

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)

<u>Nevada</u>	<u>1-8625</u>	<u>95-3885184</u>
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)
<u>6100 Center Drive, Suite 900, Los Angeles, California</u>		<u>90045</u>
(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))
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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 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.

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 50th 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 50th percentile; and
- Total compensation (base salary, cash bonus and long term incentive awards) in the aggregate was 40% below the 50th 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 25th 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 25th percentile: President and CEO, EVP Global Operations, and Chief Legal Officer. The only officer at or above the 50th 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 50th percentile of our peer companies, however, for 2016, to target our compensation program to the 25th 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 its 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 1/4th 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 (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). Willis Towers Watson's key findings were:

- The Company's 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 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:
 - o Guy W. Adams, \$50,000
 - o Edward L. Kane, \$10,000
 - o 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

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|------|--|
| 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. |
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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 AMENDEMENT 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 10th 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 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 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.

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 50th 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 50th percentile; and
- Total compensation (base salary, cash bonus and long term incentive awards) in the aggregate was 40% below the 50th 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 its 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)
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 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 1/4th 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 (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, 2016, 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 employment agreement dated October 20, 2014, as amended (the “Employment Agreement”), Executive was hired by the Company in the capacity of General Counsel for a three (3) year term to end on October 20, 2017 (the “Employment Term”);

Whereas, on 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 resignation 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 resign 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 will 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 payments 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 "**Payments**"). 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.* 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 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 **Other 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 cease 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 payments 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 refrain 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 Angeles 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, "**Released Parties**" include the Company and its affiliated companies and their officers, directors, managers, stockholders, 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 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, 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 Released 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 Released 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 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 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 Released 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 these provisions and the provisions of this Agreement. In the event of any violation by you of these provisions or the 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 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. 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, 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 (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 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 Resignation 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 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 supersedes 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 acknowledge that the Employment Agreement and Amendment thereto will be terminated upon the effectiveness 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 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 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.

“Executive”

Date: _____

William D. Ellis, an individual

“Company”

Reading International, Inc.

Date: _____

By: _____
Ellen M. Cotter, President and CEO