

## APPENDIX NO. 1

### - THE COMPANY'S SHAREHOLDERS

#### The shareholding structure

According to the Company's knowledge, as at the date of submitting the annual report, i.e. as at 28 March 2008, the following shareholders declared holding directly or indirectly (through their subsidiaries) at least 5% of the votes at the Shareholders' Meeting of AmRest:

Shareholder	Number of shares	% share in capital	Number of votes at the Shareholders' Meeting	% of votes
BZ WBK AIB AM *	2,071,198	14.62%	2,071,198	14.62%
ING Nationale – Nederlanden Polska OFE	1,420,392	10.02%	1,420,392	10.02%
BZ WBK AIB TFI	1,201,827	8.48%	1,201,827	8.48%
IRI LLC **	1,199,420	8.46%	1,199,420	8.46%
Michael Tseytin	720,016	5.08%	720,016	5.08%
Pioneer Pekao IM ***	711,921	5.02%	711,921	5.02%
Pioneer Pekao TFI	710,058	5.01%	710,058	5.01%

\* BZ WBK AIB AM manages assets including the funds belonging to BZ WBK AIB TFI.

\*\* IRI LLC is a wholly-owned subsidiary of ARC.

\*\*\* Pioneer Pekao IM manages assets including the funds belonging to Pioneer Pekao TFI.

#### Description of changes in the shareholding structure

Since the publication of the latest periodical report (for the fourth quarter of 2007, published on 29 February 2008), the Company has obtained the following information on the changes in the shareholding structure:

As a result of a purchase of shares finalized on 3 April 2008, ING Nationale - Nederlanden Polska Otwarty Fundusz Emerytalny ("ING NN Polska OFE") became the holder of 1,420,392 shares of AmRest, constituting 10.02% of the Company's share capital and giving the right to 1,420,392 votes, i.e. 10.02% of the total number of votes at the Shareholders' Meeting of the Company. Before the change, ING NN Polska OFE held 1,405,329 AmRest shares, which constituted 9.92% of the Company's share capital

and gave the right to 1,405,329 votes, i.e. 9.92% of the total number of votes at the Shareholders' Meeting of the Company. At the same time, ING NN Polska OFE informed that "(...) Within the next 12 months, the number of shares held by ING NN Polska OFE might increase or decrease depending on the market situation and the Company's performance. The shares of the Company are purchased for the purpose of investing cash as part of the investing activities of ING NN Polska OFE."

**Other information about the shareholding structure**

The Management Board of AmRest does not have any knowledge of any agreements (including agreements concluded after the balance sheet date), which could result in future changes in the proportional interests held by the existing shareholders.

The Management Board of AmRest does not have any information about the holders of securities, which are associated with special control powers with regard to the Company.

**APPENDIX NO. 2.****- REMUNERATION OF THE MANAGEMENT AND SUPERVISORY BOARD MEMBERS**

In 2007, the annual remuneration of each of the AmRest Supervisory Board members amounted to PLN 20 thousand.

The total remuneration paid to Mr Henry McGovern in 2007 amounted to PLN 1,543 thousand. The total remuneration paid to Mr Wojciech Mroczyński in 2007 amounted to PLN 783 thousand.

Mr Henry Mc Govern and Mr Wojciech Mroczyński participate in the Employee Option Scheme. The following table presents the changes in the number of options for AmRest shares held by members of the Management and Supervisory Boards of AmRest in 2007, in accordance with the Company's knowledge:

	Function*	Number of share options as at 31/12/2006	Additions	Decreases	Number of share options as at 31/12/2007
Henry McGovern	M	110,000	10,000	-	120,000
Wojciech Mroczyński	M	7,000	4,000	-	11,000

\* (M) Management Board member, (S) Supervisory Board member

As at 31 December 2007, the total number of participation units (options) held by Mr Henry McGovern was 120,000, of which 100,000 could already be executed. As at 31 December 2007 they amounted to PLN 1,208 thousand.

As at 31 December 2007, the total number of participation units (options) held by Mr Wojciech Mroczyński was 11,000, of which 2,800 could already be executed. As at 31 December 2007 they amounted to PLN 207 thousand.

More details of the option scheme are presented in Note 21 to the consolidated financial statements.

**Other information about the Management and Supervisory Board members**

The Management Board of AmRest Holdings N.V. would like to inform that there are no agreements between the Company and its Management Board members concerning the payment of compensation in the event of their resignation or dismissal.

Mr Henry McGovern directly holds 108,640 AmRest shares (RB 47/2007 dated 1 August 2007). Additionally, Mr McGovern holds 4,075 AmRest shares through Metropolitan Properties International Sp. z o.o. (MPI) (RB 27/2006 dated 18 July 2006). Mr McGovern also holds the Company's shares through his interest in American Retail

Concepts (ARC), which controls the total capital of International Restaurant Investments, LLC (IRI), a shareholder of AmRest (Note 31 to the consolidated financial statements). Other members of the Management and Supervisory Board of AmRest do not hold any shares of the Company or its related entities.

Mr Donald Kendall Sr. directly holds 108,640 AmRest shares (RB 48/2007 dated 1 August 2007).

**APPENDIX NO. 3****- INFORMATION ON THE SYSTEM OF CONTROLLING EMPLOYEE SHARE SCHEMES**

Until 27 April 2005, a Profit Share Plan ("Stock Option Plan 1") was in place at the AmRest Group. Under this scheme, the eligible employees received participation units with a value based on a multiple of profit for the financial year, adjusted for factors specified in the principles of the Scheme. In accordance with the principles of the Plan, after completion of the process of admitting the shares of AmRest Holdings N.V. to public trading on the Stock Exchange, the Company was obliged to pay to its employees the value of matured participation units as at the date of admitting the shares to public trading.

The Profit Share Plan was dissolved as of 27 April 2005. A part of the participation units issued, which were eligible for payment as at 27 April 2005, were settled by the Company. The liabilities with respect to the remaining participation units issued, which had not become eligible for payment, and unsettled units, which were eligible as at that date, were taken over by the Company's shareholder ARC and will be settled by it in the future.

In April 2005, the Company announced to its employees the principles of the Stock Option Plan ("Stock Option Plan 2"). The Plan allows the AmRest Group employees to purchase the shares of AmRest Holdings N.V. The total number of shares for which options can be issued shall be determined by the Management Board. It cannot, however, exceed 3% of all the shares in issue. Additionally, in accordance with the Option Plan provisions, a group of employees eligible for participation in the Option Plan, the number of options granted and the dates of granting them are subject to approval by the Management Board. The execution price of the options shall be equal to the market price of the Company's shares as at the date of granting the options, and the vesting period of the rights to options shall be 3 or 5 years.

The schemes referred to above are incentive schemes and are addressed exclusively to key employees and managers of the AmRest Group companies.

Details of the valuation and accounting treatment of these schemes are presented in Note 21 to the consolidated financial statements.

#### **APPENDIX NO. 4**

##### **- THE GROUP COMPOSITION**

The current composition of the AmRest Group is presented in Note 1a to the consolidated financial statements as at and for the year ended 31 December 2007. The changes in the composition of the Group during the aforementioned period are presented below.

On 27 March 2007, American Restaurants Sp. z o.o. ("AmRest Polska") and Starbucks Coffee International, Inc. ("Starbucks") signed the Memorandum of Association of AmRest Coffee Sp. z o.o. ("AmRest Coffee Polska"). The new company was established for the purpose of developing and operating Starbucks cafes in Poland, in connection with the Preliminary Agreement signed with Starbucks (RB 8/2007 dated 28 March 2007). AmRest Polska holds 82% of the share capital of AmRest Coffee Polska, and Starbucks holds 18% of the share capital of the new company.

Also in March 2007, a company SCM s.r.o. ("SCM Czech Republic"), a subsidiary of SCM Sp. z o.o. ("SCM Poland"), which is an associate of the AmRest Group, was registered in the Czech Republic. SCM Poland holds 40.5% of the shares in SCM Czech Republic. The newly-established Czech company is a supplier of AmRest restaurants, like SCM Poland.

On 19 April 2007, American Restaurants Kft. ("AmRest Hungary"), a subsidiary of AmRest Poland, acquired 100% of the shares in Bécsi út 13. Kft. ("Bécsi"). Bécsi is the owner of an office building located at Bécsi 13 street in Budapest. AmRest Hungary rented office space in this building before. The purchase of this building should allow AmRest to extend its office facilities in Budapest. The details of this transaction are presented in Note 3. The transaction is also described in detail in RB 12/2007 dated 19 April 2007.

On 27 April 2007, AmRest Poland signed the Memorandum of Association of the company American Restaurants EOOD ("AmRest Bulgaria") in Sofia, Bulgaria. AmRest Poland acquired 100% of the shares in this company. AmRest Bulgaria was established to open and operate restaurants in Bulgaria. The establishment of AmRest Bulgaria is described in detail in RB 17/2007 dated 11 May 2007.

In May 2007, the company AmRest Acquisition Subsidiary, Inc. ("AA Subsidiary"), Delaware, USA, was established. AmRest holds 100% of the shares in the newly-established company. AA Subsidiary was established for the purpose of a merger with US Strategies, Inc ("USSI"), New Jersey. USSI was the main shareholder of OOO Pizza Nord, the franchisee and operator of 41 Pizza Hut and Rostic-KFC restaurants in Russia. The establishment of AA Subsidiary is described in detail in RB 19/2007 dated 21 May 2007.

On 19 September 2007, AmRest announced that AmRest Poland and Starbucks Coffee International, Inc. ("Starbucks") signed the Memorandum of Association of AmRest Coffee s.r.o., Prague, the Czech Republic. The new company was established for the purpose of developing and operating Starbucks cafes in the Czech Republic, pursuant to the Joint Venture Agreements signed on 25 May 2007 (RB 23/2007 dated 25 May 2007).

AmRest Polska contributed 82% of the share capital of AmRest Coffee s.r.o., and Starbucks contributed 18% of the share capital of the new company.

On 12 October 2007, AmRest Polska and PROFOOD INVEST GMBH (“ProFood”) signed the Memorandum of Association of AmRest D.O.O. (“AmRest Serbia”), Belgrade, Serbia. The company was established based on the Joint Venture agreement signed between the two parties on 10 September 2007. The objective of AmRest Serbia is to open and operate fast food and casual dining restaurants in that country. AmRest Poland acquired 60% of the share capital of the new company, and ProFood acquired 40% of the share capital.

The Group head office is located in Wrocław, Poland. Currently the Group has restaurants in Poland, the Czech Republic, Hungary, Russia, Serbia and Bulgaria.

**APPENDIX NO. 5.****LOANS AND BORROWINGS IN THE GROUP**

On 2 July 2007, the Loan Agreement with respect to 670,606 AmRest shares was signed between IRI ("the Lender") and AmRest ("the Borrower"). At that time, the Lender held 4,756,850 shares of the Borrower, which constituted 35.24% of the total number of the shares (RB 36/2007 dated 3 July 2007). The purpose of the Loan Agreement was to close the transaction of purchase of shares in OOO Pizza Nord ("AmRest Russia"). On 12 October 2007, 670,606 AmRest shares with EUR 0.01 par value each were returned to IRI.

On 2 July 2007, Annex No. 3 to the Loan Agreement concluded on 4 April 2005 between AmRest Holdings N.V., American Restaurants Sp. z o.o., American Restaurants s.r.o. and ABN AMRO Bank N.V. was signed (RB 37/2007 dated 3 July 2007). The Annex increased the total amount of the credit line by PLN 210 million in connection with the financing of the purchase of USSI. Before Annex No. 3 to the Loan Agreement was signed, the situation on the market associated with the terms and conditions of financing economic entities had been analyzed. A request for proposal was sent to 6 renowned banks. All the banks invited to participate in the RFP process expressed great interest and declared willingness to finance the Group and provide banking services to it. In early June the banks presented their proposals, which were very competitive compared with the terms and conditions of the services used by the Group to date. This process was the starting point of the negotiations of new, better credit terms offered by ABN AMRO Bank. AmRest was successful in the negotiations. In addition to an increased credit limit, the Company obtained better financing terms, which will contribute to substantial savings of the financing costs in 2007 and the following years.

On 3 July 2007, a Bond Issue Agreement was signed between AmRest ("the Issuer") and AmRest Poland ("the Bond Holder"). The purpose of the bond issue is to settle the liabilities resulting from the Merger Agreement. On 3 July 2007, the Issuer issued 100 zero-coupon bonds with PLN 839,107 par value each, for a period of 5 years ("the Bonds"). The issue price of a single Bond was PLN 650,000. The total issue price of all Bonds was PLN 65,000,000 (RB 38/2007 dated 3 July 2007).

On 3 August 2007, AmRest Poland, a subsidiary of AmRest, signed a loan agreement with OOO Pizza Nord (AmRest Russia) for PLN 2.2 million. The loan was granted for a period of one year. AmRest Polska holds 9% of the shares in AmRest Russia. At the same time, on 17 September 2007, a loan agreement was signed between AmRest Poland and AmRest Russia for PLN 15.0 million. The loan is a revolving loan and was granted for a period to the end of the year 2008. It is repayable by the end of 2009.

On 26 September 2007, Pizza Hut s.r.o. signed an annex to the loan agreement with AmRest Poland. The annex extends the date of repayment of the loan until 29 August 2008 and changes (updates) the interest on the loan.

On 3 October 2007, AmRest Poland signed annex no. 2 to the loan agreement with AmRest Hungary. The annex increases the loan amount to PLN 30 million (from PLN 15



million) and changes the date of making the funds available to 31 December 2008 and the loan repayment date to 31 December 2009.

On 31 December 2007, AmRest Polska signed an annex to the loan agreement with the company, Doris. The annex changes the final deadline for utilizing the loan to 31 December 2008.

On 29 January 2008, AmRest Poland signed a loan agreement with AmRest Bulgaria for the amount of PLN 12 million. The loan is a revolving loan and was granted for a period to the end of the year 2008. It is repayable by the end of 2009.

On 11 March 2008 the Credit Agreement was signed between AmRest Poland („Borrower”) and ABN AMRO Bank N.V. and ABN AMRO Bank (Polska) S.A. (collectively: „Bank”). Based on the Agreement the Bank grants to the Borrower a credit facility in the amount of PLN 150 million with the final repayment date of 29 August 2008. This amount is provided in the form of renewable credit at the variable interest rate. The credit is available in PLN, USD and CZK. The purpose of the credit is to finance development activities of AmRest Group. At the same time both sides signed the Letter of Intent regarding the preliminary conditions of 7-years Bond Issuance Program, related to short- and middle-term bonds, at the total amount of PLN 300 million. The financing raised from the Bond Issuance Program will be used to repay the credit facility.

With reference to Credit Agreement, dated 11 March 2008, AmRest signed the Corporate Guarantee under which it guarantees to ABN AMRO Bank N.V. and ABN AMRO Bank (Poland) S.A. (collectively: „Bank”) the fulfillment of AmRest Poland obligations stemming from the Credit. AmRest Poland is 100% subsidiary of AmRest. The Guarantee will be in force until the ultimate repayment of all obligations resulting from the Credit.

Details of loans and borrowings as at 31 December 2007 are presented in Note 20 to the financial statements.

A specification of all loans granted to related entities is as follows:

a. AmRest Holdings N.V.

Borrower	Currency of loans	in PLN '000	
		Amount of loans granted acc. to agreements*	Amount of loans as at 31/12/2007**
American Restaurants s.r.o.	CZK	22,564	24,188

\* translated at the exchange rate of the National Bank of Poland as at 31/12/2007

\*\* including accrued interest as at 31/12/2007

## b. American Restaurants Sp. z o.o.

Borrower	Currency of loans	in PLN '000	
		Amount of loans granted acc. to agreements*	Amount of loans as at 31/12/2007**
American Restaurants Kft	PLN	30,000	19,510
OOO AmRest	PLN	17,250	6,130
American Restaurants EOOD	PLN	1,260	1,298
American Ukraina t.o.w.	USD	487	259
Doris Sp. z o.o.	PLN	500	176
IFFP	PLN	985	1,159

\* translated at the exchange rate of the National Bank of Poland as at 31/12/2007

\*\* including accrued interest as at 31/12/2007

## c. Pizza Hut s.r.o.

Borrower	Currency of loans	in PLN '000	
		Amount of loans granted acc. to agreements*	Amount of loans as at 31/12/2007**
American Restaurants Sp. z o.o.	USD	2,211	557

\* translated at the exchange rate of the National Bank of Poland as at 31/12/2007

\*\* including accrued interest as at 31/12/2007

On 25 December 2007, ZAO Raiffeisenbank St. Petersburg approved the guarantee of AmRest in the amount of USD 2.5 million. The guarantee secures the liabilities of AmRest Russia arising from a loan agreement dated 9 March 2007 (as amended on 19 December 2007). The guarantee was issued in place of an earlier guarantee of the company YUM!

As at 31 December 2007, the AmRest Group had the following credit lines available for use:

- a) ABN Amro Bank - PLN 37,000 thousand (a long-term loan in PLN)
- b) ABN Amro Bank - PLN 20,000 thousand (a revolving loan in PLN/CZK)
- c) ABN Amro Bank - PLN 4,489 thousand (an overdraft in CZK)
- d) ABN Amro Bank - PLN 10,000 thousand (an overdraft in PLN)

**APPENDIX NO. 6.****- A STATEMENT OF COMPLIANCE WITH THE DUTCH CORPORATE GOVERNANCE CODE**

As a Dutch law company, AmRest applies most of the provisions of the Dutch Corporate Governance Code, in addition to the Polish corporate governance principles. The Company follows the Dutch corporate governance principles by applying the good practices concerning the Management Board and the Supervisory Board or explaining why it has decided not to apply them. In the event of conflicting guidelines, due to the fact that the AmRest Group shares are listed on the Warsaw Stock Exchange (WSE) and most of its operations are conducted in Poland, the Company has chosen to follow the Polish corporate governance best practices.

AmRest strictly complies with the Dutch corporate governance principles, with the exception of the following good practices, which are not applied in full:

***The Management Board******Good Practice – section II.1.1: the role and procedures***

The Polish Corporate Governance Principles – Good Practice in Public Companies 2005 (PCGP 2005) do not define any maximum term of office for Management Board members; therefore the Company does not set any limits in this respect.

***Good Practice – section II.1.7: the role and procedures***

In accordance with PCGP, the Company does not impose any restrictions with respect to its Management Board members being members of Supervisory Boards of other listed companies. Nevertheless, the Supervisory Board of AmRest must be notified about important positions held by the Management Board members.

***Good Practice – section II.2.1: the amount and structure of remuneration***

Share options constitute a contingent component of remuneration. However, the employee option schemes do not contain any performance criteria, which must be satisfied before options are granted. Employment with the Company is the condition for acquiring rights to execute options. The vesting period ranges from 3 to 5 years. Options are granted at the discretion of the Management Board and such decisions are indirectly related to the performance of the individual employees.

***Good Practice – section II.2.9: determination and disclosure of remuneration***

The Supervisory Board does not prepare formal remuneration reports, since PCGP do not require it. In accordance with PCGP, the Company discloses the annual remuneration of the Supervisory and Management Board members in its Annual Directors' Report, which is a part of the Annual Report published at the WSE. The remuneration details are also included in the report prepared during the Supervisory Board meeting.

*Good Practice – section II.2.11: determination and disclosure of remuneration*

Since it is not required by PCGP, no details of the agreements concluded with the Management Board members are disclosed to the public other than the amounts of their total remuneration, which are reported in the annual Directors' Report.

***Supervisory Board****Good Practice – section III.1.1: the role and procedures*

No official rules and regulations of the Supervisory Board are disclosed to the public. All the responsibilities and competences of the Supervisory Board are defined in the Company's Memorandum of Association.

*Good Practice – section III.1.2: the role and procedures*

Since the PCGP do not so require, the Supervisory Board does not prepare a report on the Company's operations in a financial year. The Supervisory Board report deals with the Company's financial situation only and is published in the form of a current report immediately before the date of the Shareholders' Meeting.

*Good Practice – section III.3.4: the members' knowledge and experience and the Board composition*

The Company does not set any limits with respect to the number of Dutch listed companies in whose Supervisory Boards the members of the Company's Supervisory Board are allowed to be members. There are no limitations in this respect in PCGP.

*Good Practice – section III.3.5: the members' knowledge and experience and the Board composition*

PCGP do not define any maximum term of office for Supervisory Board members. However, in accordance with the Company's Memorandum of Association, a Supervisory Board member can be appointed for a term of up to 5 years.

*Good Practice – section III.5.1-13: the composition and role of the three major Supervisory Board committees*

No Supervisory Board committees had been set up until the date of this report. In the opinion of the AmRest Supervisory Board, the current scale of the Company's operations does not require such committees to be organized. The establishment of an audit committee and other committees will be considered when the scale of the Company's operations so requires.

*Good Practice – section III.7.3: the remuneration*

In accordance with PCGP, the Company does not impose any restrictions with respect to holding and trading in securities issued by other Dutch listed companies by the Supervisory Board members. However, the Management Board of AmRest has adopted a resolution imposing certain restrictions on holding and trading in AmRest shares.

*Good Practice – section III.8.1: the management structure*

PCGP do not include any restrictions concerning the Management Board structure. However, in Central and Eastern Europe it is common practice for the Board Chairman to perform the function of executive officer as well. This solution is applied in the Company's Memorandum of Association.

*Good Practice – section III.8.4: the management structure*

PCGP do not include any regulations concerning the Management Board structure. However, in Central and Eastern Europe it is common practice for a Board Member to perform the function of executive officer as well. This solution is applied in the Company's Memorandum of Association.

***The Shareholders' Meeting****Good Practice – section IV.1.1: the powers*

Since PCGP do not contain any detailed guidance on voting, the Company has adopted a solution that the Shareholders' Meeting can adopt any resolution by an ordinary majority of the votes cast, and a quorum is not required.

*Good Practice – section IV.3.7: the scope of information provided to the Shareholders' Meeting and the organization of the Shareholders' Meetings*

PCGP do not require preparing the *Initial Report for the Shareholders*. Since the AmRest shares are listed on the WSE, before every Shareholders' Meeting the Company publishes a current report containing draft resolutions, which are to be voted on at the Shareholders' Meeting. All the Company's current reports are available on its website.

*Good Practice – section IV.3.9: the scope of information provided to the Shareholders' Meeting and the organization of the Shareholders' Meetings*

In accordance with PCGP, there is no obligation to provide information about the implemented or considered methods of preventing hostile acquisitions.

*Good Practice – section IV.4.1-3: the responsibility of institutional investors*

The Company's institutional investors are not legally obliged to publish their practices relating to executing voting rights arising from the shares of listed companies held by them, information about the application of such principles in the financial year or about the votes cast during the Shareholders' Meeting. However, the institutional investors are obliged to inform the Polish Financial Supervision Authority (KNF) about the votes cast at the Shareholders' Meeting and to publish a report twice a year disclosing their current interest in the individual public companies.

***Audit of financial statements and the position of an internal and external auditor****Good Practice – section V.3.1: the internal auditor function*

It is common practice in Central and Eastern Europe that an internal auditor reports directly to the Management Board. Therefore, the scope and schedule of the internal auditor's work are specified by the Management Board of AmRest.

**APPENDIX NO. 7.****- A STATEMENT OF COMPLIANCE WITH THE POLISH CORPORATE GOVERNANCE RULES CONTAINED IN THE “GOOD PRACTICE IN PUBLIC COMPANIES 2005” IN 2007**

In accordance with AmRest’s statement of compliance with the Polish corporate governance rules contained in the “Good practice in public companies 2005”, published on 30 June 2007 (RB 32/2007), the Company does not comply with 5 out of 48 good practices:

**Good Practice 2**

*A request to convene the Shareholders' Meeting and put certain issues on its agenda put forward by duly authorized entities should be justified. Draft resolutions proposed to the shareholders' meeting and other significant materials should be presented to the shareholders with the justification and opinion of the Supervisory Board before the Shareholders' Meeting, so that the shareholders have enough time to review and assess them.*

This practice is applied in part. The Issuer’s Memorandum of Association requires the shareholders who request that a shareholders' meeting be held, specify the issues which they want to discuss in detail. A request to add items to the agenda of a meeting which has already been convened should be consistent with the Company's important interests and should be received by the Chairman of the Management or Supervisory Board not later than 60 days before the date of the meeting. The Dutch practice does not require the Management or Supervisory Board to issue opinions on draft resolutions submitted to the shareholders.

**Good Practice 20.1 c)**

*Resolutions on the following issues should not be adopted without the consent of the majority of the independent Supervisory Board members:*

- *any benefits provided to the Management Board members by the Company or any of its related entities;*
- *granting consent for the Company or its subsidiary to enter into a significant agreement with a related party of the Company, a Supervisory or Management Board member or their related parties;*
- *selection of a registered auditor to audit the Company's financial statements.*

The Issuer intends to implement Good Practice 20.1 c) in the future.

## Good Practice 28

*The Supervisory Board should act in compliance with its rules and regulations, which should be disclosed to the public. The rules and regulations should allow the establishment of at least two committees:*

- *the audit committee, and*
- *the remuneration committee.*

*The audit committee should consist of at least two independent members and at least one member with qualifications and experience in the area of accounting and finance. The responsibilities of the committees should be defined in detail in the Supervisory Board rules and regulations. The committees should provide annual reports on their activities to the Supervisory Board. The Company should make these reports available to the shareholders.*

There is no formal remuneration or audit committee. However, their responsibilities are performed by selected Supervisory Board members.

## Good Practice 40

*The Management Board should determine the principles and procedures of work and division of powers in the rules and regulations, which should be disclosed and available to the public.*

The Issuer intends to adopt an appropriate document as soon as possible.

## Good Practice 44

*The current auditor of the Company or its subsidiaries, or the entity which was the auditor in the period concerned, cannot perform the function of a special auditor.*

In accordance with the Issuer's knowledge, the institution of a special auditor is not known in Dutch law.

A description of the most important features of the internal audit and risk management systems in place at the Company is provided in Section 6.2. The composition of the Company's management and supervisory bodies is presented in Section 3.1. Comments on the procedures followed by the management and supervisory bodies of AmRest and their committees are presented above, as part of the comments to the five practices which the Company does not comply with. The procedures followed by the Shareholders' Meeting and its major powers, as well as the rights of the shareholders and the method of their execution are described in the Memorandum of Association of AmRest (Chapter XI), which is available on the Company's website.

**APPENDIX NO. 8.****- SIGNIFICANT AGREEMENTS****1) Development Agreement with Burger King**

On March 8th 2007, AmRest concluded a development agreement with Burger King Europe GmbH. The Parties to the Agreement are as follows: American Restaurants Sp. z o.o. of Wrocław, Poland ("Developer"), and Burger King Europe GmbH of Zug, Switzerland ("BKE"). Under the Agreement the Developer has a non-exclusive right to open and operate on a franchise basis Burger King restaurants in Poland ("Development Area"). The Developer has a right of first refusal in relation to any new Burger King restaurant in Poland proposed to be developed by BKE itself or through a third party, with the exception of certain institutional locations. AmRest Holdings N.V. ("Guarantor") has guaranteed to BKE that the Developer will perform all its obligations under the Development Agreement. The Development Agreement was concluded for the period of 5 years from the Agreement date. Development Agreement provides, among other things, that:

- a) During the 2 years after the first opening of a Burger King restaurant by Developer, BKE shall contribute an amount of 2.5% of the calendar monthly Gross Sales of all Burger King restaurants operated by Developer to the advertising and sales promotion fund mentioned in the Franchise Agreement. During the third year after the first opening of a Burger King restaurant by Developer, BKE shall contribute an amount of 2% of the calendar monthly Gross Sales of all Burger King Restaurants operated by Developer to the advertising and sales promotion fund.
- b) During the initial 5 years term the initial franchise fee payable by Developer shall be \$25,000 for each Burger King restaurant with a franchise agreement providing for a term of 10 years (plus a further renewal franchise fee of \$25,000 in case of a 10 years renewal of the franchise agreement at the Developer's option). The initial franchise fee shall be reduced by 50 % for the development of each Burger King restaurant which exceeds the number of Burger King restaurants to be developed and opened by Developer according to the development schedule.
- c) The Developer agrees to open and operate Burger King restaurants in strict accordance with the development schedule which includes the minimal numbers of openings in each development year as defined in the Development Agreement.
- d) The Developer obliges to comply with the development procedures and requirements as set forth in the Development Agreement. The development procedures includes, among other things, the franchise approval and the site approval.
- e) The Developer and the Guarantor shall at all times maintain in strict confidence BKE's operational manuals, marketing information and methods, and all information and knowledge relating to the methods of operating and the



functional know-how relating to Burger King restaurants revealed by BKE to the Developer.

- f) Developer is responsible for all losses, damages and/or contractual liabilities to third parties arising out of or relating to any of the obligations, undertakings, promises and representations of Developer under this agreement, and for all claims or demands for damages to property or for injury, illness or death of persons directly or indirectly resulting therefrom.

## **2) Framework Conditions of Franchise Agreements with Burger King**

On March 9th 2007, AmRest published information concerning framework terms and conditions of the Franchise Agreements concluded with Burger King Europe GmbH each time a new Burger King restaurant is opened. The parties to the Agreement will be American Restaurants Sp. z o.o. of Wrocław (as the Franchisee) and Burger King Europe GmbH of Zug, Switzerland (as the Franchisor). Under the Agreement, the Franchisee is granted the licence for the use of Burger King's registered trademarks and the Burger King system for the purpose to operate Burger King restaurants. AmRest Holdings N.V. (the Guarantor) guarantees to the Franchisor that the Franchisee will perform all its obligations under the Franchise Agreement. The licence is granted for 10 years from the date on which a given restaurant is launched. The Franchisee has the right to extend the Agreement for another 10 years upon the fulfilment of certain conditions. The Franchise Agreement provides, among other things, that:

- a) Franchisee must comply strictly with all Burger King requirements concerning building and premises, signs, equipment, menu, service, hygiene, uniforms, advertising and promotional materials, sources of supply etc.
- b) Franchisee must pay monthly continuing fees to the Franchisor equal to 5% of the Gross Sales of the Burger King restaurant operated by Franchisee.
- c) Franchisee must pay monthly continuing advertising and sales promotion fees equal to 5% of the Gross Sales of the Burger King restaurant operated by Franchisee.
- d) Employees of Franchisee must participate in initial and ongoing training programs as specified by the Franchisor.
- e) Franchisee, during the term of the agreement, shall not directly or indirectly engage in the operation of any restaurant, except as licensed by Franchisor, which utilizes or duplicates the Burger King business.
- f) Franchisee must comply with all of the other requirements and restrictions set out in the Franchise Agreement.

### 3) Agreements with Starbucks

On 25 May 2007, Joint Venture Agreements were signed by and between AmRest Polska and Starbucks Coffee International, Inc. ("Starbucks") relating to cooperation in the development and running of Starbucks stores in Poland, the Czech Republic and Hungary ("the Territory"). The parties decided to establish three separate Joint Venture Companies in each of the countries of the Territory. AmRest Poland will take up 82%, and Starbucks 18% of the share capital of the Joint Venture Companies.

On 19 September 2007 AmRest informed that AmRest Coffee, Sp. z o.o. ("AmRest Coffee Poland") and Starbucks Coffee EMEA BV and Starbucks Manufacturing EMEA B.V. (collectively, "Starbucks") signed Area Development and Operation Agreement, Shared Services Agreement, Services Agreement and Supply Agreement regarding the rights and license to develop, own and operate Starbucks stores in Poland (the details of these agreements were discussed in the Directors Report for 2007, Point 4.4)

On 19 September 2007 AmRest informed that AmRest Coffee, s.r.o. ("AmRest Coffee Czech") and Starbucks Coffee EMEA BV and Starbucks Manufacturing EMEA B.V. (collectively, "Starbucks") signed Area Development and Operation Agreement, Shared Services Agreement, Services Agreement and Supply Agreement regarding the rights and license to develop, own and operate Starbucks stores in Czech Republic (the details of these agreements were discussed in the Directors Report for 2007, Point 4.4)

On 3 January 2008 AmRest informed that AmRest Coffee, Kft. ("AmRest Coffee Hungary") and Starbucks Coffee EMEA BV and Starbucks Manufacturing EMEA B.V. (collectively, "Starbucks") signed Area Development and Operation Agreement, Shared Services Agreement, Services Agreement and Supply Agreement regarding the rights and license to develop, own and operate Starbucks stores in Hungary (the details of these agreements were discussed in the Directors Report for 2007, Point 4.4)

### 4) Merger Agreement – OOO Pizza Nord

On 2 July 2007 the Merger Agreement was finalized between AmRest, AmRest Acquisition Subsidiary, Inc. (the "AA Subsidiary"), US Strategies, Inc. ("USSI") and Michael Tseytin. The Agreement concerned the takeover of OOO Pizza Nord, the operator of 41 restaurants in Russia. As a result USSI merged with AA Subsidiary, which is the company which will continue in operation. Before the merger, USSI held a 91% interest in OOO Pizza Nord. The remaining 9%, held by minority shareholders, was acquired by AmRest Poland.

Based on the Agreement the Preliminary Merger Consideration amounted to USD 47.0 million, made up of two portions:

- (i) cash - in the amount of USD 25.4 million (Cash Portion), and
- (ii) 427,666 AmRest shares – equivalent of USD 21.6 million (Stock Portion).

In addition to the above, the equivalent of USD 12.0 million will be settled in 242,940 AmRest shares (Additional Stock Portion). The Additional Stock Portion reflects mainly

the fact that merged company will assume USD 10.5 million of long term debt instead of originally estimated USD 21.5 million.

Pursuant to the Merger Agreement all of USSI Shares were converted into and exchanged for the right to receive (i) ninety-one percent (91%) of the Preliminary Merger Consideration, and (ii) one hundred percent (100%) of the Additional Stock Portion. The remaining 9% of the Preliminary Merger Consideration will be paid for the minority (9%) shareholding in OOO Pizza Nord. The minority shareholding in OOO Pizza Nord was acquired by AmRest Poland based on separate purchase and sell agreements with 3 key senior managers of Pizza Nord concluded on 2nd July 2007. Total of 670,606 shares were borrowed from International Restaurant Investments, LLC for the purpose of finalizing the Merger Agreement. The shares will be delivered to the Controlling Shareholder's and three key managers' accounts held with UniCredit CAIB Polska S.A. At the same, pursuant to the Share Pledge Agreements concluded on the 2nd of July 2007, all the shares will be pledged for a period of up to 5 years.

Pursuant to the Agreement, if the Adjustment Period EBITDA is more than 21% of Adjustment Period Gross Sale, the number of shares representing Additional Stock Portion shall be automatically and immediately released to Controlling Shareholder. The remaining Pledged Shares shall be released as follows:

- (i) from and after the date falling five (5) days after the Adjustment Period Settlement Date (30 June 2008), one-fifth (1/5) of the remaining pledged shares;
- (ii) from and after July 1, 2009, one-fourth (1/4) of the remaining pledged shares;
- (iii) from and after July 1, 2010, one-third (1/3) of the remaining pledged shares;
- (iv) from and after July 1, 2011, one-half (1/2) of the remaining pledged shares;
- (v) from and after the end of July 1, 2012, all of the remaining pledged shares.

Additionally, by virtue of the Agreement, Controlling Shareholder will guarantee the continuity of the current Pizza Nord restaurant lease agreements in the period of 5 years following the end of Adjustment Period (1st July 2008). If any Pizza Nord restaurant shall be closed by the lessor in the above mentioned period, the Controlling Shareholder shall pay AmRest the relevant liability calculated as 91% of Adjustment Period Value attributable by respective restaurant (in proportion to period of forced closure and 5 years).

In connection with the finalization of Pizza Nord takeover on 2 July 2007 a Share Loan Agreement was signed by and between IRI ("the Lender") and AmRest ("the Borrower"). On the same day Annexe No. 3 to the Facility Agreement dated 4 April 2005 was signed. On 3 July 2007 a Bond Issue Agreement was signed by and between AmRest ("the Issuer") and AmRest Poland ("the Bondholder"). On 3 August 2007 AmRest Poland signed a loan agreement with OOO Pizza Nord. Details of all these agreements are discussed in Appendix No 5.

#### **5) Joint Venture Agreement with ProFood Invest GmbH**

On 10 September 2007, the Joint Venture Agreement was signed between AmRest Poland and PROFOOD INVEST GMBH ("ProFood"), with regards to form a jointly-owned company ("JVC") which business shall be the development and operation of branded quick service and casual dining restaurants in Serbia (the details of this

agreement were discussed in the Directors Report for 2007, Point 4.4 and Appendix No 9).

#### **6) Agreements regarding takeover of Rostik's-KFC operators in Moscow**

In October 2007 appropriate preliminary agreements were signed with three entities, OOO Tetra, OOO Fast Food Restaurants Group and KARO a closed joint stock company (RB 62/2007 dated 12 October 2007, RB 66/2007 dated 29 October 2007 and RB 67/2007 dated 29 October 2007), relating to the transfer of assets and the rights to run the restaurants. These companies jointly operate 20 Rostik's-KFC restaurants located in Moscow.

In February 2008 AmRest provided information about signing the final agreements: The Asset Purchase Agreement and the Agreement for Consideration, relating to 9 Rostik's-KFC restaurants run by OOO Tetra. The total amount of the transaction relating to both agreements amounted to USD 12 million. The Agreement for Consideration stipulates that the amounts relating to particular restaurants will be transferred to a separate escrow account and final payments will be made after the actual transfer of lease rights relating to particular locations from Tetra to AmRest. In March 2008 AmRest signed the final agreements: The Asset Purchase Agreement and the Agreement for Consideration, relating to 5 Rostik's-KFC restaurants run by OOO Fast Food Restaurants Group ("FFRG"). The total amount of the transaction relating to both agreements amounted to USD 6.15 million. The Agreement for Consideration stipulates that the amounts relating to particular restaurants will be made after the actual transfer of lease rights relating to particular locations from FFRG to AmRest. The Company will take up full control over the Tetra and FFRG restaurants upon actual transfer of these rights.

#### **7) Annex to the agreement with McLane**

On 10 December 2007 AmRest provided information about signing an Annex to the Distribution Agreement dated 2 April 2003 concluded by and between AmRest Poland and McLane Poland Sp. z o.o. with its registered office in Blonie (RB 8/2006 dated 24 March 2006). The Annex will come into force on 1 August 2008. In accordance with the Annex, the term of the Agreement was extended by a further 2 years, i.e. until 1 August 2010. At the same time, both parties decided that the term of the Agreement must be extended in writing by 1 December 2009 – otherwise the agreement will expire automatically on 1 August 2010.

#### **8) Credit Agreement with ABN AMRO**

On 11 March 2008 the Credit Agreement was signed between AmRest Poland („Borrower”) and ABN AMRO Bank N.V. and ABN AMRO Bank (Polska) S.A. (collectively: „Bank”). The details of this agreement were discussed in Appendix No 5.

**9) Distribution Agreement with Lekkerland**

On 17 April 2008 AmRest Hungary and Lekkerland Export-Import Kft ("Distributor") signed the Distribution Agreement. The Agreement is concerning distribution services provided by Distributor to the restaurants operated by AmRest Hungary. The products and ingredients delivered to restaurants come from authorized suppliers and are in line with stringent standards of AmRest and Yum!. Pursuant to the Agreement the fee paid to the Distributor, in lieu of provided services, depends on the value of goods delivered. The Agreement was signed for the period of 3 years with an option to prolong it for another period.

**10) Major Insurance Agreements Concluded in 2007 by the AmRest Group Companies**

In 2007 AmRest Group introduced global insurance program including Poland, Czech Republic, Hungary, Russia and Bulgaria. The program enables the insurance costs' optimization due to the economies of scale.

- a) American Restaurants Sp. z o.o.:
  - TPL insurance policy (AIG Europe S.A. Branch in Poland)
  - property insurance policy, covering property, electronic equipment and business interruption (T.U. Allianz Polska S.A.)
- b) American Restaurants s.r.o.:
  - TPL insurance policy (AIG Europe S.A. Branch in Czech Republic)
  - property insurance policy, covering property and business interruption (AIG Europe S.A. Branch in Czech Republic)
- c) American Restaurants, kft:
  - TPL insurance policy (AIG Europe S.A. Branch in Hungary)
  - property insurance policy, covering property and business interruption (AIG Europe S.A. Branch in Hungary)
- d) OOO AmRest
  - TPL insurance policy (AIG Insurance and Reinsurance Company)
  - property insurance policy, covering property and business interruption (AIG Insurance and Reinsurance Company)
- e) American Restaurants EOOD:
  - TPL insurance policy (AIG Europe S.A. Branch in Poland)
  - property insurance policy, covering property and business interruption (AIG Europe S.A. Branch in Poland.)

**APPENDIX NO. 9.****- AGREEMENTS WITH RELATED PARTIES**

- 1) On 27 March 2007 the Article of Association of AmRest Coffee Sp. z o.o. was signed. AmRest Poland has 100% ownership of AmRest Coffee Poland. The new company was established in relation to the cooperation with Starbucks Coffee International, Inc. regarding the development and operation of Starbucks stores. The nominal value of each share amounts to PLN 100. The total equity of the new company amounts to PLN 50,000.
- 2) On 19 April 2007 AmRest Hungary acquired 100% shares of Bécsi út 13. Kft.. The total nominal value of equity amounted to HUF 20,000,000. The total price of all acquired shares amounted to USD 650,000. Bécsi út 13. Kft. is the owner of the office building located at Bécsi út 13, Budapest. AmRest Hungary had used to lease the office space at this location. Acquisition of the above mentioned building is aimed to facilitate the extension of AmRest office in Budapest.
- 3) On 27 April 2007 AmRest Poland signed the Articles of Association of American Restaurants EOOD ("AmRest Bulgaria") based in Sofia, Bulgaria. AmRest Poland subscribed 100% shares of the new company. The total equity of the new company amounts to BGN 25,000. AmRest Bulgaria was established to open and operate restaurants in Bulgaria.
- 4) On 21 May 2007 AmRest informed about establishment of AmRest Acquisition Subsidiary, Inc. („AA Subsidiary”), a Delaware corporation, a wholly-owned subsidiary of AmRest (RB 19/2007 dated 21 May 2007). AmRest has a 100% ownership of the new company. The purpose of the foundation of AA Subsidiary is to merge with US STRATEGIES, INC. („USSI”), a New Jersey corporation. USSI was the controlling shareholder of OOO Pizza Nord, a franchisee and operator of 41 Pizza Hut and Rostic-KFC in Russia. As a result of the Merger Agreement finalization, dated 2 July 2007, USSI was merged with AA Subsidiary (the surviving corporation is AA Subsidiary). Before the merger USSI had 91% shareholding in OOO Pizza Nord. The remaining 9%, held by minority shareholders, was acquired by AmRest Poland.
- 5) On 2 July 2007 the Share Loan Agreement between IRI (“Lender”) and AmRest (“Borrower”), regarding 670.606 AmRest shares, was signed. At that time the Lender was the owner of 4,756,850 shares of Borrower which constituted 35.24% of the total number of shares (RB 36/2007 dated 3 July 2007). The objective of Share Loan Agreement was the finalization of the transaction resulting from the Merger Agreement.
- 6) On 2 July 2007 the Annex No. 3 to the Facility Agreement, between AmRest Holdings N.V., American Restaurants Sp. z o.o., American Restaurants s.r.o. and ABN AMRO Bank N.V., was signed (RB 37/2007 dated 3 July 2007). The Annex increases the total amount of the credit facility up to PLN 210 million in connection with the financing of the acquisition of USSI.

- 7) On 3 July 2007 the Agreement on Issuance of Bonds between AmRest ("Issuer") and AmRest Poland ("Bondholder") was signed. The objective of the bond issuance is the settlement of obligations resulting from the Merger Agreement. On 3 July 2007 the Issuer issued 100 registered zero-coupon bonds with a nominal value of PLN 839,107 each, with a term of 5 years ("Bonds"). The issue price of each Bond was PLN 650,000. The aggregate issue price for all Bonds was PLN 65,000,000 (RB 38/2007 dated 3 July 2007).
- 8) On 3 August 2007 AmRest Poland, the subsidiary of AmRest, signed the loan agreement with OOO Pizza Nord in amount of PLN 2,250 thousand. The loan was denominated in US dollars and shall be payable within one year. The loan was granted at an interest rate of 3M WIBOR + 1,5%. AmRest Poland is the owner of 9% OOO Pizza Nord shares.
- 9) On 7 August 2007 AmRest informed about the increase in the amount of capital of its subsidiary American Restaurants Kft ("AmRest Hungary"). Following the registration of this change the share capital of AmRest Hungary amounts to HUF 584.000.000. Following this change AmRest Poland is still 100% owner of AmRest Hungary (RB 49/2007 dated 7 August 2007).
- 10) On 8 August 2007 AmRest informed about the increase in the amount of capital of its subsidiary American Restaurants EOOD ("AmRest Bulgaria"). Following the registration of this change the share capital of AmRest Bulgaria amounts to BGN 1.225.000. Following this change AmRest Poland is still 100% owner of AmRest Bulgaria (RB 50/2007 dated 8 August 2007).
- 11) On 10 September 2007 AmRest Poland and ProFood Invest GmbH ("ProFood") signed the Joint Venture Agreement with regards to form a jointly-owned company which business shall be the development and operation of quick service and casual dining restaurants in Serbia. Based on this agreement, on 12 October 2007, both parties signed the foundation agreement of AmRest D.O.O. ("AmRest Serbia"), seated in Belgrade, Serbia. AmRest Poland contributed 60% of share capital of the new company while ProFood 40% of share capital. The total share capital of AmRest Serbia amounted to EUR 350 thousand. The Board of Directors of the new company consists of one AmRest and one ProFood representative. The Joint Venture Agreement foresees that the Annual Operating Plan and Business Plan will be approved annually by General Meeting. After 5th year following the Agreement date AmRest Poland has a right and option to buy ProFood's stake in AmRest Serbia. On 1 November 2007 the first KFC restaurant in Serbia was opened in Belgrade.
- 12) On 17 September 2007 a loan agreement was signed by and between AmRest Poland and OOO AmRest ("AmRest Russia") for an amount of PLN 15.0 million. The loan is a revolving loan and was granted until the end of 2008. OOO AmRest is a new, registered in October, name of OOO Pizza Nord, AmRest's 100% subsidiary, seated in St. Petersburg.
- 13) On 19 September 2007 AmRest informed that AmRest Poland and Starbucks Coffee International, Inc. ("Starbucks") signed the Articles of Association of AmRest Coffee, s.r.o., seated in Prague, Czech Republic. The new company has been established in con-

nection with the Joint Venture Agreement signed on May 25, 2007 (RB 23/2007 dated 25 May 2007), to develop and operate Starbucks stores in Czech Republic. The total equity of AmRest Coffee, s.r.o. amounts to CZK 134 million. The nominal value of share amounts to CZK 1,000. AmRest Poland contributed 82% of AmRest Coffee, s.r.o. equity and Starbucks contributed 18% of the new company equity.

14) On 3 October 2007 Appendix No 2 to Loan Agreement between AmRest Poland and AmRest Hungary. The Appendix increases the loan amount from PLN 15 million to PLN 30 million and postpones the repayment date till the end of 2008.

15) On 12 October 2007 AmRest shares in the number of 670,606, a par value EUR 0.01 each, were returned to International Restaurant Investments, LLC, the former main shareholder of AmRest. The Share Loan Agreement was described in RB 36/2007 dated 3 July 2007.

16) On 3 January 2008 AmRest informed that American Restaurants Sp. z o.o. ("AmRest Poland") and Starbucks Coffee International, Inc. ("Starbucks") registered AmRest Coffee, Kft, seated in Budapest, Hungary. The new company has been established in connection with the Joint Venture Agreement signed on May 25, 2007 (RB 23/2007 dated 25 May 2007), to develop and operate Starbucks stores in Hungary. The total equity of AmRest Coffee, Kft amounts to HUF 3 million. AmRest Poland contributed 82% of AmRest Coffee, Kft equity and Starbucks contributed 18% of the new company equity.

17) On 29 January 2008 a loan agreement was signed by and between AmRest Poland and American Restaurants EOOD („AmRest Bulgaria”) for an amount of PLN 12.0 million. The loan is a revolving loan and was granted until the end of 2009. AmRest Bulgaria is AmRest Poland 100% subsidiary.

18) On 11 March 2008, with reference to the Credit Agreement with ABN AMTO signed on the same day, AmRest signed the Corporate Guarantee under which it guarantees to ABN AMRO Bank N.V. and ABN AMRO Bank (Poland) S.A. (collectively: „Bank”) the fulfillment of AmRest Poland obligations stemming from the Credit. The Guarantee will be in force until the ultimate repayment of all obligations resulting from the Credit.

19) On 23 April 2008 AmRest informed about the increase in the amount of capital of its subsidiary American Restaurants Kft ("AmRest Hungary"). Following the registration of this change the share capital of AmRest Hungary amounts to HUF 1.084.000.000. Following this change AmRest Poland is still 100% owner of AmRest Hungary (RB 24/2008 dated 23 April 2008).