

MCK BOARD CHARTER

1. INTRODUCTION:

This Charter sets out the role, responsibilities and structure of the Board and provides guidance for the effective oversight of Millennium & Copthorne Hotels New Zealand Limited (“MCK” or “the Company”) by its Board on behalf of its shareholders, employees and other material stakeholders.

The Board has the responsibility to protect and enhance the long-term value of MCK acting in the best interests of the company and its shareholders and to do so sustainably.

In carrying out its duties and obligations, the board will recognise its overriding responsibility to act honestly, fairly, diligently and in accordance with the law.

2. PURPOSE

2.1 Governance at MCK

The Board is elected by MCK’s shareholders and has statutory responsibility for the affairs and activity of the Company. In practice, this is achieved through the delegation to MCK’s Managing Director /Chief Executive, who is responsible for the day-to- day leadership and management of the Company.

2.2 Governance objectives

- Establish and disclose the respective roles and responsibilities of the Board and management;
- Structure the board to adequately discharge its responsibilities and duties;
- Promote ethical and responsible decision making;
- Safeguard the integrity of its financial reporting;
- Promote timely disclosure of all material matters concerning MCK;
- Respect the rights of MCK’s shareholders and facilitate the effective exercise of those rights;
- Recognise and manage risk and establish a sound system for risk oversight and management and internal control;

- Remunerate fairly and responsibly and that its relationship to performance is clear;
- Promote a company culture which embraces diversity.

3. RESPONSIBILITIES

3.1 Responsibilities of the board

The Board is responsible for:

- Overall governance and providing strategic leadership;
- Setting direction, strategies and financial objectives of MCK and monitoring management’s implementation of those policies, strategies and financial objectives;
- Ensuring that MCK has available to it proper and adequate resources to achieve its objectives;
- Overseeing accounting and reporting systems (including the external audit) and MCK’s compliance with its continuous disclosure obligations;
- Overseeing the planning, delivering, monitoring and reviewing of MCK’s health, safety and environment strategies;
- Appointing the Chair of the Board and the Managing Director / Chief Executive;
- Delegating responsibility for the day-to-day operation and management of MCK to the Managing Director / Chief Executive (who may in turn sub-delegate to senior executives within MCK);
- Adopting and reviewing MCK’s risk management framework;
- Approving MCK’s operating budget and major capital expenditure budget;
- Adopting MCK’s remuneration policy and other key corporate governance documents;
- Determining the remuneration of the Managing Director / Chief Executive, including the performance criteria used to determine performance-based payments;
- Determining the members of each of the committees established by the Board.

3.2 Responsibilities of the Managing Director / Chief Executive and delegated authorities



The Managing Director / Chief Executive:

- Is delegated by the Board all the necessary powers and authorities to manage the business of MCK other than the following:
 - Matters which by law cannot be delegated by the Board; or
 - Those items which are reserved to the Board for decision as set out in this charter, the board committee charters or policy documents issued by the Board periodically;
- In exercising the powers delegated to them, the Managing Director / Chief Executive will do so in conformity with the duties imposed on directors of MCK by law and by MCK's constitution;
- Is responsible to the board for the management and performance of MCK and in conjunction with the Board, for the development of strategy. The Managing Director / Chief Executive manages the Company in accordance with the annual budget, strategic plan and policies approved by the Board from time to time;
- May sub-delegate to senior executives the powers delegated to the Managing Director / Chief Executive, provided that:
 - Such sub-delegation shall be subject to the same restrictions as apply to the delegator; and
 - The sub-delegation is in accordance with the delegated authorities framework approved by the Board.

3.3 Matters reserved to the Board for decision

The matters reserved to the Board for decision include, but are not limited to, the following:

- Approving MCK's annual budget and strategic plan(s);
- Appointing, evaluating and rewarding the Managing Director / Chief Executive;
- Approving interim and full year results to NZX;
- Approving capital structure, funding, treasury and dividend policies;
- Approving resolutions and corresponding documents to be put forward to shareholders at a general meeting;
- Sales and purchases of businesses or shares in a business;

- Appointments to Boards of subsidiaries;
- Prosecution, defence or settlement of litigation material to the interests of MCK;
- Approving MCK's health, safety and environment strategy;
- Approving the delegated authorities framework;
- Review of MCK's overall corporate governance arrangements; and
- Approving changes to policies published on a MCK website and the publishing of any new policies on that website.

3.4 Role of the Board Chair

The Board will appoint a Board Chair who shall be an independent, non-executive director and whose responsibilities include:

- Leadership of the Board;
- Ensuring the efficient organisation and conduct of the Board;
- Maintaining regular dialogue with the Managing Director / Chief Executive over all operational matters and promptly consulting with the Board over any matter about which the Board should be aware;
- Chairing board and shareholder meetings;
- Fostering a constructive governance culture and applying appropriate governance principles among directors and with management;
- Having authority to act and speak for the Board between its meetings, including engaging with the Managing Director / Chief Executive. The Board Chair shall report to the Board and board committee chairs as appropriate on decisions and actions taken between meetings of the Board.

3.5 Remuneration

Remuneration of executives and directors shall be at fair and reasonable levels measured against a competitive market. Recommendations on remuneration levels for executives shall be made by the Remuneration Committee and determined by the Board [in accordance with MCK's remuneration policy and] [on the basis of an independent assessment of the competitive market].



3.6 Conduct

Directors will undertake their duties with care and diligence at all times giving proper time and attention to matters before them. Board discussions will be open and constructive with all directors participating and bringing the benefit of their particular knowledge skills and abilities to discussions. Directors will comply with MCK's Code of Ethics.

3.7 Reliance on Advice

The Board is expected to exercise a high standard of commercial judgement. In doing so, Directors are entitled to rely on the honesty, integrity and advice of MCK's management team and its external advisors and auditors, but must not substitute reliance on the advice of management and third parties for the Board's own due consideration of the issues presented to it for review and approval. In discharging their respective duties, individual Directors may (with the prior approval of the Board Chair, such approval not to be unreasonably withheld) obtain independent external advice in line with the procedure set out in section 4.8 below.

4. COMPOSITION AND PROCEDURES

4.1 Board composition

The minimum number of directors is three and MCK's constitution sets the maximum number of directors at nine. At least two directors must be ordinarily resident in New Zealand and at least two directors must be Independent Directors (as that term is defined in the NZX Listing Rules). The same person shall not hold the roles of Board Chair and Managing Director / Chief Executive. The Board Chair will be elected in accordance with the constitution.

4.2 Appointment

Directors may be appointed by:

- the Board in accordance with the NZX Listing Rules;
- nomination and appointment at the Company's annual or special meetings in compliance with the NZX Listing Rules; or
- ordinary resolution of shareholders at any time,

as provided for in the Constitution. In considering potential candidates, the Board will undertake appropriate checks as to the candidate's character, experience, education, criminal record and bankruptcy. The Board will ensure that key information about the candidate is provided to shareholders to assist their decision making about whether or not to elect or re-elect the candidate.

4.3 Casual vacancies

The Board may, at any time, appoint a director to a casual vacancy, with a director so appointed required to retire at the next annual meeting of MCK and elected by an ordinary resolution of shareholders.

4.4 Independence

As required by the NZX Listing Rules, the Board will determine at prescribed times the "independence" of directors and will announce that determination to the market. Only Independent Directors (as defined in the NZX Listing Rules) are eligible for holding the position of Board Chair.

4.5 Induction

Newly-appointed directors will be provided with an induction programme and materials to assist in enhancing their understanding of MCK and the environment within which it operates.

4.6 Continuous education

It is expected that all directors continuously educate themselves to ensure that they may appropriately and effectively perform their duties. MCK will provide specific training as required, including health and safety training. In addition, visits to specific company sites and briefings from the Managing Director / Chief Executive, and other senior executives, will be arranged when appropriate.

4.8 Seeking independent advice

A Board committee or a director may retain and consult with external legal or other professional advisers at MCK's expense where the committee or director deems it necessary to carry out its, his or her duties. The prior approval of the Board Chair, such approval not to be unreasonably withheld, must be obtained before the advice is taken and the advice must be made available to the rest of the Board.



In addition, directors will be entitled to:

- have access to members of Management via the Managing Director / Chief Executive at any time to request relevant and additional information or seek explanations;
- have direct access to the Company Secretary / Legal Counsel; and
- have access to external auditors, without Management present, to seek explanations or additional information.

4.9 Board procedure

The Board usually meets at least once a quarter but other meetings can be arranged as required. Board papers will be provided to directors in sufficient time prior to meetings to enable directors to familiarise themselves with their content. Business may be conducted by telephone or video conference. If an urgent decision is required between Board meetings, where appropriate, the matter may be dealt with by written resolution in accordance with the Constitution.

4.10 Indemnities and insurance

Subject to the Company's constitution, the Company shall indemnify its Director and may effect directors' and officers' liability and statutory liability insurance for its Directors and officers, to the maximum extent permitted by law.

The Company will pay all premiums for directors' and officers' liability and statutory liability insurance effected for its Directors and officers.

4.11 Company Secretary

The Board will appoint the Company Secretary, who will be accountable to the Board, through the Board Chair, for all governance matters such as calling meetings, setting agendas and record keeping.

The Company Secretary monitors compliance with Board policy and procedures, and with ensuring timely completion and despatch of the Board agenda and briefing material.

5. BOARD COMMITTEES

5.1 Establishment of Board committees

The Board may from time to time establish committees to assist it in carrying out its responsibilities, and shall set out matters relevant to the composition, responsibilities and administration of such committees, and other matters that the board may consider appropriate.

5.2 Current board committees

The current Board committees are the Audit Committee and the Remuneration Committee. Committee Chairs and members are appointed by the Board.

The Board may also from time to time establish ad hoc committees to consider specific proposals

5.3 Committees to report to Board

Board committees shall report on their deliberations at the next board meeting and provide recommendations to the Board.

5.4 Review of Board committees and charters

The Board shall:

- assess the performance of each committee at least annually to ensure that performance is consistent with the charter of that committee; and
- review the charter of each committee at least every two years to ensure that the charter continues to be appropriate.

6. ACCOUNTABILITY

6.1 Conflicts of interest

The Company maintains an interests register that contains directors' disclosures in relation to organisations of which they are substantial shareholders, directors, officers or trustees. It is the responsibility of each director to ensure that they notify the Company Secretary of any changes in their interests as soon as they become aware of the issue and take any necessary and reasonable measures to try to manage the conflict.

Directors must disclose to the Board any actual or potential conflict of interest.

The Board may determine that it is appropriate that the conflicted Director/s be entitled to provide their views to the Board but otherwise be absent from any meetings (or any part thereof)



where there are discussions or decisions involving the matters of conflict or potential conflict and will not vote on any such matters. The conflicted Director will continue to have access to all relevant information relating to the matter, to the extent such access is consistent with, and necessary to, their duties as a director.

6.2 Trading in MCK quoted financial products

Directors are subject to limitations on their ability to buy and sell MCK's quoted financial products by MCK's Insider Trading Policy and the Financial Markets Conduct Act 2013. All changes in MCK quoted financial product holdings of directors are reported to the board and the NZX. MCK's quoted financial products currently comprise ordinary shares and redeemable preference shares.

7. REVIEW OF BOARD

The Board will assess its performance against the responsibilities set out in this Charter at least annually.

The Chair will assess individual director performance at least annually.

8. REVIEW OF CHARTER

This Charter shall be reviewed by the Board and updated at least every two years.