year's annual meeting.

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Executive Committee

A standing Executive Committee, comprised of Mr. Cotter, Sr., Mr. Kane and Mr. Villaseñor, is authorized, to the fullest extent permitted by Nevada law, to take action on matters between meetings of the full Board of Directors. In recent years, this committee has not been used to take any action on corporate matters. With the exception of matters delegated to the Audit and Conflicts Committee or the Compensation Committee, all matters requiring Board approval have been considered by the entire Board of Directors.

Audit and Conflicts Committee

Our Board of Directors maintains a standing Audit and Conflicts Committee, which we refer to as the "Audit Committee." The Audit Committee operates under a Charter adopted by the Board of Directors, and is available on our website at www.readingrdi.com. Our Board of Directors has determined that the Audit Committee is comprised entirely of independent Directors, (as defined in section 5605(a)(2) of the NASDAQ Rules), and that Mr. McEachern, the Chairman of our Audit Committee, is qualified as an Audit Committee Financial Expert. With respect to our fiscal year ended December 31, 2013, our Audit and Conflicts Committee was comprised of Messrs. McEachern, Kane, and Storey.

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Audit Committee Report

The following is the report of the Audit Committee of our Board of Directors with respect to our audited financial statements for the fiscal year ended December 31, 2013.

The information contained in this report shall not be deemed to be "soliciting material" or "filed" with the SEC or subject to the liabilities of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), except to the extent that we specifically incorporate it by reference into a document filed under the Securities Act of 1933, as amended, or the Exchange Act.

The purpose of the Audit Committee is to assist the Board in its general oversight of our financial reporting, internal controls and audit functions. The Audit Committee operates under a written Charter adopted by our Board of Directors. The Charter is reviewed periodically and subject to change, as appropriate. The Audit Committee Charter describes in greater detail the full responsibilities of the Audit Committee.

In this context, the Audit Committee has reviewed and discussed the Company's audited financial statements with management and Grant Thornton, LLP, our independent auditors. Management is responsible for: the preparation, presentation and integrity of our financial statements; accounting and financial reporting principles; establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rule 13a-15(e)); establishing and maintaining internal control over financial reporting (as defined in Exchange Act Rule 13a-15(f)); evaluating the effectiveness of disclosure controls and procedures; evaluating the effectiveness of internal control over financial reporting; and evaluating any change in internal control over financial reporting that has materially affected, or is reasonably likely to materially affect, internal control over financial reporting. Grant Thornton, LLP is responsible for performing an independent audit of the consolidated financial statements and expressing an opinion on the conformity of those financial statements with accounting principles generally accepted in the United States of America, as well as an opinion on (i) management's assessment of the effectiveness of internal control over financial reporting and (ii) the effectiveness of internal control over financial reporting.

The Audit Committee has discussed with Grant Thornton, LLP the matters required to be discussed by Auditing Standard No. 16, "Communications with Audit Committees" and PCAOB Auditing Standard No. 2, "An Audit of Internal Control Over Financial Reporting Performed in Conjunction with an Audit of Financial Statements." In addition, Grant Thornton, LLP has provided the Audit Committee with the written disclosures and the letter required by the Independence Standards Board Standard No. 1, as amended, "Independence Discussions with Audit Committees," and the Audit Committee has discussed with Grant Thornton, LLP their firm's independence.

Based on their review of the consolidated financial statements and discussions with and representations from management and Grant Thornton, LLP referred to above, the Audit Committee recommended to our Board of Directors that the audited financial statements be included in our Annual Report on Form 10-K for fiscal year 2013 for filing with the SEC.

It is not the duty of the Audit Committee to plan or conduct audits or to determine that the Company's financial statements are complete and accurate and in accordance with accounting principles generally accepted in the United States. That is the responsibility of management and the Company's independent registered public accounting firm. In giving its recommendation to the Board of Directors, the Audit Committee relied on (1) management's representation that such financial statements have been prepared with integrity and objectivity and in conformity with accounting principles generally accepted in the United States and (2) the report of the Company's independent registered public accounting firm with respect to such financial statements.

Respectfully submitted by the Audit Committee.

Douglas J. McEachern, Chairman
Edward L. Kane
Tim Storey

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Compensation Committee

Our Board of Directors has a standing Compensation Committee comprised entirely of independent Directors. The current members of this committee are Alfred Villaseñor, Tim Storey and Edward L. Kane, who serves as Chairman.

The Compensation Committee evaluates and makes recommendations to the full Board of Directors regarding the compensation of our Chief Executive Officer, James J. Cotter, Sr. and of any Cotter family member, provides from time to time advice to James J. Cotter, Sr. regarding the compensation of other executives, as requested by Mr. Cotter, Sr., and performs other compensation related functions as delegated. The Compensation Committee Report is shown below under the heading, "Compensation Committee Report."

Tax Oversight Committee

Given our operations in the United States, Australia, and New Zealand and our historic net operating loss carry forwards, our Board formed a Tax Oversight Committee to review with management and to keep the Board abreast of and informed about the Company's tax planning and such tax issues as may emerge from time to time. This committee is comprised of Messrs. Edward L. Kane and James J. Cotter, Jr. Mr. Kane serves as the Chairman of the committee.

Vote Required

The nine nominees receiving the greatest number of votes cast at the Annual Meeting will be elected to the Board of Directors.

Mr. Cotter, Sr. has advised us that he intends to vote his shares of Class B Stock in favor of each of our nominees. Since Mr. Cotter, Sr. owned a majority of the outstanding shares of Class B Stock on the Record Date, if he votes all of his shares as he has advised, each of the nominees will be elected regardless of the vote of our other stockholders.

Recommendation of the Board

THE BOARD RECOMMENDS A VOTE "FOR" EACH OF THE DIRECTOR NOMINEES.

PROPOSAL 2: ADVISORY VOTE ON EXECUTIVE COMPENSATION

The Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (the "Dodd-Frank Act") mandates that our stockholders vote whether to approve, on an advisory or non-binding basis, the compensation of our "named executive officers" as disclosed in this proxy statement. Currently, our named executive officers are Messrs. James J. Cotter, Sr., Ellen M. Cotter, Andrzej Matyczynski, Robert F. Smerling, and Wayne D. Smith. A description of the compensation paid to these individuals is set out below under the heading, "Executive Compensation."

This vote is advisory in nature and therefore not binding on us, our Compensation Committee, or our Board of Directors. Furthermore, this vote is not intended to address any specific item of compensation, but rather the overall compensation of these executive officers and our general compensation policies and practices.

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Vote Required

The affirmative vote of a majority of the shares of our Class B Stock present in person or represented by proxy and entitled to be voted on the proposal at the Annual Meeting is required for advisory approval of this proposal.

Mr. Cotter has indicated that he intends to vote his approximately 70% of the outstanding shares of our Class B Stock in accordance with the Board of Directors' recommendation and "for" such approval, and if he does, Proposal 2 will be approved.

Recommendation of the Board

OUR BOARD RECOMMENDS A VOTE "FOR" THE APPROVAL OF THE COMPENSATION OF OUR NAMED EXECUTIVE OFFICERS AS DISCLOSED IN THIS PROXY STATEMENT PURSUANT TO THE COMPENSATION DISCLOSURE RULES OF THE SEC.

BENEFICIAL OWNERSHIP OF SECURITIES

The following table sets forth the shares of Class A Stock and Class B Stock beneficially owned on the Record Date by:

- each of our incumbent Directors and Director nominees;
- each of our named executive officers set forth in the Summary Compensation Table of this Proxy Statement;
- each person known to us to be the beneficial owner of more than 5% of our Class B Stock; and
- all of our incumbent Directors and executive officers as a group.

Except as noted, we believe that each beneficial owner has sole voting power and sole investment power with respect to the shares shown.

	Amount and Nature of Beneficial Ownership (1)			
	Class A Stock		Class B Stock	
Name and Address of Beneficial Owner	Number of Shares	Percentage of Stock	Number of Shares	Percentage of Stock
James J. Cotter, Sr. (2)	3,024,097	13.7%	1,123,888	70.4%
James J. Cotter, Jr. (3)	718,232	3.3%	--	--
Ellen M. Cotter (4)	768,766	3.5%	50,000	3.2%
Margaret Cotter (5)	682,870	3.1%	35,100	2.3%
Guy Adams (6)	20,000	*	--	--
William D. Gould (7)	84,840	*	--	--
Edward L. Kane (7)	65,000	*	100	*
Douglas J. McEachern (8)	29,000	*	--	--
Tim Storey (8)	25,000	*	--	--
Alfred Villaseñor (9)	34,300	*	--	--
Andrzej Matyczynski (10)	73,244	*	--	--
Robert F. Smerling (11)	43,750	*	--	--
Wayne Smith	--	--	--	--

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Mark Cuban (12) 5424 Deloache Avenue Dallas, Texas 75220	72,164	*	207,611	13.9%
PICO Holdings, Inc. and PICO Deferred Holdings, LLC (13) 875 Prospect Street, Suite 301 La Jolla, California 92037	N/A	N/A	97,500	6.5%
All Directors and Executive Officers as a Group (12 persons)(14)	5,534,799	24.7%	1,209,088	71.9%

(1) Percentage ownership is determined based on 22,015,738 shares of Class A Stock and 1,495,490 shares of Class B Stock outstanding on the Record Date. Beneficial ownership is determined in accordance with SEC rules. Shares subject to options that are presently exercisable, or exercisable within 60 days of the Record Date, which are indicated by footnote, are deemed to be beneficially owned by the person holding the options and are deemed to be outstanding in computing the percentage ownership of that person, but not in computing the percentage ownership of any other person. An asterisk (*) denotes beneficial ownership of less than 1%.

(2) The Class B Stock shown includes 100,000 shares subject to stock options and 1,023,888 shares owned by the James J. Cotter Living Trust, of which Mr. Cotter, Sr. is the sole trustee. The shares of Class A Stock shown include 1,602,226 shares owned by the James J. Cotter Living Trust, 29,730 shares held in a pension fund in Mr. Cotter, Sr.'s name, 1,000,000 shares held by Cotter Enterprises, LLC, of which Mr. Cotter, Sr. is the sole voting member, 289,390 shares held by a trust for Mr. Cotter, Sr.'s grandchildren, of which Mr. Cotter, Sr. is the trustee, and 102,751 held by the James J. Cotter Foundation, of which Mr. Cotter, Sr. is the trustee. Mr. Cotter, Sr. has no pecuniary interest in the shares held by his grandchildren's trust or the James J. Cotter Foundation. Mr. Cotter, Sr.'s pecuniary interest in the shares held by Cotter Enterprises, LLC is limited to 10,000 of the shares held by Cotter Enterprises, LLC, representing his 1% interest in that entity. The Cotter 2005 Children's Trust U/D/T dated December 31, 2005 (the "Cotter Children's Trust") holds a 99% non-voting interest in Cotter Enterprises, LLC.

(3) The Class A Stock shown includes 22,500 shares subject to stock options, and excludes any indirect interest in the shares held by Cotter Enterprises, LLC. It also includes 25,000 shares subject to stock options exercisable on June 3, 2014.

(4) The Class A Stock shown includes 95,000 shares subject to stock options, and excludes any indirect interest in the shares held by Cotter Enterprises, LLC. The Class B Stock shown consists of shares subject to stock options.

(5) The Class A Stock shown includes 2 7,500 shares subject to stock options, and excludes any indirect interest in the shares held by Cotter Enterprises, LLC. The Class B Stock shown consists of shares subject to stock options.

(6) Includes 20,000 shares subject to stock options.

(7) Includes 47,500 shares subject to stock options.

(8) Includes 25,000 shares subject to stock options.

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(9) Includes 22,500 shares subject to stock options.

(10) Includes 47,600 shares subject to stock options.

(11) Includes 43,750 shares subject to stock options.

(12) Based on Mr. Cuban's Form 4 filed on July 18, 2011 and Schedule 13-G filed on February 14, 2012.

(13) Based on the PICO Holdings, Inc. and PICO Deferred Holdings, LLC Schedule 13-G filed on February 15, 2011.

(14) The Class A Stock shown includes 423,850 shares subject to stock options and the Class B Stock shown includes 185,100 shares subject to stock options.

SECTION 16(A) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Exchange Act requires our officers and Directors and persons who own more than 10% of either class of our common stock to file reports of ownership and changes in ownership with the Securities and Exchange Commission. The SEC rules also require such reporting persons to furnish us with a copy of all Section 16(a) forms they file.

Based solely on a review of the copies of the forms we have received and on written representations from certain reporting persons, during 2013, it appears that certain Section 16(a) filings were not timely made. Mr. James J. Cotter, Sr. filed four late reports on Form 4 covering five transactions. M. James J. Cotter, Jr. filed one late report on From 4 and one late report on Form 5 covering two transactions. Ellen M. Cotter filed two late reports on Form 4, pertaining to five transactions. Ms. Margaret Cotter filed one late filing on Form 4 and one late filing on Form 5 pertaining to two transactions. Messrs. William Gould, Edward L. Kane, Douglas J. McEachern and Alfred Villasenor each filed one late Form 4 relating to the grant of Director stock option to them on June 21, 2013. Mr. Andrzej J. Matyczynski made three late filings on form 4 relating to three transactions. Mr. Wayne Smith filed one late filing on from 4, relating to a single transaction. Generally speaking, these late filing related to the granting or exercise of stock options or stock grants or, in the case of the members of the Cotter family, transfers between affiliates of such Cotter Family Members and did not involve open market transactions.

EXECUTIVE OFFICERS

The following table sets forth information regarding our executive officers other than James J. Cotter, Sr., James J. Cotter, Jr., and Ellen M. Cotter, whose information is set forth above under "Proposal 1: Election of Directors – Nominees for Election."

Name	Age	Title
Andrzej Matyczynski	61	Chief Financial Officer and Treasurer
Robert F. Smerling	79	President - Domestic Cinemas
Wayne Smith	56	Managing Director – Australia and New Zealand

Andrzej Matyczynski has served as our Chief Financial Officer and Treasurer of our Company since November 1999. Prior to joining our Company, he spent 20 years in various senior roles throughout the world at Beckman Coulter Inc., a U.S. based multi-national. Mr. Matyczynski earned a Masters Degree in Business Administration from the University of Southern California.

Robert F. Smerling has served as President of our domestic cinema operations since 1994. Mr. Smerling has been in the cinema industry for 56 years and, immediately before joining our Company, served as the President of Loews Theatres Management Corporation.

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Wayne D. Smith joined the Company in April 2004 after 23 years with Hoyts Cinemas. During his time with Hoyts, he was a key driver, as Head of Property, in growing the company's Australian and New Zealand operations via an AUD$250 million expansion to more than 50 sites and 400 screens. While at Hoyts, his career included heading up the group's car parking company, cinema operations, representing Hoyts as a Director on various joint venture interests, and coordinating many asset acquisitions and disposals the company made.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

Role and Authority of the Compensation Committee

The Board of Directors of our Company has established a standing Compensation Committee, which we refer to in this section as the "Committee," consisting of two or more of our non-employee Directors. As a Controlled Company, we are exempt from the NASDAQ Rules regarding the determination of executive compensation. The Compensation Committee has no formal charter, and acts pursuant to the general authority delegated to the Committee by our Board of Directors.

The Compensation Committee recommends to the full Board of Directors the compensation of our Chief Executive Officer and of any Cotter family members. Our Board of Directors, with Directors James J. Cotter, Sr., Ellen M. Cotter, Margaret Cotter, and James J. Cotter, Jr. abstaining, typically accepts the recommendation of the Compensation Committee without modification, but reserves the right to modify the recommendations or take other action. James J. Cotter, Sr., as our Chairman and Chief Executive Officer, has been delegated responsibility by our Board to determine the compensation of our executive officers other than Cotter family members. In his discretion, however, Mr. Cotter, Sr., may seek the advice of the Compensation Committee on matters related to the compensation of other named executive officers. The Board of Directors exercises oversight of Mr. Cotter, Sr.'s executive compensation decisions as a part of his performance as our Company's Chief Executive Officer, and from time to time performs other compensation-related functions.

Throughout this proxy section, the individuals named in the Summary Compensation Table, below, are referred to as the "named executive officers."

CEO Compensation

The Compensation Committee recommends to the Board of Directors the annual compensation of our Chief Executive Officer, based primarily upon the Compensation Committee's annual review of peer group practices and the advice of an independent third-party compensation consultant who reports directly to the Compensation Committee. Consistent with the above program, the Compensation Committee utilizes three elements -- a base salary cash component, a discretionary annual cash bonus component, and a fixed stock grant component -- with respect to our Chief Executive Officer's compensation. The objective of each element is to reasonably reward Mr. Cotter, Sr. for his performance and leadership.

In 2012, the Compensation Committee engaged Towers Watson, executive compensation consultants, to analyze our Chief Executive Officer's total direct compensation compared to a peer group of companies. In preparing the analyses, Towers Watson, in consultation with our management, including Mr. James J. Cotter, Sr., identified a peer group of companies in the real estate and cinema exhibition industries, our two business segments, based on market value, industry, and business description. The Committee relied upon the Towers Watson 2012 analysis in determining our Chief Executive Officer's compensation for 2013.

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In 2007, our Board of Directors approved a supplemental executive retirement plan ("SERP) pursuant to which we agreed to provide Mr. Cotter, Sr., supplemental retirement benefits to reward him for his more than 25 years of service to our Company and its predecessors. The SERP is described in greater detail below under the caption "Supplemental Executive Retirement Plan." As this plan was adopted as a reward for past services and as the amounts to be paid under that plan are determined by application of an already agreed to formula, the Compensation Committee does not take into account the benefits under that plan in determining Mr. Cotter, Sr.'s annual compensation. The amounts reflected in the Executive Compensation Table under the heading "Change in Pension Value and Nonqualified Deferred Compensation Earnings" reflect an actuarial analysis of any increase in the present value of the SERP benefit and reflects the actuarial impact of the payment of Mr. Cotter, Sr.'s cash compensation and changes in interest rates. Since the plan is unfunded, this amount does not reflect any actual payment by our Company into the plan or the value of any assets in the plan (of which there are none). The benefits to Mr. Cotter, Sr. under the plan are tied only to the cash portion of his compensation, and not to compensation in the form of stock options or stock grants.

2013 CEO Compensation

For purposes of establishing our Chief Executive Officer's 2013 Compensation, Towers Watson in December 2012 provided the Committee an updated written assessment of Mr. Cotter Sr.'s total direct compensation compared to the following peer group of companies:

Acadia Realty Trust
Amalgamated Holdings Ltd.
Associated Estates Realty Corp.
Bluegreen Corp.
Carmike Cinemas Inc.
Cedar Shopping Centers Inc.
Cinemark Holdings Inc.
Entertainment Properties Trust
Glimcher Realty Trust
IMAX Corporation
Inland Real Estate Corp.
Kite Realty Group Trust
LTC Properties Inc.
Pennsylvania Real Estate Investment Trust
Ramco-Gershenson Properties Trust
Regal Entertainment Group
The Marcus Corporation
Urstadt Biddle Properties Inc.
Village Roadshow Ltd.

The 2012 Towers Watson analysis predicted pay levels of the peer group for 2013 using regression analysis to adjust pay data based on estimated annual revenues of $250 million. Towers Watson considers pay levels to be competitive if they are within 15% (plus or minus) of the levels among the peer companies. According to Towers Watson's assessment, Mr. Cotter Sr.'s overall compensation was in line with the 66th percentile among the peer companies. The Compensation Committee, however, does not target Mr. Cotter Sr.'s compensation to any particular percentile of compensation among the peer companies.

The Company paid Towers Watson a fee of $24,000 for its services in preparing the 2012 analysis.

Based on the above 2012 Towers Watson analysis, on January 15, 2013, the Compensation Committee recommended to the Board, and the Board subsequently accepted, the following compensation program for our Chief Executive Officer for 2013.

Salary: *$750,000*

The Compensation Committee determined to increase Mr. Cotter, Sr.'s 2013 annual base salary from $700,000 in 2012 to $750,000, or approximately 7%. According to Tower Watson's advice, most of the peer group companies were considering increases in the range of 3%. In deciding to recommend an increase in Mr. Cotter, Sr.'s annual base salary, the Compensation Committee decided to maintain Mr. Cotter Sr.'s overall total compensation increase from 2012 to within the 3% range, but make the adjustment fully on the base salary. The Compensation Committee also considered the fact that the increase would necessarily result in an increase in Mr. Cotter, Sr.'s SERP, but this did not affect the Compensation Committee's recommendation,

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since the SERP is fully vested and, except for changes in benefits resulting from changes in Mr. Cotter, Sr.'s annual cash compensation, Mr. Cotter, Sr. is no longer accruing additional benefits under the SERP.

Discretionary Cash Bonus: *Up to $500,000.*

The Compensation Committee determined to maintain the upper range of Mr. Cotter, Sr.'s usual discretionary cash bonus for 2013 at the 2012 level. No benchmarks, formulas or quantitative or qualitative measurements of any kind were specified for use in determining the amount of cash bonus to be awarded within this range. In its annual compensation review, the Compensation Committee recommends to the Board the actual amount of the cash bonus, within such range, at its discretion and based solely on its subjective evaluation of our Chief Executive Officer's performance. As it typically has done in the past, in December 2013 the Compensation Committee recommended that the full amount of the discretionary cash bonus be awarded to Mr. Cotter, Sr. for 2013. The Compensation Committee reserved the right to increase the $500,000 upper range of discretionary cash bonus amount based upon parameters discussed with Mr. Cotter, Sr.

At its January 15, 2013 meeting, the Compensation Committee also determined to recommend to the Board of Directors an additional 2013 cash bonus to Mr. Cotter, Sr. of up to $500,000 based on the achievement of specified criteria relating to the progress of the Company's proposed Cinemas and Union Square developments in New York City.

In subsequent informal discussions among the Compensation Committee members later in 2013, they discussed the progress of the Company's development, which had been delayed temporarily by subway and landmarking issues, as well as the continued importance to the Company of the proposed development and estimated appreciation in the value of the proposed development. The Compensation Committee members also considered the diversion of Mr. Cotter, Sr.'s time and attention by other business of the Company, including the successful sale of the Company's Moonee Ponds Property for AUS$23 million, which the Compensation Committee had not considered in recommending the additional $500,000 bonus for 2013.

As a result of the above, at a meeting of the Board of Directors on January 14, 2014, the Chairman of the Compensation Committee summarized the discussions among the Compensation Committee members and reported that there was a consensus among the members that Mr. Cotter, Sr. should be awarded the full additional $500,000 bonus for 2013 despite the Company's failure to meet certain criteria originally established by the Compensation Committee in January 2013 as the basis for the payment of the additional $500,000 bonus for 2013. Based on the Compensation Committee's report and recommendations, the Board of Directors, with Mr. Cotter, Sr. and Mr. Cotter, Jr. and Ellen Cotter abstaining, approved the payment to Mr. Cotter, Sr., of the full $500,000 additional bonus for 2013.

Stock Bonus: *$750,000 (125,209 shares of Class A Stock).*

In its meeting on January 15, 2013, the Compensation Committee determined that, so long as Mr. Cotter, Sr.'s employment with the Company was not terminated prior to December 31, 2013 other than as a result of his death or disability, he was to receive 125,209 shares of our Company's Class A Stock: the number of shares of Class A nonvoting common stock equal to $750,000 divided by the closing price of the stock on January 15, 2013, the date the Committee approved the stock bonus. These shares were issued on April 8, 2014.

None of our executive officers plays a role in determining the compensation of our Chief Executive Officer. When invited by the Compensation Committee, Mr. Cotter, Sr. attends meetings of the Compensation Committee. In 2013, he attended one such meeting. Before recommending any changes to our Chief Executive Officer's compensation, the Compensation Committee typically discusses the proposed changes with Mr. Cotter, Sr. and Andrzej Matyczynski, our Chief Financial Officer, occasionally attends Compensation Committee meetings as he did in 2013 to provide information as requested by the Committee.

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2014 CEO Compensation

For purposes of establishing our Chief Executive Officer's 2014 compensation, the Company engaged Towers Watson to generate an updated report, which the Company received on February 26, 2014.

The Company paid Towers Watson $7,455 for the updated report.

The Towers Watson analysis focused on the competitiveness of Mr. Cotter, Sr.'s annual base salary, total cash compensation and total direct compensation (i.e., total cash compensation plus expected value of long-term compensation) relative to, with one exception, the same peer group of 19 United States and Australian companies and published compensation survey data, and to the Company's compensation philosophy. The excepted former peer group company was Bluegreen Corp., which was acquired in 2013.

Towers Watson again predicted pay levels by using regression analysis to adjust compensation data based on estimated annual revenues of $260 million (i.e., the Company's approximate annual revenues) for all companies, excluding financial services companies. The published survey data was updated to January 1, 2014 using an annual update factor of 3%, which reflects the projected 2013 salary budget increase for the arts, entertainment and recreation industry. As in its prior reports to the Company, Towers Watson did not evaluate Mr. Cotter, Sr.'s SERP, because the SERP is fully vested and accrues no additional benefits except as Mr. Cotter, Sr.'s annual cash compensation changes.

The Towers Watson analysis indicated that Mr. Cotter, Sr.'s total direct compensation for 2013, including the $500,000 additional cash bonus to Mr. Cotter, Sr., was in line with the 66th percentile of the peer group.

The Towers Watson analysis indicated that the peer group data, with the exception of annual base salary, is above Mr. Cotter, Sr.'s annual base salary as it was in 2012 even after the 7% increase in Mr. Cotter, Sr.'s salary implemented in 2013. The peer group is partially comprised of companies that are larger than Reading and the 66th percentile level tend to reflect the larger peers. However, Towers Watson analysis also indicated that the size of the Company's peers does not materially affect the pay levels at the peer companies. The published survey data of companies of comparable size reviewed by Towers Watson is below the Company's pay levels.

Towers Watson combined the data from the peer group and the published survey data to compile "blended" market data. As compared to the blended market data, Mr. Cotter, Sr.'s cash compensation is in line with the 66th percentile while the total direct compensation, which includes the expected value of long-term incentive compensation, would have been below the 66th percentile, without the additional $500,000 cash bonus paid to Mr. Cotter, Sr. for 2013.

Because our Company is comparable to the smaller companies in the peer group, Towers Watson reviewed whether the size of the proxy peer group of companies had a meaningful impact on reported CEO pay levels, and concluded that there is a weak correlation between company size and CEO compensation. It concluded, therefore, that it is not necessary to separately adjust the peer group data based on the size of our Company, since the peer group was selected based on the acceptable revenue range. The Compensation Committee met on February 27, 2014 to consider the Towers Watson analysis. At the meeting, the Compensation Committee determined to recommend to our Board of Directors the following compensation for our Chief Executive Officer for 2014. The Board met on March 13, 2014 and accepted this recommendation without change.

Salary: *$750,000*

The Compensation Committee recommended maintaining Mr. Cotter, Sr.'s 2014 annual base salary at $750,000, its 2013 level.

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Discretionary Cash Bonus: *Up to $750,000.*

The Compensation Committee determined to increase the upper range of Mr. Cotter, Sr.'s usual discretionary cash bonus for 2014 from the 2013 level of $500,000 to $750,000. The bonus is subject to Mr. Cotter, Sr. being employed by our Company at year-end, unless his employment is terminated earlier due to his death or disability. No other benchmarks, formulas or quantitative or qualitative measurements were specified for use in determining the amount of cash bonus to be awarded within this range. As in the past, the Compensation Committee reserves the right to increase the upper range of discretionary cash bonus amount based upon exceptional results of the Company or Mr. Cotter, Sr.'s exceptional performance as determined in the Compensation Committee's discretion

Stock Bonus: *$1,200,000 (160,643 shares of Class A Stock).*

In its meeting on February 27, 2014, the Compensation Committee determined that, so long as Mr. Cotter, Sr.'s employment with the Company is not terminated prior to December 31, 2014 other than as a result of his death or disability, he is to receive 160,643 shares of our Company's Class A Stock; the number of shares of Class A nonvoting common stock equal to $1,200,000 divided by the closing price of the stock on February 27, 2104, the date the Committee approved the stock bonus.

Compensation of Other Named Executive Officers

Mr. Cotter Sr., our Chairman and Chief Executive Officer, sets the compensation of our executive officers other than himself and the members of his family. Mr. Cotter, Sr.'s decisions are not subject to approval by the Compensation Committee or the Board of Directors, but our Compensation Committee and our Board consider Mr. Cotter, Sr.'s decisions with respect to Executive Compensation in evaluating his performance as our Chief Executive Officer. Mr. Cotter, Sr. has informed the Company that he does not use any formula, benchmark or other quantitative measure to establish or award any component of executive compensation, nor does he consult with compensation consultants on the matter. Mr. Cotter, Sr. has advised the Company that he considers the following guidelines in setting the type and amount of executive compensation:

1. Executive compensation should primarily be used to:

   - attract and retain talented executives;
   - reward executives appropriately for their individual efforts and job performance; and
   - afford executives appropriate incentives to achieve the short-term and long-term business objectives established by management and our Board of Directors.

2. In support of the foregoing, the total compensation paid to our named executive officers should be:

   - fair both to our Company and to the named executive officers;
   - reasonable in nature and amount; and
   - competitive with market compensation rates.

Personal and Company performances are just two factors considered by Mr. Cotter, Sr. in establishing base salaries and awarding discretionary compensation. We have no pre-established policy or target for allocating total executive compensation between base and discretionary or incentive compensation, or between cash and stock-based incentive compensation. Historically, including in 2013, a majority of total compensation to our named executive officers was in the form of annual base salaries and discretionary cash bonuses, although stock bonuses have been granted from time to time under special circumstances. These elements are discussed further below.

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Salary: Annual base salary is intended to compensate named executive officers for services rendered during the fiscal year in the ordinary course of performing their job responsibilities. Factors that may be considered by Mr. Cotter, Sr. in setting the base salaries include (i) the negotiated terms of each executive's employment agreement or the original terms of employment; (ii) the individual's position and level of responsibility with our Company; (iii) periodic review of the executive's compensation, both individually and relative to other named executive officers and (iv) a subjective evaluation of individual job performance of the executive.

Cash Bonus: Cash bonuses may supplement the base salaries of our named executive officers and are entirely discretionary on the part of Mr. Cotter, Sr. Factors that may be considered by Mr. Cotter, Sr. in awarding cash bonuses are (i) the level of the executive's responsibilities; (ii) the efficiency and effectiveness with which he or she oversees the matters under his or her supervision; and (iii) the degree to which the officer has contributed to the accomplishment of major tasks that advance the Company's goals.

Stock Bonus: Equity incentive bonuses may be awarded to align our executives' long-term compensation to appreciation in stockholder value over time and, so long as such grants are within the parameters set by our 2010 Stock Incentive Plan, are entirely discretionary on the part of Mr. Cotter, Sr. Other stock grants are subject to Board Approval. Equity awards may include stock options, restricted stock, bonus stock, or stock appreciation rights.

If awarded, it is generally our policy to value stock options and restricted stock at the closing price of our common stock as reported on the NASDAQ Capital Market on the date the award is approved or on the date of hire, if the stock is granted as a recruitment incentive. When stock is granted as bonus compensation for a particular transaction, the award may be based on the market price on a date calculated from the closing date of the relevant transaction. Awards may also be subject to vesting and limitations on voting or other rights.

Andrzej Matyczynski, our Chief Financial Officer, has a written employment agreement with our Company that provides for a specified annual base salary and other compensation as described elsewhere in this proxy statement.

Other than Mr. Cotter, Sr.'s role in setting compensation, none of our executive officers play a role in determining the compensation of our named executive officers.

Key Person Insurance

Our Company maintains key person life insurance on certain individuals who we believe to be key to our management. These individuals include certain of our current officers, Directors and independent contractors. If such individual ceases to be an employee, Director or independent contractor of our Company, as the case may be, he or she is permitted, by assuming responsibility for all future premium payments, to replace our Company as the beneficiary under such policy. These policies allow each such individual to purchase up to an equal amount of insurance for such individual's own benefit. In the case of our employees, the premium for both the insurance as to which our Company is the beneficiary and the insurance as to which our employee is the beneficiary, is paid by our Company. In the case of named executive officers the premium paid by our Company for the benefit of such individual is reflected in the Compensation Table in the column captioned "All Other Compensation."

Retirement Benefits

We provide all of our employees, including Mr. Cotter, Sr. and our other named executive officers, a retirement savings plan qualified under Internal Revenue Code section 401(k). To be eligible to participate, employees must have completed four months of employment, and must be over 21 years of age. Employees choosing to participate can make contributions to their plan account on a pre-tax basis up to the maximum

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annual amount permitted by IRS rulings. The Company usually matches employee contributions dollar-for-dollar up to 3% of employee wages, then 50 cents per dollar between 3% and 5% of employee wages.

Supplemental Executive Retirement Plan

In March 2007, our Board of Directors approved a Supplemental Executive Retirement Plan ("SERP") pursuant to which we agreed to provide Mr. Cotter, Sr. supplemental retirement benefits to reward him for his more than 25 years of service to our Company and its predecessors. Under the SERP, following his separation from our Company, Mr. Cotter, Sr. will be entitled to receive from our Company for the remainder of his life (with a guaranteed minimum of 180 monthly payments) a monthly payment of the greater of (i) 40% of his average monthly base salary and cash bonuses over the highest consecutive 36-month period of earnings prior to Mr. Cotter, Sr.'s separation from service with us or (ii) $25,000. The beneficiaries under the SERP may be designated by Mr. Cotter, Sr. or by his beneficiary following his death. The benefits under the SERP are fully vested.

The SERP is unfunded and, as such, the SERP benefits are unsecured, general obligations of our Company. We may choose in the future to establish one or more grantor trusts from which to pay the SERP benefits. The SERP is administered by the Compensation Committee.

Other Retirement Plans

John Hunter, our former Chief Operating Officer, left the company in June 2013, and in accordance with the provisions of his employment agreement, the Company paid the vested pension benefit of $400,000 on February 3, 2014, without interest.

During 2012, Mr. Matyczynski was granted an unfunded deferred compensation plan ("DCP") that is partially vested and will vest further, assuming he remains in our continuous employ. If Mr. Matyczynski is terminated for cause, then the total vested amount reduces to zero. The incremental amount vested each year is subject to review and approval by our Board of Directors (with the concurrence of our Chairman). Assuming no changes in the incremental vesting amount by our Board of Directors, Mr. Matyczynski's DCP will vest as follows:

December 31	Total Vested Amount at the End of Each Vesting Year
2013	$ 300,000
2014	$ 375,000
2015	$ 450,000
2016	$ 525,000
2017	$ 625,000
2018	$ 750,000
2019	$ 1,000,000

Payment of the vested benefit is to be made in three equal annual payments, starting six months after he ceases to be employed by our Company.

We currently maintain no other retirement plan for our named executive officers.

Tax and Accounting Considerations

Deductibility of Executive Compensation

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Subject to an exception for "performance-based compensation," Section 162(m) of the Internal Revenue Code generally prohibits publicly held corporations from deducting for federal income tax purposes annual compensation paid to any senior executive officer to the extent that such annual compensation exceeds $1.0 million. The Compensation Committee and our Board of Directors consider the limits on deductibility under Section 162(m) in establishing executive compensation, but retain the discretion to authorize the payment of compensation that exceeds the limit on deductibility under this Section as in the case of Mr. Cotter, Sr.

Nonqualified Deferred Compensation

We believe we are operating, where applicable, in compliance with the tax rules applicable to nonqualified deferred compensation arrangements.

Accounting for Stock-Based Compensation

Beginning on January 1, 2006, we began accounting for stock-based payments in accordance with the requirements of Statement of Accounting Standards No. 123(R). Our decision to award restricted stock to Mr. Cotter, Sr. and other named executive officers from time to time was based in part upon the change in accounting treatment for stock options. Accounting treatment otherwise has had no significant effect on our compensation decisions.

Say on Pay and Say When Pay

At our Company's Annual Meeting of Stockholders held on May 19, 2011, we held an advisory vote on executive compensation and an advisory vote on the frequency of future executive compensation advisory votes. Our stockholders voted in favor of our Company's executive compensation and in favor of providing stockholders with an advisory vote on future executive compensation every three years. In light of the voting results and other factors, the Board determined to provide stockholders with an advisory vote on future executive compensation every three years. The Committee reviewed the results of the advisory vote on executive compensation in 2012 and did not make any changes to our compensation based on the results of the vote. The Committee will review the results of the upcoming advisory vote on executive compensation and decide whether any changes should be made going forward.

Compensation Committee Report

The Compensation Committee has reviewed and discussed with management the "Compensation Discussion and Analysis" required by Item 401(b) of Regulation S-K and, based on such review and discussions, has recommended to our Board of Directors that the foregoing "Compensation Discussion and Analysis" be included in this Proxy Statement.

Respectfully submitted,

Edward L. Kane, Chairman
Tim Storey
Alfred Villaseñor

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Summary Compensation Table

The following table presents summary information concerning all compensation payable to our named executive officers for services rendered in all capacities during the past three completed fiscal years:

	Year	Salary ($)	Bonus ($)	Stock Awards ($)	Option Awards ($)	Change in Pension Value and Nonqualified Deferred Compensation Earnings ($)	All Other Compensation ($)	Total ($)
James J. Cotter, Sr.	2013	750,000	1,000,000	750,000 (1)	--	1,455,000 (2)	25,000 (3)	3,980,000
Chairman of the Board	2012	700,000	500,000	950,000	--	2,433,000	24,000	4,607,000
and Chief Executive	2011	500,000	500,000	750,000	--	--	25,000	1,775,000
Officer								
Andrzej Matyczynski	2013	309,000	35,000	--	33,000	50,000 (5)	26,000 (4)	453,000
Chief Financial Officer	2012	309,000	--	--	33,000	250,000	25,000	617,000
and Treasurer	2011	309,000	--	--	31,000	--	22,000	362,000
Robert F. Smerling	2013	350,000	50,000	--	--	--	22,000 (4)	422,000
President – Domestic	2012	350,000	50,000	--	--	--	22,000	422,000
Cinema Operations	2011	350,000	25,000	--	--	--	18,000	393,000
Ellen M. Cotter	2013	335,000	--	--	--	--	25,000 (4)	360,000
Chief Operating Officer	2012	335,000	60,000	--	--	--	25,000	420,000
Domestic Cinemas	2011	275,000	--	--	--	--	24,000	299,000
Wayne Smith	2013	339,000	--	--	--	--	20,000 (4)	359,000
Managing Director -	2012	357,000	16,000	--	22,000	--	19,000	414,000
Australia and New Zealand	2011	353,000	26,000	--	33,000	--	40,000	452,000

(1) Based on closing price of our Class A Nonvoting Common Stock on January 15, 2013.

(2) Represents an increase in the actuarial value of Mr. Cotter. Sr.'s SERP at December 31, 2013, as estimated by Towers Watson in January 201 4. As the SERP is unfunded, this does not represent any current payment or contribution by our Company. Rather, it is simply a calculation of the increase in the present value of the formula benefits provided for in the SERP, and reflects items such as the timing of cash compensation payments made to Mr. Cotter, Sr., and interest rates from time to time. No change has been made to the SERP benefits since its inception in 2007.

(3) We own a condominium in West Hollywood, California, which is used as an executive meeting place and office. "All Other Compensation" includes our matching contributions under our 401(k) plan, the incremental cost to our Company of providing the use of the West Hollywood Condominium to Mr. Cotter, Sr. , the cost of a Company automobile used by Mr. Cotter, Sr., and health club dues paid by the Company.

(4) Represents our employer's matching contributions under our 401(k) plan, key person insurance, and any car allowances.

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(5) Represents increases in the value of the DCP for Mr. Matyczynski at December 31, 2013. As this DCP is unfunded, these amounts do not represent any current payment or contribution by our Company. Rather, it is simply a calculation of the increase in the value of the benefits provided for by the DCP.

Grants of Plan-Based Awards

The following table contains information concerning the stock grants made to our named executive officers for the year ended December 31, 2013:

Name	Grant Date	All Other Stock Awards: Number of Shares of Stock or Units	Grant Date Fair Value of Stock and Option Awards
James J. Cotter, Sr.	1/15/2013	125,209 (1)	$ 750,000

(1) Represents the value, determined by reference to the closing price of our Class A Stock on January 15, 2013, of shares issued to Mr. Cotter in satisfaction of the stock bonus portion of his compensation package for 2013. This valuation does not reflect any discount for the fact that these shares are restricted and cannot be sold for five years.

Outstanding Equity Awards

The following table contains information concerning the outstanding option and stock awards of our named executive officers as of December 31, 2013:

	Option Awards					Stock Awards	
	Class	Number of Shares Underlying Unexercised Options Exercisable	Number of Shares Underlying Unexercised Options Unexercisable	Option Exercise Price ($)	Option Expiration Date	Number of Shares or Units of Stock that Have Not Vested	Market Value of Shares or Units that Have Not Vested ($)
James J. Cotter, Sr.	B	100,000	--	$ 10.24	5/9/2017	--	--
Ellen M. Cotter	A	20,000	--	$ 5.55	3/16/2018	--	--
Ellen M. Cotter	B	50,000	--	$ 10.24	5/9/2017	--	--
Andrzej Matyczynski	A	35,100	--	$ 5.13	9/12/2020	--	--
Andrzej Matyczynski	A	12,500	37,500	$ 6.02	8/22/2022	--	--
Robert F. Smerling	A	43,750	--	$ 10.24	5/9/2017	--	--

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Option Exercises and Stock Vested

The following table contains information for our named executive officers concerning the option awards that were exercised and stock awards that vested during the year ended December 31, 2013:

	Option Awards		Stock Awards	
Name	Number of Shares Acquired on Exercise	Value Realized on Exercise ($)	Number of Shares Acquired on Vesting	Value Realized on Vesting ($)
James J. Cotter, Sr.	--	$ --	125,209	$ 937,815
Ellen M. Cotter	75,000	$ 300,750	--	$ --
Wayne Smith	50,000	$ 200,500	--	$ --

Pension Benefits

The following table contains information concerning pension plans for each of the named executive officers for the year ended December 31, 2013:

Name	Plan Name	Number of Years of Credited Service	Present Value of Accumulated Benefit ($)	Payments During Last Fiscal Year ($)
James J. Cotter, Sr.	SERP	26	$ 7,398,000	$ --
Andrzej Matyczynski	CFO DCP	4	$ 300,000	$ --

Payments Upon Termination or Change in Control

We have entered into the following termination arrangements with the following named executive officer:

Andrzej Matyczynski. Pursuant to his employment agreement, Mr. Matyczynski is entitled to a severance payment equal to six months' salary in the event his employment is involuntarily terminated.

Wayne Smith. Pursuant to his employment agreement, Mr. Smith is entitled to a severance payment equal to six months' salary if the Reading Board terminates his employment for not meeting the standards of anticipated performance.

No other named executive officers have termination benefits in their employment agreements. None of our employment agreements with our named executive officers have provisions relating to change in control.

Compensation Committee Interlocks and Insider Participation

The current members of our Compensation Committee are Alfred Villaseñor, Tim Storey and Edward L. Kane, who serves as Chairman. There are no "interlocks," as defined by the SEC, with respect to any member of our Compensation Committee.

CERTAIN TRANSACTIONS AND RELATED PARTY TRANSACTIONS

The members of our Audit and Conflicts Committee are Edward Kane, Tim Storey, and Douglas McEachern, who serves as Chairman. Management presents all potential related party transactions to

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the Conflicts Committee for review. Our Conflicts Committee reviews whether a given related party transaction is beneficial to our Company, and approves or bars the transaction after a thorough analysis. Only Committee members disinterested in the transaction in question participate in the determination of whether the transaction may proceed.

Sutton Hill Capital

In 2001, we entered into a transaction with Sutton Hill Capital, LLC ("SHC") regarding the leasing with an option to purchase of certain cinemas located in Manhattan including our Village East and Cinemas 1, 2 & 3 theaters. In connection with that transaction, we also agreed to lend certain amounts to SHC, to provide liquidity in its investment, pending our determination whether or not to exercise our option to purchase and to manage the 86th Street Cinema on a fee basis. SHC is a limited liability company owned in equal shares by James J. Cotter and a third party and of which Mr. Cotter is the managing member. The Village East is the only cinema that remains subject to this lease and during 2013, 2012, and 2011, we paid rent to SHC for this cinema in the amount of $590,000 annually.

On June 29, 2010, we agreed to extend our existing lease from SHC of the Village East Cinema in New York City by 10 years, with a new termination date of June 30, 2020. The Village East lease includes a sub-lease of the ground underlying the cinema that is subject to a longer-term ground lease between SHC and an unrelated third party that expires in June 2031 (the "cinema ground lease"). The extended lease provides for a call option pursuant to which Reading may purchase the cinema ground lease for $5.9 million at the end of the lease term. Additionally, the lease has a put option pursuant to which SHC may require Reading to purchase all or a portion of SHC's interest in the existing cinema lease and the cinema ground lease at any time between July 1, 2013 and December 4, 2019. SHC's put option may be exercised on one or more occasions in increments of not less than $100,000 each. We are advised by SHC that they intend to exercise their put option this year. In 2005, we acquired from a third party the fee interest and from SHC its interest in the ground lease estate underlying and the improvements constituting the Cinemas 1, 2 & 3. In connection with that transaction, we granted to SHC an option to acquire a 25% interest in the special purpose entity formed to acquire these interests at cost. On June 28, 2007, SHC exercised this option, paying the option exercise price through the application of their $3.0 million deposit plus the assumption of its proportionate share of SHP's liabilities giving it a 25% non-managing membership interest in SHP. We manage this cinema property for a management fee equal to 5% of its gross income.

In 2005, we acquired from a third party the fee interest and from SHC its interest in the ground lease estate underlying and the improvements constituting the Cinemas 1, 2 & 3. In connection with that transaction, we granted to SHC an option to acquire a 25% interest in the special purpose entity formed to acquire these interests at cost. On June 28, 2007, SHC exercised this option, paying the option exercise price through the application of their $3.0 million deposit plus the assumption of its proportionate share of SHP's liabilities giving it a 25% non-managing membership interest in SHP.

OBI Management Agreement

Pursuant to a Theater Management Agreement (the "Management Agreement"), our live theater operations are managed by OBI LLC ("OBI Management"), which is wholly owned by Ms. Margaret Cotter who is the daughter of James J. Cotter and a member of our Board of Directors.

The Management Agreement generally provides that we will pay OBI Management a combination of fixed and incentive fees, which historically have equated to approximately 21% of the net cash flow received by us from our live theaters in New York. Since the fixed fees are applicable only during such periods as the New York theaters are booked, OBI Management receives no compensation with respect to a theater at any time when it is not generating revenue for us. This arrangement provides an incentive to OBI Management to keep the theaters booked with the best available shows, and mitigates the negative cash flow that would result from having an empty theater. In addition, OBI Management manages our Royal George live theater complex

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in Chicago on a fee basis based on theater cash flow. In 2013, OBI Management earned $401,000, which was 20.1% of net cash flows for the year. In 2012, OBI Management earned $390,000, which was 19.7% of net cash flows for the year. In 2011, OBI Management earned $398,000, which was 19.4% of net cash flows for the year. In each year, we reimbursed travel related expenses for OBI Management personnel with respect to travel between New York City and Chicago in connection with the management of the Royal George complex.

OBI Management conducts its operations from our office facilities on a rent-free basis, and we share the cost of one administrative employee of OBI Management. Other than these expenses and travel-related expenses for OBI Management personnel to travel to Chicago as referred to above, OBI Management is responsible for all of its costs and expenses related to the performance of its management functions. The Management Agreement renews automatically each year unless either party gives at least six months' prior notice of its determination to allow the Management Agreement to expire. In addition, we may terminate the Management Agreement at any time for cause.

Live Theater Play Investment

From time to time, our officers and Directors may invest in plays that lease our live theaters. The play STOMP has been playing in our Orpheum Theatre since prior to the time we acquired the theater in 2001. Messrs. James J. Cotter and Michael Forman own an approximately 5% interest in that play, an interest that they have held since prior to our acquisition of the theater.

Shadow View Land and Farming LLC

During 2012, Mr. James J. Cotter, our Chairman, Chief Executive Officer and controlling shareholder, contributed $2.5 million of cash and $255,000 of his 2011 bonus as his 50% share of the purchase price of a land parcel in Coachella, California and to cover his 50% share of certain costs associated with that acquisition. This land is held in Shadow View Land and Farming, LLC, in which Mr. Cotter owns a 50% interest. We are the managing member of Shadow View Land and Farming, LLC, with oversight provided by the Audit and Conflicts Committee of our Board of Directors.

Certain Family Relationships

Mr. Cotter, Sr., our controlling stockholder, has advised the Board of Directors that he considers his holdings in our Company to be long-term investments to be passed onto his heirs. The Directors believe that it is in the best interests of our Company and our stockholders for his heirs to become experienced in our operations and affairs. Accordingly, all of Mr. Cotter, Sr.'s children are currently involved with our Company and all serve on our Board of Directors.

Certain Miscellaneous Transactions

We have loaned Mr. Robert Smerling, the President of our domestic cinema operations, $70,000 pursuant to an interest-free demand loan that antedated the effective date of the Sarbanes-Oxley prohibition on loans to Directors and officers.

INDEPENDENT PUBLIC ACCOUNTANTS

Our independent public accountants, Grant Thornton, LLP, have audited our financial statements for the fiscal year ended December 31, 2013, and are expected to have a representative present at the Annual Meeting who will have the opportunity to make a statement if he or she desires to do so and is expected to be available to respond to appropriate questions.

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Audit Fees

The aggregate fees for professional services for the audit of our financial statements, audit of internal controls related to the Sarbanes-Oxley Act, and the reviews of the financial statements included in our Forms 10-K and 10-Q provided by Grant Thornton LLP for 2013 and 2012 were approximately $550,000 and $593,000, respectively.

Audit-Related Fees

Grant Thornton, LLP did not provide us any audit related services for both 2013 and 2012.

Tax Fees

Grant Thornton, LLP did not provide us any products or any services for tax compliance, tax advice, or tax planning for both 2013 and 2012.

All Other Fees

Grant Thornton, LLP did not provide us any other services than as set forth above for both 2013 and 2012.

Pre-Approval Policies and Procedures

Our Audit Committee must pre-approve, to the extent required by applicable law, all audit services and permissible non-audit services provided by our independent registered public accounting firm, except for any de minimis non-audit services. Non-audit services are considered de minimis if (i) the aggregate amount of all such non-audit services constitutes less than 5% of the total amount of revenues we paid to our independent registered public accounting firm during the fiscal year in which they are provided; (ii) we did not recognize such services at the time of the engagement to be non-audit services; and (iii) such services are promptly submitted to our Audit Committee for approval prior to the completion of the audit by our Audit Committee or any of its member(s) who has authority to give such approval. Our Audit Committee pre-approved all services provided to us by Grant Thornton LLP for 2013 and 2012.

STOCKHOLDER COMMUNICATIONS

Annual Report

A copy of our Annual Report on Form 10-K for the fiscal year ended December 31, 201 3 is being provided with this Proxy Statement.

Stockholder Communications with Directors

It is the policy of our Board of Directors that any communications sent to the attention of any one or more of our Directors in care of our executive offices will be promptly forwarded to such Directors. Such communications will not be opened or reviewed by any of our officers or employees, or by any other Director, unless they are requested to do so by the addressee of any such communication. Likewise, the content of any telephone messages left for any one or more of our Directors (including call-back number, if any) will be promptly forwarded to that Director.

Stockholder Proposals and Director Nominations

Any stockholder who, in accordance with and subject to the provisions of the proxy rules of the SEC, wishes to submit a proposal for inclusion in our Proxy Statement for our 2015 Annual Meeting of

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Stockholders, must deliver such proposal in writing to the Secretary of the Company at the address of our Company's principal executive offices at 6100 Center Drive, Suite 900, Los Angeles, California 90045. Unless we change the date of our annual meeting by more than 30 days from the prior year's meeting, such written proposal must be delivered to us no later than January 6, 2015 to be considered timely. If our 2015 Annual Meeting is not within 30 days of the anniversary of our 2014 Annual Meeting, to be considered timely, stockholder proposals must be received no later than ten days after the earlier of (a) the date on which notice of the 2015 Annual Meeting is mailed, or (b) the date on which the Company publicly discloses the date of the 2015 Annual Meeting, including disclosure in an SEC filing or through a press release. If we do not receive timely notice of a stockholder proposal, the proxies that we hold may confer discretionary authority to vote against such stockholder proposal, even though such proposal is not discussed in our Proxy Statement for that meeting.

Our Board of Directors will consider written nominations for Directors from stockholders. Nominations for the election of Directors made by our stockholders must be made by written notice delivered to our Secretary at our principal executive offices not less than 120 days prior to the first anniversary of the date that this Proxy Statement is first sent to stockholders. Such written notice must set forth the name, age, address, and principal occupation or employment of such nominee, the number of shares of our Company's common stock that is beneficially owned by such nominee and such other information required by the proxy rules of the SEC with respect to a nominee of the Board of Directors.

Under our governing documents and applicable Nevada law, our stockholders may also directly nominate candidates from the floor at any meeting of our stockholders held at which Directors are to be elected.

OTHER MATTERS

We do not know of any other matters to be presented for consideration other than the proposals described above, but if any matters are properly presented, it is the intention of the persons named in the accompanying proxy to vote on such matters in accordance with their judgment.

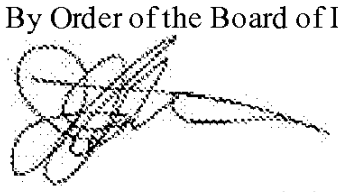
DELIVERY OF PROXY MATERIALS TO HOUSEHOLDS

As permitted by the Securities Exchange Act of 1934, only one copy of the proxy materials are being delivered to our stockholders residing at the same address, unless such stockholders have notified us of their desire to receive multiple copies of the proxy materials.

We will promptly deliver without charge, upon oral or written request, a separate copy of the proxy materials to any stockholder residing at an address to which only one copy was mailed. Requests for additional copies should be directed to our Corporate Secretary by telephone at (213) 235-2240 or by mail to Corporate Secretary, Reading International, Inc., 6100 Center Drive, Suite 900, Los Angeles, California 90045.

Stockholders residing at the same address and currently receiving only one copy of the proxy materials may contact the Corporate Secretary as described above to request multiple copies of the proxy materials in the future.

By Order of the Board of Directors,



James J. Cotter, Sr., Chairman
Dated: April 25, 2014

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PROXY CARD

Electronic Voting Instructions
You can vote by Internet or telephone!
Available 24 hours a day, 7 days a week!
Instead of mailing your proxy, you may choose one of the two voting methods outlined below to vote your proxy.
VALIDATION DETAILS ARE LOCATED BELOW IN THE TITLE BAR
Proxies submitted by the Internet or telephone must be received by 1:00 a.m., Central Time, on May 15, 2014.
Vote by Internet
Log on to the Internet and go to
www.investorvote.com/RDI
Follow the steps outlined on the secured website.
Vote by telephone
Call toll free 1-800-652-VOTE (8683) within the USA, US territories & Canada any time on a touch tone telephone. There is **NO CHARGE** to you for the call.
Follow the instructions provided by the recorded message.

Annual Meeting Proxy Card
IF YOU HAVE NOT VOTED VIA THE INTERNET OR TELEPHONE, FOLD ALONG THE PERFORATION, DETACH AND RETURN THE BOTTOM PORTION IN THE ENCLOSED ENVELOPE.

A. **Proposals**

1. Election of Directors – The Board of Directors recommends a vote FOR all the nominees listed.

Nominees:	For	Withhold		For	Withhold		For	Withhold
01 - James J. Cotter, Sr.	☐	☐	02 - James J. Cotter, Jr.	☐	☐	03 – Ellen M. Cotter	☐	☐
04 - Margaret Cotter	☐	☐	05 - Guy W. Adams	☐	☐	06 - William D. Gould	☐	☐
07 - Edward L. Kane	☐	☐	08 – Douglas J. McEachern	☐	☐	09 - Tim Storey	☐	☐

2. Advisory vote on executive officer compensation – The Board of Directors recommends a vote FOR approval of the advisory and non-binding vote on the Company's named executive officer compensation.

For	Against	Withhold
☐	☐	☐

3. Other Business. In their discretion, the proxies are authorized to vote upon such other business as may properly come before the meeting and at and with respect to any and all adjournments or postponements thereof. The Board of Directors at present knows of no other business to be presented by or on behalf of the Company or the Board of Directors at the meeting.

B. **Authorized Signatures – This section must be completed for your vote to be counted. – Date and Sign Below**

Please date this proxy card and sign above exactly as your name appears on this card. Joint owners should each sign personally. Corporate proxies should be signed by an authorized officer. Executors, administrators, trustees, etc., should give their full titles.

Date (mm/dd/yyyy) – Please print date below.	Signature 1 – Please keep signature within the box.	Signature 2 – Please keep signature within the box.

IF VOTING BY MAIL, YOU MUST COMPLETE SECTIONS A – C ON BOTH SIDES OF THIS CARD.

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Proxy - READING INTERNATIONAL, INC.

PROXY FOR THE ANNUAL MEETING OF STOCKHOLDERS - TO BE HELD MAY 15, 2014
THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS

The undersigned hereby appoints James J. Cotter, Sr. and Andrzej Matyczynski, and each of them, the attorneys, agents, and proxies of the undersigned, with full powers of substitution to each, to attend and act as proxy or proxies of the undersigned at the Annual Meeting of Stockholders of Reading International, Inc. to be held at the offices of Reading International, Inc., 6100 Center Drive, Suite 900, Los Angeles, California 90045, on Thursday, May 15, 2014 at 11:00 a.m., local time, and at and with respect to any and all adjournments or postponements thereof, and to vote as specified herein the number of shares which the undersigned, if personally present, would be entitled to vote.

The undersigned hereby ratifies and confirms all that the attorneys and proxies, or any of them, or their substitutes, shall lawfully do or cause to be done by virtue hereof, and hereby revokes any and all proxies heretofore given by the undersigned to vote at the Annual Meeting. The undersigned acknowledges receipt of the Notice of Annual Meeting and the Proxy Statement accompanying such notice.

THE PROXY, WHEN PROPERLY EXECUTED AND RETURNED PRIOR TO THE ANNUAL MEETING, WILL BE VOTED AS DIRECTED. IF NO DIRECTION IS GIVEN, IT WILL BE VOTED "FOR" PROPOSAL 1, 2, AND IN THE PROXY HOLDERS' DISCRETION AS TO ANY OTHER MATTER THAT MAY PROPERLY COME BEFORE THE ANNUAL MEETING OR ANY POSTPONEMENT OR ADJOURNMENT THEREOF.

PLEASE SIGN AND DATE ON REVERSE SIDE

C. **Non-Voting Items**

Change of Address – Please print new address below.

Meeting Attendance
Mark the box to the right if you plan to attend the Annual Meeting. ☐

IF VOTING BY MAIL, YOU MUST COMPLETE SECTIONS A – C ON BOTH SIDES OF THIS CARD.

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EXHIBIT 11

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

Form 10-K/A
Amendment No. 1

(Mark One)

☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2014

or

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transaction period from _____ to _____

Commission file number: 1-8625

Reading International, Inc.

(Exact Name of Registrant as Specified in Its Charter)

Nevada	**95-3885184**
(State or Other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification No.)
6100 Center Drive, Suite 900 Los Angeles, CA	**90045**
(Address of Principal Executive Offices)	(Zip Code)

(213) 235-2240
(Registrant's Telephone Number, Including Area Code)

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	**Name Of Each Exchange On Which Registered**
Class A Nonvoting Common Stock, $0.01 Par Value per Share	**NASDAQ**
Class B Voting Common Stock, $0.01 Par Value per Share	**NASDAQ**

Securities registered pursuant to Section 12(g) of the Act:
None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that

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the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this From 10-K or any amendment to this From 10-K. ☐

Indicate by check mark whether the registrant is a large accelerated filer, accelerated filer or non-accelerated filer (See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act) (Check one).

Large accelerated filer☐	Accelerated filer ☒
Non-accelerated filer ☐ (Do not check if a smaller reporting company)	Smaller reporting company ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The aggregate market value of voting and nonvoting stock held by non-affiliates of the Registrant was $139,379,701 as of June 30, 2014.

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date. As of May 6, 2015, there were outstanding 21,745,484 shares of class A non-voting common stock, par value $0.01 per share, and 1,580,590 shares of class B voting common stock, par value $0.01 per share.

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EXPLANATORY NOTE

This Amendment No. 1 on Form 10-K/A (this "Amendment") amends Reading International, Inc.'s Annual Report on Form 10-K for the year ended December 31, 2014, originally filed with the Securities and Exchange Commission, or SEC, on March 7, 2015 (the "Original Filing"). We are amending and refiling Part III to include information required by Items 10, 11, 12, 13 and 14 because our definitive proxy statement will not be filed within 120 days after December 31, 2014, the end of the fiscal year covered by our Annual Report on Form 10-K.

In addition, pursuant to the rules of the SEC, we have also included as exhibits currently dated certifications required under Section 302 of The Sarbanes-Oxley Act of 2002. Because no financial statements are contained within this Amendment, we are not including certifications pursuant to Section 906 of The Sarbanes-Oxley Act of 2002. We are amending Part IV to reflect the inclusion of those certifications.

Except as described above, no other changes have been made to the Original Filing. Except as otherwise indicated herein, this Amendment continues to speak as of the date of the Original Filing, and we have not updated the disclosures contained therein to reflect any events that occurred subsequent to the date of the Original Filing. The filing of this Annual Report on Form 10-K/A is not a representation that any statements contained in items of our Annual Report on Form 10-K other than Part III, Items 10 through 14, and Part IV are true or complete as of any date subsequent to the Original Filing.

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PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The following table sets forth the name, age and position held by each of our executive officers and directors as of April 30, 2015. Directors are elected for a period of one year and thereafter serve until the next annual meeting at which their successors are duly elected by the stockholders.

Name	Age	Position
Ellen M. Cotter	49	Chair of the Board and Chief Operating Officer – Domestic Cinemas
James J. Cotter, Jr.	45	President, Chief Executive Officer and Director (1)(2)
Margaret Cotter	47	Vice Chair of the Board(1)
Guy W. Adams	64	Director(1)(5)
William D. Gould	76	Director (3)
Edward L. Kane	77	Director (1)(2)(4)(5)
Douglas J. McEachern	63	Director (4)
Tim Storey	57	Director (4)(5)

(1) Member of the Executive Committee.

(2) Member of the Tax Oversight Committee.

(3) Lead independent director.

(4) Member of the Audit and Conflicts Committee.

(5) Member of the Compensation and Stock Options Committee.

The following sets forth information regarding our directors and our executive officers:

Ellen M. Cotter. Ellen M. Cotter has been a member of the board since March 7, 2013, and on August 7, 2014 was appointed as Chair of our board. She joined our company in March 1998, is a graduate of Smith College and holds a Juris Doctorate from Georgetown Law School. Prior to joining our Company, Ms. Cotter spent four years in private practice as a corporate attorney with the law firm of White & Case in Manhattan. Ms. Cotter is the sister of James J. Cotter, Jr. and Margaret Cotter.

Ms. Cotter brings to the board her 16 years of experience working in our company's cinema operations, both in the United States and Australia. For the past 13 years, she has served as the senior operating officer of our company's domestic cinema operations. She has also served as the Chief Executive Officer of our subsidiary, Consolidated Entertainment, LLC, which operates substantially all of our cinemas in Hawaii and California. Ms. Cotter also is a significant stockholder in our company.

James J. Cotter, Jr. James J. Cotter, Jr. has been a director of our company since March 21, 2002, and was appointed Vice Chair of the Board in 2007. The board appointed Mr. Cotter, Jr. to serve as our President, beginning June 1, 2013. On August 7, 2014, he resigned as Vice Chair and was appointed to succeed his late father, James J. Cotter, Sr., as our Chief Executive Officer. He served as Chief Executive Officer of Cecelia Packing Corporation (a Cotter family-owned citrus grower, packer, and marketer) from July 2004 until 2013. Mr. Cotter, Jr. served as a director to Cecelia Packing Corporation from February 1996 to September 1997 and as a director of Gish Biomedical from September 1999 to March 2002. He was an attorney in the law firm of Winston & Strawn, specializing in corporate law, from September 1997 to May 2004. Mr. Cotter, Jr. is the brother of Margaret Cotter and Ellen M. Cotter.

Mr. Cotter, Jr. brings to the board his experience as a business professional, including as chief Executive Officer of Cecelia Packing Corporation, and corporate attorney, and his operating experience as the Chief Executive Officer of Cecelia. As the Vice Chair of our company, since 2007 he has chaired the weekly

Australia/New Zealand Executive Management Committee and the weekly U.S. Executive Management Committee meetings. In addition, he is a significant stockholder in our company.

Margaret Cotter. Margaret Cotter has been a director of our company since September 27, 2002, and on August 7, 2014 was appointed as Vice Chair of our board. Ms. Cotter is the owner and President of OBI, LLC, a company that provides live theater management services to our live theaters. Pursuant to that management arrangement, Ms. Cotter also serves as the President of Liberty Theaters, LLC, the subsidiary through which we own our live theaters. Ms. Cotter receives no compensation for this position, other than the right to participate in our company's medical insurance program. Ms. Cotter manages the real estate which houses each of the four live theaters under our Theater Management Agreement with Ms. Cotter's company, OBI LLC. Ms. Cotter secures leases, manages tenancies, oversees maintenance and regulatory compliance of these properties as well as heads the day to day pre-development process and transition of our properties from theater operations to major realty developments. Ms. Cotter was first commissioned to handle these properties by Sutton Hill Associates, which subsequently sold the business to our company along with other real estate and theaters in 2000. Ms. Cotter is also a theatrical producer who has produced shows in Chicago and New York and a board member of the League of Off-Broadway Theaters and Producers. Ms. Cotter, a former Assistant District Attorney for King's County in Brooklyn, New York, graduated from Georgetown University and Georgetown University Law Center. She is the sister of James J. Cotter, Jr. and Ellen M. Cotter.

Ms. Cotter brings to the board her experience as a live theater producer, theater operator and an active member of the New York theatre community, which gives her insight into live theater business trends that affect our business in this sector. Operating and overseeing our theater these properties for over 16 years, Ms. Cotter contributes to the strategic direction for our developments. In addition, she is a significant stockholder in our company.

Guy W. Adams. Guy W. Adams has been a director of the Company since January 14, 2014. He is a Managing Member of GWA Capital Partners, LLC, a registered investment adviser managing GWA Investments, LLC. The fund invests in various publicly traded securities. Over the past eleven years, Mr. Adams has served as an independent director on the boards of directors of Lone Star Steakhouse & Saloon, Mercer International, Exar Corporation and Vitesse Semiconductor having served in various capacities as lead director, Audit Committee Chair and/or Compensation Committee Chair. Prior to this time, Mr. Adams provided investment advice to various family offices and invested his own capital in public and private equity transactions. Mr. Adams received his Bachelor of Science degree in Petroleum Engineering from Louisiana State University and his Masters of Business Administration from Harvard Graduate School of Business Administration.

Mr. Adams brings many years of experience serving as an independent director on public company boards, and in investing and providing financial advice with respect to investments in public companies.

William D. Gould. William D. Gould has been a director of our company since October 15, 2004 and has been a member of the law firm of TroyGould PC since 1986. Previously, he was a partner of the law firm of O'Melveny & Myers. We have from time to time retained TroyGould PC for legal advice. As an author and lecturer on the subjects of corporate governance and mergers and acquisitions, Mr. Gould brings to the board specialized experience as a corporate attorney. Mr. Gould's corporate transactional experience and expertise in corporate governance matters ensures that we have a highly qualified advisor on our board to provide oversight in such matters.

Edward L. Kane. Edward L. Kane has been a director of our company since October 15, 2004. Mr. Kane was also a director of our company from 1985 to 1998, and served as President from 1987 to 1988. Mr. Kane currently serves as the Chair of our Tax Oversight Committee and of our Compensation and Stock Option Committee (which we refer to as our Compensation Committee). He also serves as a member of our Executive Committee and our Audit and Conflicts Committee. Since 1996, Mr. Kane's principal occupation has been healthcare consultant and advisor. In that capacity, he has served as President and sole shareholder of High Avenue Consulting, a healthcare consulting firm, and as the head of its successor proprietorship. At various times during the past three decades, he has been Adjunct Professor of Law at two of San Diego's Law

Schools, most recently in 2008 and 2009 at Thomas Jefferson School of Law, and prior thereto at California Western School of Law.

Mr. Kane brings to the board his many years as a tax attorney and law professor, which experience well-serves our company in addressing tax matters. Mr. Kane also brings his experience as a past President of Craig Corporation and of Reading Company, two of our corporate predecessors, as well as a former member of the boards of directors of several publicly held corporations.

Douglas J. McEachern. Douglas J. McEachern has been a director of our company since May 17, 2012 and Chair of our Audit and Conflicts Committee since August 1, 2012. He has served as a member of the board and of the Audit and Compensation Committee for Willdan Group, a NASDAQ listed engineering company, since 2009. Mr. McEachern is also the Chair of the board of Community Bank in Pasadena, California and a member of its Audit Committee. He also is a member of the Finance Committee of the Methodist Hospital of Arcadia. Since September 2009, Mr. McEachern has also served as an instructor of auditing and accountancy at Claremont McKenna College. Mr. McEachern was an audit partner from July 1985 to May 2009 with the audit firm, Deloitte and Touche, LLP, with client concentrations in financial institutions and real estate. Mr. McEachern was also a Professional Accounting Fellow with the Federal Home Loan Bank board in Washington DC, from June 1983 to July 1985. From June 1976 to June 1983, Mr. McEachern was a staff member and subsequently a manager with the audit firm, Touche Ross & Co. (predecessor to Deloitte & Touche, LLP). Mr. McEachern received a B.S. in Business Administration in 1974 from the University of California, Berkeley, and an M.B.A. in 1976 from the University of Southern California.

Mr. McEachern brings to the board his more than 37 years' experience meeting the accounting and auditing needs of financial institutions and real estate clients, including our company. Mr. McEachern also brings his experience reporting as an independent auditor to the boards of directors of a variety of public reporting companies and as a board member himself for various companies and not-for-profit organizations.

Tim Storey. Tim Storey has been a director of our company since December 28, 2011. Mr. Storey has served as the sole outside director of our company's wholly-owned New Zealand subsidiary since 2006. He has served since April 1, 2009 as a director of DNZ Property Fund Limited, a commercial property investment fund based in New Zealand and listed on the New Zealand Stock Exchange, and was appointed Chair of the board of that company on July 1, 2009. Since July 28, 2014, Mr. Storey has served as a director of JustKapital Litigation Partners Limited, an Australian Stock Exchange-listed company engaged in litigation financing. From 2011 to 2012, Mr. Storey was a director of NZ Farming Systems Uruguay, a New Zealand-listed company. NZ Farming Systems Uruguay owns and operates dairy farms in Uruguay. Prior to being elected Chair of DNZ Property Fund Limited, Mr. Storey was a partner in Bell Gully (one of the largest law firms in New Zealand). Mr. Storey is also a principal in Prolex Advisory, a private company in the business of providing commercial advisory services to a variety of clients and related entities.

Mr. Storey brings to the board many years of experience in New Zealand corporate law and commercial real estate matters. He serves as a director of our New Zealand subsidiary.

Andrzej Matyczynski. Andrzej Matyczynski has served as our Chief Financial Officer since November 1999. Mr. Matyczynski resigned as our Chief Financial Officer effective May 11, 2015, but will continue as an employee until April 15, 2016 in order to assist in the transition of our new Chief Financial Officer, Mr. Ghose, whose information is set forth below.

Robert F. Smerling. Robert F. Smerling has served as President of our domestic cinema operations since 1994. Mr. Smerling has been in the cinema industry for 57 years and, immediately before joining our company, served as the President of Loews Theatres Management Corporation.

William D. Ellis. William D. Ellis was appointed our General Counsel and Secretary in October 2014. Mr. Ellis has more than 30 years of hands-on legal experience as a real estate lawyer. Before joining our company, he was a partner in the real estate group at Sidley Austin LLP for 16 years. Before that, he worked at the law firm of Morgan Lewis & Bockius LLP. Mr. Ellis began his career as a corporate and securities lawyer

(handling corporate acquisitions, IPO's, mergers, etc.) and then moved on to real estate specialization (handling leasing, acquisitions, dispositions, financing, development and land use and entitlement across the United States). He had a substantial real estate practice in New York and Hawaii, which experience will help us with our real estate and cinema developments there. Mr. Ellis graduated Phi Beta Kappa from Occidental College with a B.A. degree in Political Science. He received his J.D. degree in 1982 from the University of Michigan Law School.

Wayne D. Smith. Wayne D. Smith joined our company in April 2004 as our Managing Director - Australia and New Zealand, after 23 years with Hoyts Cinemas. During his time with Hoyts, he was a key driver, as Head of Property, in growing that company's Australian and New Zealand operations via an AUD$250 million expansion to more than 50 sites and 400 screens. While at Hoyts, his career included heading up the group's car parking company, cinema operations, representing Hoyts as a director on various joint venture interests, and coordinating many asset acquisitions and disposals the company made.

Devasis ("Dev") Ghose. On April 20, 2015, we agreed to retain Devasis Dev Ghose to be our new Chief Financial Officer and Treasurer, effective May 11, 2015. Mr. Ghose served as Executive Vice President and Chief Financial Officer and in a number of senior finance roles for 25 years with three NYSE-listed companies: Shurgard Storage Centers, Inc. (an international company focused on the acquisition, development and operation of self-storage centers in the US and Europe; now part of Public Storage), Skilled Healthcare Group (a health services company, now part of Genesis HealthCare), and HCP, Inc., (which invests primarily in real estate serving the healthcare industry), and as Managing Director-International for Green Street Advisors (an independent research and trading firm concentrating on publicly traded real estate corporate securities in the US & Europe). Earlier, Mr. Ghose worked for 10 years for PricewaterhouseCoopers in the US & KPMG in the UK. He qualified as a Certified Public Accountant in the U.S. and a Chartered Accountant in the U.K., and holds an Honors Degree in Physics from the University of Delhi, India and an Executive M.B.A. from the University of California, Los Angeles.

Relationships

Ellen M. Cotter, Margaret Cotter and James J. Cotter, Jr. are directors and officers of our company and of various of its subsidiaries, affiliates or consultants. According to their respective Schedules 13D filed with the SEC, all three consider their beneficial stock holdings in our company to be long-term family assets, and they intend to continue our company in the direction established by their father.

Committees of the Board of Directors

Our board has a standing Executive Committee, Audit and Conflicts Committee, Compensation and Stock Options Committee, and Tax Oversight Committee. These committees are discussed in greater detail below.

The Cotter family members who serve as directors and officers of our company collectively own beneficially shares of our Class B Stock representing more than 70% of the voting power for the election of directors of our company. Therefore, our board has determined that our company is a "Controlled Company" under section 5615(c)(1) of the listing rules of The NASDAQ Capital Stock Market (the "NASDAQ Rules"). After reviewing the benefits and detriments of taking advantage of the exceptions to the corporate governance rules set forth in section 5605 of the NASDAQ Rules, our board has unanimously determined to take advantage of all of the exceptions from the NASDAQ Rules afforded to our company as a Controlled Company.

A Controlled Company is not required to have an independent nominating committee or independent nominating process. It was noted by our directors that the use of an independent nominating committee or independent nominating process would be of limited utility, since any nominee would need to be acceptable to James J. Cotter, Sr., our former controlling stockholder, in order to be elected. The Cotter family, as the holders of a majority of the voting power of our company, are able under Nevada corporations law and our charter documents to elect candidates to our board and to remove a director from the board without the vote of

our other stockholders. Historically, Mr. Cotter, Sr. identified and recommended all nominees to our board in consultation with our other incumbent directors.

Our directors have not adopted any formal criteria with respect to the qualifications required to be a director or the particular skills that should be represented on our board, other than the need to have at least one director and member of our Audit and Conflicts Committee who qualifies as an "audit committee financial expert," and have not historically retained any third party to identify or evaluate or to assist in identifying or evaluating potential nominees. We have no policy of considering diversity in identifying director nominees.

James J. Cotter, Sr. served as our Chair and Chief Executive Officer until August 7, 2014, when he stepped down for health reasons. Mr. Cotter, Sr. subsequently passed away on September 13, 2014. In connection with his passing, our board determined to appoint Ellen M. Cotter as Chair of the Board with a view to rotating the office of Chair annually among the Cotter family members. The board also has designated William D. Gould to serve as our lead independent director. In that capacity, Mr. Gould chairs meetings of the independent directors and acts as liaison between our Chair and our Chief Executive Officer and our independent directors.

Our board oversees risk by remaining well-informed through regular meetings with management and the personal involvement of our Chief Executive Officer in our day-to-day business, including any matters requiring specific risk management oversight. Our Chief Executive Officer chairs regular senior management meetings addressing domestic and overseas issues. The risk oversight function of our board is enhanced by the fact that our Audit and Conflict Committee is comprised entirely of independent directors.

Executive Committee

A standing Executive Committee, currently comprised of Mr. Cotter, Jr., who serves as Chair, Ms. Margaret Cotter and Messrs. Adams and Kane, is authorized, to the fullest extent permitted by Nevada law, to take action on matters between meetings of the full board. Mr. Cotter, Sr. also served on the Executive Committee until May 15, 2014.

In 2014, the Executive Committee did not take any action with respect to any company matter. With the exception of matters delegated to the Audit and Conflicts Committee or the Compensation and Stock Options Committee, all matters requiring board approval during 2014 were considered by the entire board.

Audit and Conflicts Committee

Our board maintains a standing Audit and Conflicts Committee, which we refer to as the "Audit Committee." The Audit Committee operates under a Charter adopted by our board that is available on our website at www.readingrdi.com. Our board has determined that the Audit Committee is comprised entirely of independent directors (as defined in section 5605(a)(2) of the NASDAQ Rules), and that Mr. McEachern, the Chair of our Audit Committee, is qualified as an Audit Committee Financial Expert. During 2014, our Audit and Conflicts Committee was comprised of Mr. McEachern, who served as Chair, and Messrs. Kane and Storey.

Compensation and Stock Options Committee

Our board has a standing Compensation and Stock Options Committee, which we refer to as the "Compensation Committee," comprised entirely of independent directors. The current members of Compensation Committee are Mr. Kane, who serves as Chair, and Messrs. Adams and Storey. Mr. Adams replaced our former director, Alfred Villaseñor, on the Compensation Committee following his election to our board in June 2014.

The Compensation Committee evaluates and makes recommendations to the full board regarding the compensation of our Chief Executive Officer and other Cotter family members and performs other compensation related functions as delegated by our board.

Tax Oversight Committee

Given our operations in the United States, Australia, and New Zealand and our historic net operating loss carry forwards, our board formed a Tax Oversight Committee to review with management and to keep the board informed about our company's tax planning and such tax issues as may arise from time to time. This committee is comprised of Mr. Kane, who serves as Chair, and Mr. Cotter, Jr.

Code of Ethics

We have adopted a Code of Ethics applicable to our principal executive officer, principal financial officer, principal accounting officer or controller and Company employees. The Code of Ethics is available on our website at www.readingrdi.com.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Exchange Act requires our executive officers and directors, and persons who own more than 10% of our common stock, to file reports regarding ownership of, and transactions in, our securities with the Securities and Exchange Commission (the "SEC") and to provide us with copies of those filings. Based solely on our review of the copies received by us and on the written representations of certain reporting persons, we believe that the following Forms 3 and 4 for transaction that occurred in 2014 were filed later than is required under Section 16(a) of the Securities Exchange Act of 1934:

- James J. Cotter, Sr. failed to timely file 16 Forms 4 with respect to 70 transactions in our common stock;
- James J. Cotter, Jr. failed to timely file one Form 4 with respect to one transaction in our common stock;
- Ellen M. Cotter failed to timely file one Form 4 with respect to one transaction in our common stock;
- Margaret Cotter failed to timely file one Form 4 with respect to one transaction in our common stock;
- Mr. Storey failed to timely file one Form 4 with respect to one transaction in our common stock.

All of the transactions involved were between the individual involved and our company or related to certain inter-family or estate planning transfers, and did not involve transactions with the public. Insofar as we are aware, all required filings have now been made.

ITEM 11. EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

Role and Authority of the Compensation Committee

Our board has established a standing Compensation Committee consisting of two or more of our non-employee directors. As a Controlled Company, we are exempt from the NASDAQ Rules regarding the determination of executive compensation. The Compensation Committee has no formal charter, and acts pursuant to the authority delegated to the Compensation Committee from time to time by our board.

The Compensation Committee recommends to the full board the compensation of our Chief Executive Officer and of the other Cotter family members who serve as officers of our company. Our board with the Cotter family directors abstaining, typically has accepted without modification the compensation recommendations of the Compensation Committee, but reserves the right to modify the recommendations or

take other compensation actions of its own. Prior to his resignation as our Chair and Chief Executive Officer on August 7, 2014, during 2014, as in prior years, James J. Cotter, Sr. was delegated by our board responsibility for determining the compensation of our executive officers other than himself and his family members. The board exercised oversight of Mr. Cotter, Sr.'s executive compensation decisions as a part of his performance as our former Chief Executive Officer.

On August 7, 2014, James J. Cotter, Jr. was appointed to succeed Mr. Cotter, Sr. as our Chief Executive Officer. Mr. Cotter, Sr. subsequently passed away on September 13, 2014. No discretionary annual bonuses have yet been awarded to our executive officers, including the Cotter family executives for 2014.

Throughout this section, the individuals named in the Summary Compensation Table, below, are referred to as the "named executive officers."

CEO Compensation

The Compensation Committee recommends to our board the annual compensation of our Chief Executive Officer, based primarily upon the Compensation Committee's annual review of peer group practices and the advice of an independent third-party compensation consultant. The Compensation Committee has established three components of our Chief Executive Officer's compensation -- a base cash salary, a discretionary annual cash bonus, and a fixed stock grant. The objective of each element is to reasonably reward our Chief Executive Officer for his performance and leadership.

In 2007, our board approved a supplemental executive retirement plan ("SERP) pursuant to which we agreed to provide Mr. Cotter, Sr. supplemental retirement benefits as a reward for his more than 25 years of service to our company and its predecessors. Neither Mr. James J. Cotter, Jr., Mr. Cotter, Sr.'s successor as our Chief Executive Officer, nor any of our other current or former officers or employees, is eligible to participate in the SERP, which is described in greater detail below under the caption "Supplemental Executive Retirement Plan." Because this plan was adopted as a reward to Mr. Cotter, Sr. for his past services and the amounts to be paid under that plan are determined by an agreed-upon formula, the Compensation Committee did not take into account the benefits under that plan in determining Mr. Cotter, Sr.'s annual compensation for 2014 or previous years. The amounts reflected in the Executive Compensation Table under the heading "Change in Pension Value and Nonqualified Deferred Compensation Earnings" reflect any increase in the present value of the SERP benefit based upon the actuarial impact of the payment of Mr. Cotter, Sr.'s cash compensation and changes in interest rates. Since the SERP is unfunded, this amount does not reflect any actual payment by our Company into the plan or the value of any assets in the plan (of which there are none). The benefits to Mr. Cotter, Sr. under the SERP were tied to the cash portion only of his compensation, and not to compensation in the form of stock options or stock grants.

2014 CEO Compensation

The Compensation Committee originally engaged Towers Watson, executive compensation consultants, in 2012 to analyze our Chief Executive Officer's total direct compensation compared to a peer group of companies. In preparing the analysis, Towers Watson, in consultation with our management, including James J. Cotter, Sr., identified a peer group of companies in the real estate and cinema exhibition industries, our two business segments, based on market value, industry, and business description.

For purposes of establishing our Chief Executive Officer's 2014 compensation, the Compensation Committee engaged Towers Watson to update its analysis of Mr. Cotter, Sr.'s compensation as compared to his peers, which updated report was received on February 26, 2014. The company paid Towers Watson $11,461 for the updated report.

The Towers Watson analysis focused on the competitiveness of Mr. Cotter, Sr.'s annual base salary, total cash compensation and total direct compensation (*i.e.*, total cash compensation plus expected value of long-term compensation) relative to a peer group of United States and Australian companies and published compensation survey data, and to our company's compensation philosophy, which was to target Mr. Cotter, Sr.'s total direct compensation to the 66th percentile of the peer group.

The peer group consisted of the following 18 companies:

Acadia Realty Trust
Amalgamated Holdings Ltd.
Associated Estates Realty Corp.
Carmike Cinemas Inc.
Cedar Shopping Centers Inc.
Cinemark Holdings Inc.
Entertainment Properties Trust
Glimcher Realty Trust
IMAX Corporation
Inland Real Estate Corp.
Kite Realty Group Trust
LTC Properties Inc.
Ramco-Gershenson Properties Trust
Regal Entertainment Group
The Marcus Corporation
Urstadt Biddle Properties Inc.
Village Roadshow Ltd.

Towers Watson predicted 2014 pay levels by using regression analysis to adjust compensation data based on estimated annual revenues of $260 million (*i.e.*, our company's approximate annual revenues) for all companies, excluding financial services companies. Towers Watson did not evaluate Mr. Cotter, Sr.'s SERP, because the SERP is fully vested and accrues no additional benefits, except as Mr. Cotter, Sr.'s annual cash compensation may change.

The Towers Watson analysis indicated that the peer group data, with the exception of annual base salary, was above Mr. Cotter, Sr.'s pay levels in 2013. The peer group is partially comprised of companies that are larger than our company, and the 66th percentile level tends to reflect the larger peers. However, Towers Watson analysis also indicated that the size of the peers does not materially affect the pay levels at the peer companies. The published survey data of companies of comparable size reviewed by Towers Watson was below our Chief Executive Officer pay levels.

Towers Watson averaged the data from the peer group and the published survey data to compile "blended" market data. As compared to the blended market data, Mr. Cotter, Sr.'s 2013 cash compensation and total direct compensation, which includes the expected value of long-term incentive compensation, was in line with the 66th percentile.

Because our company is comparable to the smaller companies in the peer group, Towers Watson reviewed whether the size of the proxy peer group of companies had a meaningful impact on reported CEO pay levels, and concluded that there is a weak correlation between company size and CEO compensation. It concluded, therefore, that it was not necessary to separately adjust the peer group data based on the size of our company.

The Compensation Committee met on February 27, 2014 to consider the Towers Watson analysis. At the meeting, the Compensation Committee determined to recommend to our board the following compensation for Mr. Cotter, Sr. for 2014 and on March 13, 2014, our board accepted the Compensation Committee's recommendation without modification:

Salary: *$750,000*

The Compensation Committee recommended maintaining Mr. Cotter, Sr.'s 2014 annual base salary at its 2013 level of $750,000, which approximates the 75th percentile of the peer group.

Discretionary Cash Bonus: *Up to $750,000.*

In 2013, the Compensation Committee recommended and our board approved a total cash bonus to Mr. Cotter, Sr. of $1,000,000, as compared to the target bonus of $500,000. This resulted in total 2013 compensation to Mr. Cotter, Sr. above the 75th percentile of the peer group and total direct compensation near the 66th percentile. At its meeting on February 27, 2014, the Compensation Committee determined to increase the upper range of Mr. Cotter, Sr.'s discretionary cash bonus for 2014 to $750,000 from the 2013 target level of $500,000. The bonus was subject to Mr. Cotter, Sr. being employed by our Company at year-end, unless

his employment were to terminate earlier due to his death or disability. No other benchmarks, formulas or quantitative or qualitative measurements were specified for use in determining the amount of cash bonus to be awarded within this range. As in 2013, the Compensation Committee also reserved the right to increase the upper range of discretionary cash bonus amount based upon exceptional results of our company or Mr. Cotter, Sr.'s exceptional performance, as determined in the Compensation Committee's discretion.

At its meeting on August 14, 2014, the Compensation Committee determined that Mr. Cotter, Sr.'s successful completion of our sale of the Burwood property in Australia and other accomplishments in 2014 justified the award to Mr. Cotter, Sr. of the full $750,000 cash bonus, plus an additional cash bonus of $300,000. The Compensation Committee's determination to award the extraordinary cash bonus was based in part on the advice of Towers Watson.

Stock Bonus: *$1,200,000 (160,643 shares of Class A Stock).*

At its meeting on February 27, 2014, the Compensation Committee determined that, so long as Mr. Cotter, Sr.'s employment with the Company is not terminated prior to December 31, 2014 other than as a result of his death or disability, he was to receive 160,643 shares of our Company's Class A Stock; the number of shares of Class A nonvoting common stock equal to $1,200,000 divided by the closing price of the stock on February 27, 2104, the date the Committee approved the stock bonus. This compares to a similar stock bonus to Mr. Cotter, Sr. of $750,000 in 2013.

The stock bonus was paid to the Estate of Mr. Cotter, Sr. in February 2015.

Following his appointment on August 7, 2014 as our Chief Executive Officer, James J. Cotter, Jr. continued to receive the same base salary of $335,000 that he had previously been receiving in his capacity as our President.

Mr. Cotter, Jr. has not yet been awarded a discretionary cash bonus for 2014.

Total Direct Compensation

We and our Compensation Committee have no policy regarding the amount of salary and cash bonus paid to our Chief Executive Officer or other named executive officers in proportion to their total direct compensation.

Compensation of Other Named Executive Officers

The compensation of Mr. James J. Cotter, Jr. and Ms. Ellen M. Cotter as executive officers of our company is determined by the Compensation Committee based on the same compensation philosophy used to determined Mr. Cotter, Sr.'s 2014 compensation. The Cotter family members' respective compensation consists of a base cash salary, discretionary cash bonus and periodic discretionary grants of stock options.

Mr. Cotter, Sr. set the 2014 base salaries of our executive officers other than himself and members of his family. Mr. Cotter, Sr.'s decisions were not subject to approval by the Compensation Committee or our board, but our Compensation Committee and our board considered Mr. Cotter, Sr.'s decisions with respect to executive compensation in evaluating his performance as our Chief Executive Officer. Mr. Cotter, Sr. informed us that he did not use any formula, benchmark or other quantitative measure to establish or award any component of executive compensation, nor did he consult with compensation consultants on the matter. Mr. Cotter, Sr. also advised us that he considered the following guidelines in setting the type and amount of executive compensation:

1. Executive compensation should primarily be used to:

   - attract and retain talented executives;
   - reward executives appropriately for their individual efforts and job performance; and

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- afford executives appropriate incentives to achieve the short-term and long-term business objectives established by management and our board.

2. In support of the foregoing, the total compensation paid to our named executive officers should be:

   - fair both to our company and to the named executive officers;
   - reasonable in nature and amount; and
   - competitive with market compensation rates.

Personal and company performances were just two factors considered by Mr. Cotter, Sr. in establishing base salaries. We have no pre-established policy or target for allocating total executive compensation between base and discretionary or incentive compensation, or between cash and stock-based incentive compensation. Historically, including in 2014, a majority of total compensation to our named executive officers has been in the form of annual base salaries and discretionary cash bonuses, although stock bonuses have been granted from time to time under special circumstances. No stock bonuses were awarded in 2014 to our named executive officers other than Mr. Cotter, Sr.

These elements of our executive compensation are discussed further below.

Salary: Annual base salary is intended to compensate named executive officers for services rendered during the fiscal year in the ordinary course of performing their job responsibilities. Factors considered by Mr. Cotter, Sr. in setting the base salaries may have included (i) the negotiated terms of each executive's employment agreement or the original terms of employment, (ii) the individual's position and level of responsibility with our Company, (iii) periodic review of the executive's compensation, both individually and relative to our other named executive officers, and (iv) a subjective evaluation of individual job performance of the executive.

Cash Bonus: Historically, we have awarded annual cash bonuses to supplement the base salaries of our named executive officers, and our board of directors has delegated to our Chief Executive Officer the authority to determine in his discretion the annual cash bonuses, if any, to be paid to our executive officers other than the Cotter family executives. Any discretionary annual bonuses to the Cotter family executive have historically been determined by our board based upon the recommendation of our Compensation Committee.

In light of Mr. Cotter, Sr.'s death in September 2014, cash bonuses for 2014 have not yet been determined by Mr. Cotter, Jr. or, in the case of the Cotter family members, recommended by the Compensation Committee or approved by our board. Factors to be considered in determining or recommending any such cash bonuses include (i) the level of the executive's responsibilities, (ii) the efficiency and effectiveness with which he or she oversees the matters under his or her supervision, and (iii) the degree to which the officer has contributed to the accomplishment of major tasks that advance the company's goals.

Stock Bonus: Equity incentive bonuses may be awarded to align our executives' long-term compensation to appreciation in stockholder value over time and, so long as such grants are within the parameters set by our 2010 Stock Incentive Plan, historically were entirely discretionary on the part of Mr. Cotter, Sr. Other stock grants are subject to board approval. Equity awards may include stock options, restricted stock, bonus stock, or stock appreciation rights. Apart from the stock award to Mr. Cotter, Sr., no stock bonuses were awarded to our executive officers in 2014.

If awarded, it is generally our policy to value stock options and restricted stock at the closing price of our common stock as reported on the NASDAQ Capital Market on the date the award is approved or on the date of hire, if the stock is granted as a recruitment incentive. When stock is granted as bonus compensation for a particular transaction, the award may be based on the market price on a date calculated from the closing date of the relevant transaction. Awards may also be subject to vesting and limitations on voting or other rights.

Andrzej Matyczynski, our Chief Financial Officer, has a written employment agreement with our company that provides for a specified annual base salary and other compensation. Mr. Matyczynski resigned as our Chief Financial Officer effective September 1, 2014, but he and our company agreed to postpone the effective date of his resignation. Upon termination of Mr. Matyczynski's employment, he will become entitled under his employment agreement to a lump-sum severance payment of six months' base salary and to the payment of his vested benefit in accordance with the terms of the deferred compensation plan discussed below in this section.

Other than Mr. Cotter, Sr.'s and Mr. Cotter, Jr.'s role as Chief Executive Officer in setting compensation, none of our executive officers play a role in determining the compensation of our named executive officers.

2014 Base Salaries and Target Bonuses

We have historically established base salaries and target discretionary cash bonuses for our named executive officers through negotiations with the individual named executive officer, generally at the time the named executive officer commenced employment with us, with the intent of providing annual cash compensation at a level sufficient to attract and retain talented and experienced individuals. Our Compensation Committee recommended and our board approved the following base salaries for Mr. Cotter, Jr. and Ellen M. Cotter for 2014:

Name	2013 Base Salary ($)	2014 Base Salary ($)
James J. Cotter, Jr.	195,417	335,000
Ellen M. Cotter	335,000	335,000

The base salaries of our other named executive officers were established by Mr. Cotter, Sr. as shown in the following table:

Name	2013 Base Salary ($)	2014 Base Salary ($)
Andrzej Matyczynski	309,000	309,000
Robert F. Smerling	350,000	350,000
Wayne Smith	339,000	324,295

All named executive officers are eligible to receive a discretionary annual cash bonus. Cash bonuses are typically prorated to reflect a partial year of service. Our board reserves discretion to adjust bonuses for the Cotter family members based on its own evaluations of the recommendations of our Compensation Committee as it did in both 2013 and 2014 in Mr. Cotter, Sr.'s case.

We offer stock options and stock awards to our employees, including named executive officers, as the long-term incentive component of our compensation program. We sometimes grant equity awards to new hires upon their commencing employment with us and from time to time thereafter. Our stock options allow employees to purchase shares of our common stock at a price per share equal to the fair market value of our common stock on the date of grant and may or may not be intended to qualify as "incentive stock options" for U.S. federal income tax purposes. Generally, the stock options we grant to our employees vest over four years in equal installments upon the annual anniversaries of the date of grant, subject to their continued employment with us on each vesting date.

Other Elements of Compensation

Retirement Plans

We maintain a 401(k) retirement savings plan that allows eligible employees to defer a portion of their compensation, within limits prescribed by the Internal Revenue Code, on a pre-tax basis through contributions to the plan. Our named executive officers other than Mr. Smith, who is a non-resident of the U.S., are eligible to participate in the 401(k) plan on the same terms as other full-time employees generally. Currently, we match contributions made by participants in the 401(k) plan up to a specified percentage, and these matching contributions are fully vested as of the date on which the contribution is made. We believe that providing a vehicle for tax-deferred retirement savings though our 401(k) plan, and making fully vested matching contributions, adds to the overall desirability of our executive compensation package and further incentivizes our employees, including our named executive officers, in accordance with our compensation policies.

Supplemental Executive Retirement Plan

In March 2007, our board approved the SERP pursuant to which we agreed to provide Mr. Cotter, Sr. supplemental retirement benefits. Under the SERP, following his separation from our company, Mr. Cotter, Sr. was to be entitled to receive from our company for the remainder of his life or 180 months, whichever is longer, a monthly payment of 40% of his average monthly base salary and cash bonuses over the highest consecutive 36-month period of earnings prior to Mr. Cotter, Sr.'s separation from service with us. The benefits under the SERP are fully vested. In October 2014, following Mr. Cotter, Sr.'s death, we began accruing monthly supplemental retirement benefits of $57,000 in accordance with the SERP, but have not yet paid any such benefits to Mr. Cotter, Sr.'s designated beneficiaries.

The SERP is unfunded and, as such, the SERP benefits are unsecured, general obligations of our company. We may choose in the future to establish one or more grantor trusts from which to pay the SERP benefits. The SERP is administered by the Compensation Committee.

Other Retirement Plans

During 2012, Mr. Matyczynski was granted an unfunded, nonqualified deferred compensation plan ("DCP") that was partially vested and was to vest further so long as he remained in our continuous employ. If Mr. Matyczynski were to be terminated for cause, then the total vested amount would be reduced to zero. The incremental amount vested each year was made subject to review and approval by our board. Mr. Matyczynski's DCP vested as follows:

December 31	Total Vested Amount at the End of Each Vesting Year
2013	$300,000
2014	$450,000

Mr. Matyczynski resigned his employment with the company effective September 1, 2014, but he and our company agreed to postpone the effective date of his resignation until May 11, 2015. Upon the termination of Mr. Matyczynski's employment, he would become entitled under the DCP agreement to payment of the vested benefits under his DCP in annual installments following the later of (a) 30 days following Mr. Matyczynski's 65th birthday or (b) six months after his separation from service, unless his employment were to be terminated for cause.

We currently maintain no other retirement plan for our named executive officers.

Key Person Insurance

Our company maintains life insurance on certain individuals who we believe to be key to our management. These individuals include James J. Cotter, Jr., Ellen M. Cotter, Margaret Cotter and Messrs. Matyczynski, Smerling and Smith. If such individual ceases to be an employee, director or independent contractor of our company, as the case may be, she or he is permitted, by assuming responsibility for all future premium payments, to replace our company as the beneficiary under such policy. These policies allow each such individual to purchase up to an equal amount of insurance for such individual's own benefit. In the case of our employees, the premium for both the insurance as to which our company is the beneficiary and the insurance as to which our employee is the beneficiary, is paid by our company. In the case of named executive officers, the premium paid by our company for the benefit of such individual is reflected in the Compensation Table in the column captioned "All Other Compensation."

Employee Benefits and Perquisites

Our named executive officers are eligible to participate in our health and welfare plans to the same extent as all full-time employees generally. We do not generally provide our named executive officers with perquisites or other personal benefits, although in the past we provided Mr. Cotter, Sr. the personal use of our West Hollywood, California, condominium, which was used as an executive meeting place and office and sold in February 2015, a company-owned automobile and a health club membership. Historically, all of our other named executive officers also have received an automobile allowance. From time to time, we may provide other perquisites to one or more of our other named executive officers.

Tax Gross-Ups

As a general rule, we do not make gross-up payments to cover our named executive officers' personal income taxes that may pertain to any of the compensation paid or provided by our company. In 2014, however, we reimbursed Ms. Ellen M. Cotter $50,000 for income taxes she incurred as a result of her exercise of stock options that were deemed to be nonqualified stock options for income tax purposes, but which were intended by the Compensation Committee and her to be so-called incentive stock options, or "ISOs", when originally granted. Our Compensation Committee believe it was appropriate to reimburse Ms. Cotter because it was our company's intention at the time of the issuance to give her the tax deferral feature applicable to ISOs. Due to the application of complex attribution rules, even though she was an executive officer of our company and not a director, she did not in fact qualify for such tax deferral. Accordingly, upon exercise, she received less compensation than the Compensation Committee had intended.

Tax and Accounting Considerations

Deductibility of Executive Compensation

Subject to an exception for "performance-based compensation," Section 162(m) of the Internal Revenue Code generally prohibits publicly held corporations from deducting for federal income tax purposes annual compensation paid to any senior executive officer to the extent that such annual compensation exceeds $1.0 million. The Compensation Committee and our board consider the limits on deductibility under Section 162(m) in establishing executive compensation, but retain the discretion to authorize the payment of compensation that exceeds the limit on deductibility under this Section as in the case of Mr. Cotter, Sr.

Nonqualified Deferred Compensation

We believe we are operating, where applicable, in compliance with the tax rules applicable to nonqualified deferred compensation arrangements.

Accounting for Stock-Based Compensation

Beginning on January 1, 2006, we began accounting for stock-based payments in accordance with the requirements of Statement of Accounting Standards No. 123(R). Our decision to award restricted stock to

Mr. Cotter, Sr. and other named executive officers from time to time was based in part upon the change in accounting treatment for stock options. Accounting treatment otherwise has had no significant effect on our compensation decisions.

Say on Pay

At our Annual Meeting of Stockholders held on May 15, 2014, we held an advisory vote on executive compensation. Our stockholders voted in favor of our company's executive compensation. The Compensation Committee reviewed the results of the advisory vote on executive compensation in 2014 and did not make any changes to our compensation based on the results of the vote.

Compensation Committee Report

The Compensation Committee has reviewed and discussed with management the "Compensation Discussion and Analysis" required by Item 401(b) of Regulation S-K and, based on such review and discussions, has recommended to our board that the foregoing "Compensation Discussion and Analysis" be included in this Form 10-K/A.

Respectfully submitted,

Edward L. Kane, Chair
Guy W. Adams
Tim Storey

Compensation Committee Interlocks and Insider Participation

There are no "interlocks," as defined by the SEC, with respect to any member of the Compensation Committee during 2014.

Executive Compensation

This section discusses the material components of the compensation program for our executive officers named in the 2014 Summary Compensation Table below. In 2014, our named executive officers and their positions were as follows:

- James J. Cotter, Sr., former Chair of the Board and former Chief Executive Officer.
- James J. Cotter, Jr., Chief Executive Officer and President.
- Andrzej Matyczynski, Chief Financial Officer and Treasurer.
- Robert F. Smerling, President – Domestic Cinema Operations.
- Ellen M. Cotter, Chair of the Board, Chief Operating Officer – Domestic Cinemas and Chief Executive Officer of Consolidated Cinemas, LLC.
- Wayne Smith, Managing Director – Australia and New Zealand.

Summary Compensation Table

The following table shows the compensation paid or accrued during the last three fiscal years ended December 31, 2014 to (i) Mr. James J. Cotter, Sr., who served as our principal executive officer until August 7, 2014, (ii) Mr. James J. Cotter, Jr., who served as our principal executive officer from August 7, 2014 through

December 31, 2014, (iii) Mr. Andrzej Matyczynski, our financial officer, and (iv) the other three persons who served as executive officers in 2014. The following executives are herein referred to as our "named executive officers."

Summary Compensation Table

	Year	Salary ($)	Bonus ($)	Stock Awards ($)(1)	Option Awards ($)(1)	Change in Pension Value and Nonqualified Deferred Compensation Earnings ($)	All Other Compensation ($)	Total ($)
James J. Cotter, Sr.(2)	2014	452,000	1,050,000	1,200,000	--	197,000 (3)	20,000 (4)	2,919,000
Chair of the Board	2013	750,000	1,000,000	750,000	--	1,455,000 (3)	25,000 (4)	3,980,000
and Chief Executive	2012	700,000	500,000	950,000	--	2,433,000 (3)	24,000 (4)	4,607,000
Officer								
James J. Cotter, Jr.(5)	2014	335,000	--	--	--	--	27,000 (7)	362,000
President and Chief	2013	195,000	--	--	--	--	20,000 (7)	215,000
Executive Officer	2012	--					0	0
Andrzej Matyczynski	2014	309,000			33,000	150,000 (6)	26,000 (7)	518,000
Chief Financial Officer	2013	309,000	35,000	--	33,000	50,000 (6)	26,000 (7)	453,000
and Treasurer	2012	309,000	--	--	11,000	250,000 (6)	25,000 (7)	617,000
Robert F. Smerling	2014	350,000	25,000	--	--	--	22,000 (7)	397,000
President – Domestic	2013	350,000	50,000	--	--	--	22,000 (7)	422,000
Cinema Operations	2012	350,000	50,000	--	--	--	22,000 (7)	422,000
Ellen M. Cotter	2014	335,000	--	--	--	--	75,000 (7)(8)	410,000
Chief Operating Officer	2013	335,000	--	--	--	--	25,000 (7)	360,000
Domestic Cinemas	2012	335,000	60,000	--	--	--	25,000 (7)	420,000
Wayne Smith	2014	324,000	45,000	--	--	--	19,000 (7)	388,000
Managing director -	2013	339,000	--	--	--	--	20,000 (7)	359,000
Australia and New Zealand	2012	357,000	16,000	--	22,000	--	19,000 (7)	414,000

(1) Amounts represent the aggregate grant date fair value of awards computed in accordance with ASC Topic 718, excluding the effects of any estimated forfeitures. The assumptions used in the valuation of these awards are discussed in Note 3 to our consolidated financial statements included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2014, filed with the SEC on March 17, 2015.

(2) Mr. Cotter, Sr. resigned as our Chair and Chief Executive Officer on August 7, 2014.

(3) Represents the present value of the vested benefits under Mr. Cotter. Sr.'s SERP. In October 2014, we began accruing monthly supplemental retirement benefits of $57,000 in accordance with the SERP, but have not yet paid any such benefits to Mr. Cotter, Sr.'s designated beneficiaries. Under the SERP, such payments are to continue for a 180-month period.

(4) Until February 25, 2015, we owned a condominium in West Hollywood, California, which we used as an executive meeting place and office. "All Other Compensation" includes the estimated incremental cost to our company of providing the use of the West Hollywood Condominium to Mr. Cotter, Sr., our matching contributions under our 401(k) plan, the cost of a company automobile used by Mr. Cotter, Sr., and health club dues paid by our company.

(5) Mr. Cotter, Jr. was appointed as our Chief Executive Officer on August 7, 2014.

(6) Represents the increase in the vested benefit of the DCP for Mr. Matyczynski. Payment of the vested benefit under his DCP will be made in accordance with the terms of the DCP.

(7) Represents our matching contributions under our 401(k) plan, the cost of key person insurance, and any automobile allowances.

(8) Includes the $50,000 tax gross-up described in the "Tax Gross-Up" section of the Compensation Discussion and Analysis.

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Employment Agreements

James J. Cotter, Jr. On June 3, 2013, we entered into an employment agreement with Mr. James J. Cotter, Jr. to serve as our President. The employment agreement provides that Mr. Cotter, Jr. is to receive an annual base salary of $335,000, with employee benefits in line with those received by our other senior executives. Mr. Cotter, Jr. also was granted a stock option to purchase 100,000 Class A shares at an exercise price equal to the market price of our Class A shares on the date of grant and which will vest in equal annual increments over a four-year period, subject to his remaining in our continuous employ through each annual vesting date.

Under his employment agreement, we may terminate Mr. Cotter Jr.'s employment with or without cause (as defined) at any time. If we terminate his employment without cause, Mr. Cotter Jr. will be entitled to receive severance in an amount equal to the compensation he would have received had he remained employed by us for 12 months.

William D. Ellis. On October 20, 2014, we entered into an employment agreement with Mr. William D. Ellis, pursuant to which he agreed to serve as our General Counsel for a term of three years. The employment agreement provides that Mr. Ellis is to receive an annual base salary of $350,000, with an annual target bonus of at least $60,000. Mr. Ellis also received a "sign-up"" bonus of $10,000 and is entitled to employee benefits in line with those received by our other senior executives. In addition, Mr. Ellis was granted stock options to purchase 60,000 Class A shares at an exercise price equal to the closing price of our Class A shares on the date of grant and which will vest in equal annual increments over a three-year period, subject to his remaining in our continuous employ through each annual vesting date.

Under his employment agreement, we may terminate Mr. Ellis' employment with or without cause (as defined) at any time. If we terminate his employment without cause, Mr. Ellis will be entitled to receive severance in an amount equal to the compensation he would have received for the remainder of the term of his employment agreement, or 24 months, whichever is less. If the termination is in connection with a "change of control" (as defined), Mr. Ellis would be entitled to severance in an amount equal to the compensation he would have received for a period of twice the number of months remaining in the term of his employment agreement.

Andrzej Matyczynski. Mr. Matyczynski, our Chief Financial Officer, has a written employment agreement with our company that provides for a specified annual base salary and other compensation. Mr. Matyczynski resigned as our Chief Financial Officer effective May 11, 2015, but will continue as an employee until April 15, 2016 in order to assist in the transition of our new Chief Financial Officer, Mr. Ghose, whose information is set forth above. Upon termination of Mr. Matyczynski's employment, he will become entitled under his employment agreement to a lump-sum severance payment of six months' base salary and to the payment of his vested benefit under his deferred compensation plan discussed above in this section.

2010 Equity Incentive Plan

On May 13, 2010, our stockholders approved the 2010 Stock Incentive Plan (the "Plan") at the annual meeting of stockholders in accordance with the recommendation of the board of directors of the Company. The Plan provides for awards of stock options, restricted stock, bonus stock, and stock appreciation rights to eligible employees, directors, and consultants. The Plan permits issuance of a maximum of 1,250,000 shares of class A nonvoting common stock. The Plan expires automatically on March 11, 2020.

Equity incentive bonuses may be awarded to align our executives' long-term compensation to appreciation in stockholder value over time and, so long as such grants are within the parameters of the Plan, historically were entirely discretionary on the part of Mr. Cotter, Sr. Other stock grants are subject to board approval. Equity awards may include stock options, restricted stock, bonus stock, or stock appreciation rights. Apart from the stock award to Mr. Cotter, Sr., no stock bonuses were awarded to our executive officers in 2014.

If awarded, it is generally our policy to value stock options and restricted stock at the closing price of our common stock as reported on the NASDAQ Capital Market on the date the award is approved or on the date of hire, if the stock is granted as a recruitment incentive. When stock is granted as bonus compensation for a particular transaction, the award may be based on the market price on a date calculated from the closing date of the relevant transaction. Awards may also be subject to vesting and limitations on voting or other rights.

Certain Federal Income Tax Consequences

Non-qualified Stock Options. There will be no federal income tax consequences to either the Company or the participant upon the grant of a non-discounted NQSO. However, the participant will realize ordinary income on the exercise of the NQSO in an amount equal to the excess of the fair market value of the common stock acquired upon the exercise of such option over the exercise price, and the Company will receive a corresponding deduction. The gain, if any, realized upon the subsequent disposition by the participant of the common stock will constitute short-term or long-term capital gain, depending on the participant's holding period.

Incentive Stock Options. There will be no regular federal income tax consequences to either the Company or the participant upon the grant or exercise of an incentive stock option. If the participant does not dispose of the shares of common stock for two years after the date the option was granted and one year after the acquisition of such shares of common stock, the difference between the aggregate option price and the amount realized upon disposition of the shares of common stock will constitute long-term capital gain or loss, and the Company will not be entitled to a federal income tax deduction. If the shares of common stock are disposed of in a sale, exchange or other "disqualifying disposition" during those periods, the participant will realize taxable ordinary income in an amount equal to the excess of the fair market value of the common stock purchased at the time of exercise over the aggregate option price (adjusted for any loss of value at the time of disposition), and the Company will be entitled to a federal income tax deduction equal to such amount, subject to the limitations under Code Section 162(m).

While the exercise of an incentive stock option does not result in current taxable income, the excess of (1) the fair market value of the option shares at the time of exercise over (2) the exercise price, will be an item of adjustment for purposes of determining the participant's alternative minimum tax income.

SARs. A participant receiving an SAR will not recognize income, and the Company will not be allowed a tax deduction, at the time the award is granted. When a participant exercises the SAR, the amount of cash and the fair market value of any shares of common stock received will be ordinary income to the participant and will be allowed as a deduction for federal income tax purposes to the Company, subject to limitations under Code Section 162(m). In addition, the Board (or Committee), may at any time, in its discretion, declare any or all awards to be fully or partially exercisable and may discriminate among participants or among awards in exercising such discretion.

Restricted Stock. Unless a participant makes an election to accelerate recognition of the income to the date of grant, a participant receiving a restricted stock award will not recognize income, and the Company will not be allowed a tax deduction, at the time the award is granted. When the restrictions lapse, the participant will recognize ordinary income equal to the fair market value of the common stock, and the Company will be entitled to a corresponding tax deduction at that time, subject to the limitations under Code Section 162(m).

Outstanding Equity Awards

The following table sets forth outstanding equity awards held by our named executive officers as of December 31, 2014 under the Plan:

Outstanding Equity Awards At Year Ended December 30, 2014

	Option Awards					Stock Awards	
	Class	Number of Shares Underlying Unexercised Options Exercisable	Number of Shares Underlying Unexercised Options Unexercisable	Option Exercise Price ($)	Option Expiration Date	Number of Shares or Units of Stock that Have Not Vested	Market Value of Shares or Units that Have Not Vested ($)
James J. Cotter, Sr.	B	100,000	--	10.24	09/05/2017	--	--
James J. Cotter, Jr.	A	12,500	--	3.87	07/07/2015	--	--
James J. Cotter, Jr.	A	10,000	--	8.35	01/19/2017	--	--
James J. Cotter, Jr.	A	100,000	--	6.31	02/06/2018	--	--
Ellen M. Cotter	A	20,000	--	5.55	03/06/2018	--	--
Ellen M. Cotter	B	50,000	--	10.24	09/05/2017	--	--
Andrzej Matyczynski	A	25,000	25,000	6.02	08/22/2022	--	--
Robert F. Smerling	A	43,750	--	10.24	09/05/2017	--	--

Option Exercises and Stock Vested

The following table contains information for our named executive officers concerning the option awards that were exercised and stock awards that vested during the year ended December 31, 2014:

	Option Awards		Stock Awards	
Name	Number of Shares Acquired on Exercise	Value Realized on Exercise ($)	Number of Shares Acquired on Vesting	Value Realized on Vesting ($)
James J. Cotter, Sr.	--	--	160,643	1,200,000
Andrzej Matyczynski	35,100	180,063	--	--

Pension Benefits

The following table contains information concerning pension plans for each of the named executive officers for the year ended December 31, 2014:

Name	Plan Name	Number of Years of Credited Service	Present Value of Accumulated Benefit ($)	Payments During Last Fiscal Year ($)
James J. Cotter, Sr.(1)	SERP	27	$ 7,595,000	$ --
Andrzej Matyczynski(2)	DCP	5	$ 450,000	$ --

Director Compensation

During 2014, all of our directors, except Mr. James J. Cotter Sr., Mr. James J. Cotter, Jr. and Ms. Ellen M. Cotter, received an annual fee of $35,000 (prorated for the year in which a director is first elected or appointed). In addition to their annual directors fee, the following directors received a one-time fee of $5,000 for their services as a member of the board and of all board committees on which they serve; Messrs. Adams, Gould, McEachern and Kane. Mr. Storey received a one-time fee of $10,000, for his services as a member of the board and of all board committees on which he served. Messrs. McEachern and Storey also each received an additional $6,000 for their participation in Special Committee Meetings. For 2014, the Chair of our Audit and Conflicts Committee received an additional fee of $7,000, the Chair of our Compensation Committee received an additional fee of $5,000, and the Chair of our Tax Oversight Committee received an additional fee of $18,000.

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Upon joining our board, new directors have historically received immediately vested five-year stock options to purchase 20,000 shares of our Class A Stock at an exercise price equal to the market price of the stock at the date of grant. From time to time our directors also are granted additional stock options as compensation for their service on our board. Historically, these awards were based upon the recommendations of our former Chair and principal shareholder, Mr. James J. Cotter, Sr., which recommendations were reviewed and acted upon by our entire board. When such additional awards have been made, typically, each sitting director (other than Mr. Cotter, Sr., who historically did not participate in such awards) was awarded the same number of options on the same terms. Historically, we have granted our officers and directors replacement options where their options would otherwise expire with exercise prices that were out of the money at the time of such expiration.

In November 2014, our board of directors determined to make grants to our non-employee directors on January 15 of each year of stock options to purchase 2,000 shares of our Class A Stock. The options will be for a term of five years, have an exercise price equal to the market price of Class A Stock on the grant date and be fully vested immediately upon grant.

The following table sets forth information concerning the compensation to persons who served as our non-employee directors during 2014 for their services as directors.

Director Compensation Table

Name	Fees Earned or Paid in Cash ($)	Option Awards ($)	All Other Compensation ($)	Total ($)
Margaret Cotter (1)	35,000	0	0	35,000
Guy W. Adams (2)	40,000	69,000	0	109,000
William D. Gould	35,000	0	0	35,000
Edward L. Kane	63,000	0	0	63,000
Douglas J. McEachern	53,000	0	0	53,000
Tim Storey	51,000	0	21,000(3)	72,000
Alfred Villaseñor (4)	10,000	0	0	10,000

(1) In addition to her director's fees, Ms. Margaret Cotter receives a combination of fixed and incentive management fees under the OBI Management Agreement described under the caption "Certain Transactions and Related Party Transactions - OBI Management Agreement," below.

(2) Mr. Adams joined the board on January 14, 2014 and was granted on that date a five-year stock option to purchase 20,000 shares of our Class A Stock at an exercise price of $7.40 per share.

(3) This amount represents fees paid to Mr. Storey as the sole independent director of our company's wholly-owned New Zealand subsidiary.

(4) Represents fees paid to Mr. Villaseñor prior to our 2014 Annual Meeting of Stockholders, when he declined to stand for re-nomination as a director.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

Except as described below, the following table sets forth the shares of Class A Stock and Class B Stock beneficially owned on April 30, 2015 by:

- each of our incumbent directors;
- each of our incumbent named executive officers set forth in the Summary Compensation Table of this Proxy Statement;

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- each person known to us to be the beneficial owner of more than 5% of our Class B Stock; and

- all of our incumbent directors and incumbent executive officers as a group.

The beneficial ownership of 327,808 shares of our outstanding Class B Stock, which we refer to as the "disputed shares," and 100,000 shares of Class B Stock underlying a currently exercisable stock option, which we refer to as the "disputed option," is disputed by the Cotter family members, and the following table does not ascribe to any person or entity the beneficial ownership of the disputed shares or of the shares underlying the disputed option.

Except as noted, we believe that each beneficial owner has sole voting power and sole investment power with respect to the shares shown. An asterisk (*) denotes beneficial ownership of less than 1%.

	Amount and Nature of Beneficial Ownership (1)			
	Class A Stock		Class B Stock	
Name and Address of Beneficial Owner	**Number of Shares**	**Percentage of Stock**	**Number of Shares**	**Percentage of Stock**
Directors and Named Executive Officers				
James J. Cotter, Jr. (2)(9)(10)	3,220,251	14.7	696,080	44.0
Ellen M. Cotter (3)(9)(10)	2,818,995	13.0	746,080	47.2
Margaret Cotter (4)(9)(10)	3,111,572	14.3	731,180	46.3
Guy W. Adams	- 0 -	--	- 0 -	--
William D. Gould (5)	54,340	*	--	--
Edward L. Kane (6)	19,500	*	100	*
Andrzej Matyczynski	25,789	*	--	--
Douglas J. McEachern (7)	37,300	*	--	--
Tim Storey (8)	27,000	*	--	--
Robert F. Smerling (8)	43,750	*	--	--
5% or Greater Stockholders				
James J. Cotter Living Trust (9)(10)	1,897,649	8.7	696,080	44.0
James J. Cotter Living Trust/Estate of James J. Cotter, Deceased(9)(10)	408,263	1.9	427,808	25.5
Mark Cuban (11) 5424 Deloache Avenue Dallas, Texas 75220	72,164	*	207,611	13.1
PICO Holdings, Inc. and PICO Deferred Holdings, LLC (12) 875 Prospect Street, Suite 301 La Jolla, California 92037	--	--	97,500	6.2
All directors and executive officers as a group (10 persons)(13)	5,476,570	24.9	1,209,088	71.9

(1) Percentage ownership is determined based on 21,745,484 shares of Class A Stock and 1,580,590 shares of Class B Stock outstanding on May 6, 2015. Except as described in footnote (13) with respect to the beneficial ownership of all directors and executive officers as a group, the table does not ascribe to any person or entity the beneficial ownership of the disputed shares or of the shares underlying the disputed option. Except as described with respect to the disputed shares and the disputed option, beneficial ownership has been determined in accordance with SEC rules. Shares subject to options that are presently exercisable, or exercisable within 60 days of May 6, 2015, which are indicated by footnote, are deemed to be

beneficially owned by the person holding the options and are deemed to be outstanding in computing the percentage ownership of that person, but not in computing the percentage ownership of any other person.

(2) The Class A Stock shown include 97,500 shares subject to stock options. The Class A Stock shown also include 289,390 shares held by a trust for the benefit of James J. Cotter, Sr.'s grandchildren (the "Cotter grandchildren's trust") and 102,751 held by the James J. Cotter Foundation. Mr. Cotter, Jr. is co-trustee of the Cotter grandchildren's trust and of the Cotter Foundation and, as such, is deemed to beneficially own such shares. Mr. Cotter, Jr. disclaims beneficial ownership of such shares except to the extent of his pecuniary interest, if any, in such shares. The Class A Stock shown also includes 1,897,649 shares held by the James J. Cotter Living Trust, or the "Living Trust," which became irrevocable upon Mr. Cotter, Sr.'s death on September 13, 2014. See footnotes (9) and (10) for information regarding beneficial ownership of the shares held by the Living Trust that is disputed by the Cotter family members.

(3) The Class A Stock shown includes 20,000 shares subject to stock options. The Class A Stock shown also include 102,751 shares held by the James J. Cotter Foundation. Ms. Cotter is co-trustee of the Cotter Foundation and, as such, is deemed to beneficially own such shares. Ms. Cotter disclaims beneficial ownership of such shares except to the extent of her pecuniary interest, if any, in such shares. The Class A Stock shown also includes 408,263 shares that Ms. Cotter maintains are part of the Estate of James J. Cotter, Deceased (the "Cotter Estate") that is being administered in the State of Nevada and that Mr. Cotter, Jr. contends are held by the Living Trust. On December 22, 2014, the District Court of Clark County, Nevada, appointed Ellen M. Cotter and Margaret Cotter as co-executors of the Cotter Estate. As such, Ellen M. Cotter would be deemed to beneficially own such shares. As co-trustees of the Living Trust, the three Cotter family members would be deemed to beneficially own such shares depending upon the outcome of the matters described in footnote (9). The shares shown also include 1,897,649 shares held by the Living Trust. See footnotes (9) and (10) for information regarding beneficial ownership of the shares held by the Living Trust that is disputed by the Cotter family members.

(4) The Class A Stock shown includes 17,000 shares subject to stock options. The Class A shares shown also include 289,390 shares held by the Cotter grandchildren's trust and 102,751 shares held by the James J. Cotter Foundation. Ms. Cotter is co-trustee of the Cotter grandchildren's trust and of the Cotter Foundation and, as such, is deemed to beneficially own such shares. Ms. Cotter disclaims beneficial ownership of such shares except to the extent of her pecuniary interest, if any, in such shares. The Class A Stock shown includes 408,263 shares that Ms. Cotter maintains are part of the Cotter Estate and that Mr. Cotter, Jr. contends are held by the Living Trust. As co-executor of the Cotter Estate, Ms. Cotter would be deemed to beneficially own such shares. As co-trustees of the Living Trust, the three Cotter family members would be deemed to beneficially own such shares depending upon the outcome of the matters described in footnote (9). The shares shown also include 1,897,649 shares held by the Living Trust. See footnotes (9) and (10) for information regarding beneficial ownership of the shares held by the Living Trust that is disputed by the Cotter family members.

(5) Includes 17,000 shares subject to stock options.

(6) The Class A Stock shown includes 2,000 shares subject to stock options.

(7) Includes 27,000 shares subject to stock options.

(8) Consists of shares subject to stock options.

(9) James J. Cotter, Jr., Ellen M. Cotter and Margaret Cotter are the Co-trustees of the Living Trust. On June 5, 2013, the Declaration of Trust establishing the Living Trust was amended and restated (the "2013 Restatement") to provide that, upon the death of James J. Cotter, Sr., the Trust's shares of Class B Stock were to be held in a separate trust, to be known as the "Reading Voting Trust," for the benefit of the grandchildren of Mr. Cotter, Sr. Mr. Cotter, Sr. passed away in September 2014. The 2013 Restatement also names Margaret Cotter the sole trustee of the Reading Voting Trust and names James J. Cotter, Jr. as the first alternate trustee in the event that Ms. Cotter is unable or unwilling to act as trustee. On June 19, 2014, Mr. Cotter, Sr. signed a 2014 Partial Amendment to Declaration of Trust (the "2014 Amendment") that names Margaret Cotter and James J. Cotter, Jr. as the co-trustees of the Reading Voting Trust and provides that, in the event they are unable to agree upon an important trust decision, they shall rotate the trusteeship between them annually on each January 1st. It further directs the trustees of the Reading Voting Trust to, among other things, vote the Class B Stock held by the Reading Voting Trust in favor of the appointment of Ellen Cotter, Margaret Cotter and James J. Cotter, Jr. to our board and to take all actions to rotate the chairmanship of our board among the three of them. On February 6, 2015, Ellen Cotter and Margaret Cotter filed a Petition in the Superior Court of the State of California, County of Los Angeles, captioned In re James J. Cotter Living Trust dated August 1, 2000 (Case No. BP159755). The Petition, among other things, seeks relief that could determine the validity of the 2014 Amendment and who between Margaret Cotter and James J. Cotter Jr. will have authority as trustee or co-trustees of the Reading Voting Trust to vote the shares of Class B Stock shown (in whole or in part) and the scope and extent of such authority. Mr. Cotter, Jr. has filed an opposition to the Petition. As co-trustees of the Living Trust, Mr. Cotter, Jr., Ellen M. Cotter and Margaret Cotter would share voting and investment power of the shares held by the Living Trust and, as such, would be deemed to beneficially own such shares. As trustee or co-trustees of the Reading Voting Trust, Margaret Cotter or Mr. Cotter, Jr., or both, would be deemed to beneficially own the Class B Stock shown. Each of Mr. Cotter, Jr., Ellen M. Cotter and Margaret Cotter disclaims beneficial ownership of the shares held by the Living Trust except to the extent of his or her pecuniary interest, if any, in such shares.

(10) Our stock register reflects that the 327,808 disputed shares of Class B Stock, which constitute approximately 20.7% of the voting power of our outstanding capital stock, and the disputed option to purchase 100,000 shares of Class B Stock, are standing in the name of Mr. Cotter, Sr. Ellen M. Cotter and Margaret Cotter dispute that Mr. Cotter, Sr. executed a written assignment that purported to transfer the disputed shares to the Living Trust and contend that, until such time as they pour over into the Living Trust, the disputed shares make up a part of the Cotter Estate. Ellen M. Cotter and Margaret Cotter also contend that the disputed option belongs to the Cotter Estate, while Mr. Cotter, Jr. disputes these contentions. Because the disputed shares and the shares underlying the disputed option together represent a material amount of our outstanding Class B stock, on April 29, 2015, we filed in the District Court of Clark County, Nevada, a petition requesting instructions from the Court regarding the disputed shares and the disputed option. A copy of our petition is set forth as an exhibit to our current report on Form 8 K filed with the SEC on May 4, 2015. Depending upon the outcome of this matter, the beneficial ownership of our Class B Stock will change, perhaps materially, from that presented in this table. The Cotter family also dispute whether the Class A Stock shown is held by the Living Trust or by the Cotter Estate.

(11) Based on Mr. Cuban's Form 4 filed with the SEC on July 18, 2011 and Schedule 13G filed on February 14, 2012.

(12) Based on the PICO Holdings, Inc. and PICO Deferred Holdings, LLC Schedule 13G filed with the SEC on February 15, 2011.

(13) The Class A Stock shown includes 408,263 disputed shares of Class A Stock and 251,250 shares subject to options. The Class B Stock shown includes the 327,808 disputed shares and the 100,000 shares subject to the disputed option.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE.

Certain Relationships and Related Transactions

The members of our Audit and Conflicts Committee are Edward Kane, Tim Storey, and Douglas McEachern, who serves as Chair. Management presents all potential related party transactions to the Conflicts Committee for review. Our Conflicts Committee reviews whether a given related party transaction is beneficial to our company, and approves or bars the transaction after a thorough analysis. Only Committee members disinterested in the transaction in question participate in the determination of whether the transaction may proceed.

Sutton Hill Capital

In 2001, we entered into a transaction with Sutton Hill Capital, LLC ("SHC") regarding the leasing with an option to purchase of certain cinemas located in Manhattan including our Village East and Cinemas 1, 2 & 3 theaters. In connection with that transaction, we also agreed to lend certain amounts to SHC, to provide liquidity in its investment, pending our determination whether or not to exercise our option to purchase and to manage the 86th Street Cinema on a fee basis. SHC is a limited liability company that is owned by Sutton Hill Associates, which was a 50/50 partnership between James J. Cotter, Sr. and Michael Forman. The Village East is the only cinema subject to this lease, and during 2014, 2013 and 2012 we paid rent to SHC in the amount of $590,000 annually.

On June 29, 2010, we agreed to extend our existing lease from SHC of the Village East Cinema in New York City by 10 years, with a new termination date of June 30, 2020. The Village East lease includes a sub-lease of the ground underlying the cinema that is subject to a longer-term ground lease between SHC and an unrelated third party that expires in June 2031 (the "cinema ground lease"). The extended lease provides for a call option pursuant to which Reading may purchase the cinema ground lease for $5.9 million at the end of the lease term. Additionally, the lease has a put option pursuant to which SHC may require us to purchase all or a portion of SHC's interest in the existing cinema lease and the cinema ground lease at any time between July 1, 2013 and December 4, 2019. SHC's put option may be exercised on one or more occasions in increments of not less than $100,000 each. In 2005, we acquired from a third party the fee interest and from SHC its interest in the ground lease estate underlying and the improvements constituting the Cinemas 1, 2 & 3. In connection with that transaction, we granted to SHC an option to acquire a 25% interest in the special purpose entity formed to acquire these interests at cost. On June 28, 2007, SHC exercised this option, paying the option exercise price through the application of its $3 million deposit plus the assumption of its proportionate share of SHP's liabilities, giving SHC a 25% non-managing membership interest in SHP. We manage this cinema property for an annual management fee equal to 5% of its annual gross income.

In February 2015, we and SHP entered into an amendment to the management agreement dated as of June 27, 2007 between us and SHC. The amendment, which was retroactive to December 1, 2014, memorialized our undertaking to SHP with respect to $750,000 (the "Renovation Funding Amount") of renovations to Cinemas 1, 2 & 3 funded or to be funded by us. In consideration of our funding of the renovations, our annual management fee under the management agreement was increased commencing January 1, 2015 by an amount equivalent to 100% of any incremental positive cash flow of Cinemas 1, 2 & 3 over the average annual positive cash flow of the Cinemas over the three-year period ended December 31, 2014 (not to exceed a cumulative aggregate amount equal to the Renovation Funding Amount), plus a 15% annual cash-on-cash return on the balance outstanding from time to time of the Renovation Funding Amount, payable at the time of the payment of the annual management fee. Under the amended management agreement, we are entitled to retain ownership of (and any right to depreciate) any furniture, fixtures and equipment purchased by us in connection with such renovation and have the right (but not the obligation) to remove all such furniture, fixtures and equipment (at our own cost and expense) from the Cinemas upon the termination of the management agreement. The amendment also provides that, during the term of the management agreement, SHP will be responsible for the cost of repair and maintenance of the renovations.

OBI Management Agreement

Pursuant to a Theater Management Agreement (the "Management Agreement"), our live theater operations are managed by OBI LLC ("OBI Management"), which is wholly owned by Ms. Margaret Cotter who is our Vice Chair and the sister of James J. Cotter, Jr. and Ellen M. Cotter.

The Management Agreement generally provides that we will pay OBI Management a combination of fixed and incentive fees, which historically have equated to approximately 21% of the net cash flow received by us from our live theaters in New York. Since the fixed fees are applicable only durimg such periods as the New York theaters are booked, OBI Management receives no compensation with respect to a theater at any time when it is not generating revenue for us. This arrangement provides an incentive to OBI Management to keep the theaters booked with the best available shows, and mitigates the negative cash flow that would result from having an empty theater. In addition, OBI Management manages our Royal George live theater complex in Chicago on a fee basis based on theater cash flow. In 2014, OBI Management earned $397,000, which was 20.9% of net cash flows for the year. In 2013, OBI Management earned $401,000, which was 20.1% of net cash flows for the year. In 2012, OBI Management earned $390,000, which was 19.7% of net cash flows for the year. In each year, we reimbursed travel related expenses for OBI Management personnel with respect to travel between New York City and Chicago in connection with the management of the Royal George complex.

OBI Management conducts its operations from our office facilities on a rent-free basis, and we share the cost of one administrative employee of OBI Management. Other than these expenses and travel-related expenses for OBI Management personnel to travel to Chicago as referred to above, OBI Management is responsible for all of its costs and expenses related to the performance of its management functions. The Management Agreement renews automatically each year unless either party gives at least six months' prior notice of its determination to allow the Management Agreement to expire. In addition, we may terminate the Management Agreement at any time for cause.

Live Theater Play Investment

From time to time, our officers and directors may invest in plays that lease our live theaters. The play STOMP has played in our Orpheum Theatre since prior to our acquisition of the theater in 2001. Mr. Cotter, Sr. owned an approximately 5% interest in that play.

Shadow View Land and Farming LLC

During 2012, Mr. Cotter, Sr., our former Chair, Chief Executive Officer and controlling shareholder, contributed $2.5 million of cash and $255,000 of his 2011 bonus as his 50% share of the purchase price of a land parcel in Coachella, California and to cover his 50% share of certain costs associated with that acquisition. This land is held in Shadow View Land and Farming, LLC, which is owned 50% by our company. Mr. Cotter, Jr. contends that the other 50% interest in Shadow View Land and Farming, LLC is

owned by the James J. Cotter, Sr. Trust, while Ellen Cotter and Margaret Cotter contend that such interest is owned by the Cotter Estate. We are the managing member of Shadow View Land and Farming, LLC, with oversight provided by our Audit and Conflicts Committee.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

Summary of Principal Accounting Fees for Professional Services Rendered

Our independent public accountants, Grant Thornton, LLP, have audited our financial statements for the fiscal year ended December 31, 2014, and are expected to have a representative present at the Annual Meeting who will have the opportunity to make a statement if he or she desires to do so and is expected to be available to respond to appropriate questions.

Audit Fees

The aggregate fees for professional services for the audit of our financial statements, audit of internal controls related to the Sarbanes-Oxley Act, and the reviews of the financial statements included in our Forms 10-K and 10-Q provided by Grant Thornton LLP for 2014 and 2013 were approximately $661,700 and $550,000, respectively.

Audit-Related Fees

Grant Thornton, LLP did not provide us any audit related services for 2014 or 2013.

Tax Fees

Grant Thornton, LLP did not provide us any products or any services for tax compliance, tax advice, or tax planning for 2014 or 2013.

All Other Fees

Grant Thornton, LLP did not provide us any services for 2014 or 2013 other than as set forth above.

Pre-Approval Policies and Procedures

Our Audit Committee must pre-approve, to the extent required by applicable law, all audit services and permissible non-audit services provided by our independent registered public accounting firm, except for any *de minimis* non-audit services. Non-audit services are considered *de minimis* if (i) the aggregate amount of all such non-audit services constitutes less than 5% of the total amount of revenues we paid to our independent registered public accounting firm during the fiscal year in which they are provided; (ii) we did not recognize such services at the time of the engagement to be non-audit services; and (iii) such services are promptly submitted to our Audit Committee for approval prior to the completion of the audit by our Audit Committee or any of its members who has authority to give such approval. Our Audit Committee pre-approved all services provided to us by Grant Thornton LLP for 2014 and 2013.

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

(a)(3) The following exhibits are filed as part of this report:

Exhibit No.	Description
31.1	Certification of Principal Executive Officer dated March 7, 2014 pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (filed herewith).
31.2	Certification of Principal Financial Officer dated March 7, 2014 pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (filed herewith).

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

READING INTERNATIONAL, INC.

Date: May 8, 2015

By: /s/ ANDRZEJ MATYCZYNSKI
Name: Andrzej Matyczynski
Title: Chief Financial Officer

GA00005664

RDI-A02201

CERTIFICATION OF PERIODIC REPORT UNDER SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, James J. Cotter, Jr., certify that:

1. I have reviewed this Annual Report on Form 10-K/A of Reading International, Inc.

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report.

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report.

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a–15(e) and 15d–15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a–15(f) and 15d–15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 8, 2015

/s/ JAMES J. COTTER, JR.
James J. Cotter, Jr.
Chief Executive Officer

GA00005665
RDI-A02202

CERTIFICATION OF PERIODIC REPORT UNDER SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Andrzej Matyczynski, certify that:

1. I have reviewed this Annual Report on Form 10-K/A of Reading International, Inc.

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report.

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report.

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a–15(e) and 15d–15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a–15(f) and 15d–15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 8, 2015

/s/ ANDRZEJ MATYZYNSKI
Andrzej Matyczynski
Chief Financial Officer

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