

MILLENNIUM & COPTHORNE HOTELS NEW ZEALAND LIMITED

[date]

To [director]

Appointment as non-executive director of MCK

I am pleased to confirm that the board of Millennium & Copthorne Hotels New Zealand Limited ("Millennium" or the "Company") has appointed you as a non-executive and independent director. I am writing to set out the terms of the appointment. Please note that this is a contract for services and is not a contract of employment.

Duration of appointment

Subject to receipt of your consent to act as a Director of the Company, you will hold office as from [date] until the next Annual Meeting of the Company, which is scheduled for [date]. You will be eligible for election as a Director at that meeting and, if elected, will be subject to retirement by rotation in line with the Company's Constitution.

At any time during your tenure, including when you become subject to re-election under the Company's constitution or the law, your performance as a Director will be reviewed in accordance with the processes agreed by the Board from time to time. An appropriate recommendation as to your re-appointment may be made in Notices of Meeting or other material provided to Shareholders.

You may cease to hold office as a Director:

- (a) at any time that you resign by written notice. It is desirable that you give the Chair reasonable notice of any intention to resign or to not seek re-election where that is possible so that the Company can plan for succession of skills and experience;
- (b) in accordance with the law or the Company's constitution.

Role of the board

The management and control of the business of the Company is vested in the Board by the Companies Act 1993. The Board reserves for its own decision the adoption of the strategic direction of the Company, approval of financial statements, approval of the business plan and the budget, approval of financial policies, review of operating results, risk management strategy, ensuring the effectiveness of governance practices and significant capital expenditure. The Board has delegated responsibility for the management of the Company through the Managing Director to his direct reports. A copy of the current Delegated Authorities Manual (**DAM**) will be provided to you. The DAM is periodically reviewed by the Audit Committee with amendments being recommended to the Board.

Having regard to its role the board directs, and supervises the management of, the business and affairs of the Company including, in particular:

- ensuring the Company's goals are clearly established, and strategies are in place for achieving them
- establishing policies for strengthening the performance of the Company including ensuring management is proactively seeking to build the business through innovation, initiative, technology, new products and the development of its business capital
- monitoring the performance of management
- appointing the CEO, setting the terms of their employment agreement and, where necessary, terminating their employment
- deciding on whatever steps are necessary to protect the Company's financial position and the ability to meet its debts and other obligations when they fall due, and ensuring that such steps are taken
- ensuring the Company's financial statements are true and fair and otherwise conform with law
- ensuring the Company adheres to high standards of ethics and corporate behaviour
- ensuring the Company has appropriate risk management/regulatory compliance policies in place.

All directors are expected to take decisions objectively in the interests of the Company in line with their statutory duties.

Timing and location of board meetings, and time commitment

The board normally meets quarterly usually in February, May, July and November and holds additional meetings as the occasion requires. Meetings usually take place at the Company's head office in Auckland. The duration of each meeting typically runs to a few hours.

In addition to routine board meetings you should allow time for committee meetings, preparatory work and travel, and ensure that you are in a position to make the necessary overall time commitment.

Remuneration

You will be paid a base fee which is currently [amount] per annum. Fees are payable quarterly in arrears and will be deposited into your bank account, If your fee is subject to GST it will only be paid upon presentation of a valid GST tax invoice.

You will not be entitled to a retirement allowance.

The board determines the level of remuneration paid to its non-executive members within any limitations imposed by shareholders.

In accordance with the relevant Company policies, Millennium will reimburse you for direct and indirect expenses of yours relating to the attendance at Board meetings such as accommodation and travelling expenses, reasonably and properly incurred and documented.

For travel and accommodation, these should in the first instance be arranged by the Assistant to the Managing Director / CEO.

Committee involvement

From time to time the Board may request you to participate in, or remove you from, the Board Committees. Participation is subject to your agreement.

The Board currently has constituted one principal Committee:

[name of committee] Committee

It is anticipated that you will join the [name] Committee.

While Millennium does have a standing Nomination Committee and Remuneration Committee, various matters considered by these Committees are referred to the Main Board for discussion and consideration.

Remuneration on board committees will be addressed by a separate process setting out any supplemental fees payable, and ensuring that you are aware of the committee's terms of reference and the responsibilities involved. Currently, the additional fee for an Audit Committee member is \$[amount].

Board and individual director evaluation processes

The performances of the board as a whole, its committees and individual directors are evaluated periodically. If, in the meantime, there are any matters which cause you concern about your role you should discuss them with the Chair as soon as appropriate.

Outside interests including directorships

It is accepted and acknowledged that you may have business interests other than those of the Company. Please contact the company secretary as soon as possible to arrange for your interests as a shareholder, director, officer or trustee of other companies or entities to be entered in the Company's interests register. Please ensure that the Company is kept informed of any changes to your interests so that the interests register can be maintained and kept up to date.

Disclosure of interests is a continuing obligation. If your circumstances change and you acquire any office or property which may conflict with your office as a Director of Millennium or the interest of Millennium, then you must disclose its character and extent at the next meeting of Directors. This should be done in writing. You may wish to consult with the Chair or the Company Secretary as soon as you become aware of any potential conflict.

You should be aware that under the law and the Constitution, you will not be entitled to vote on any matter on which you have a material personal interest unless the relevant resolution is one in respect of which all directors are required to sign a certificate or it relates to the granting of an indemnity under section 162 of the Companies Act. Any material interests are required to be disclosed in the Annual Report and the accounts.

Any director is, while holding office, at liberty to accept other board appointments as long as the appointment is not in conflict with the Company's business and does not materially interfere with their performance as a director of the Company. All other appointments must first be discussed with the chair before being accepted.

Shareholdings by directors in the Company

Directors may hold shares in the Company. When buying or selling shares directors are expected to strictly observe the provisions of the Company's constitution, the Company's own internal rules and all relevant legislative and regulatory procedures including, in particular, NZX listing requirements and insider trader laws.

Induction and development processes

As soon as practicable the Company will provide a comprehensive induction programme aimed at broadening your understanding of the Company, its business, and the environment and markets in which it operates. As part of the programme you will meet key management and receive a folder of essential board and Company information. All directors are expected to remain current on how to best discharge their responsibilities as directors of the Company including keeping abreast of changes and trends in economic, financial and legal / governance practices.

Access to independent professional advice

All directors are entitled to obtain independent professional advice relating to the affairs of the Company or to their responsibilities as directors. If, in your own case, you consider such advice is necessary, you should first discuss it with the chair. Subject to the prior approval of the chair, the cost of the advice will be reimbursed by the Company but you should ensure, so far as is practicable, that it is reasonable.

Availability of liability insurance

The Company, locally and through the Millennium & Copthorne global insurance programme has in place Directors and Officers' Liability Cover Insurance (D&O Policy). Details of the extent and nature of the cover may be obtained from the Company Secretary.

Charters and policies

As part of the global Millennium & Copthorne group, the Company has developed and is required to comply with a range of charters and policies which govern conduct of Directors and employees and set out the processes, values and standards of the Company in general. These policies are made available to employees through operational bulletins, email broadcasts and other means. Directors should familiarise themselves with them. You acknowledge that your conformity with the Company's Constitution, applicable charters and policies will be an element in any assessment of your performance as a Director of the Company.

Confidentiality

All information acquired during your appointment is confidential to the Company and should not be disclosed either during your appointment or following termination (by whatever means) to third parties except as permitted by law and with prior clearance from the chair.

We look forward to your association with us.

Yours sincerely

Millennium & Copthorne Hotels New Zealand Limited

[name]

Chair

EXAMPLE