



MILLENNIUM

HOTELS AND RESORTS

More than Meets the Eye

Policy & Procedure

RELATED PARTY TRANSACTIONS

HUMAN RESOURCES POLICY – RELATED THIRD PARTY TRANSACTION

Owner: Company Secretary	Issued: February 2016	Supersedes: N/A
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Related Party Transactions Policy (the “Policy”)

Millennium & Copthorne Hotels plc (“M&C” or the “Company”) is committed to maintaining the highest possible ethical standards in all its business activities and it is vital to the continued success of the company that we, as employees, behave with honesty, integrity and in compliance with all applicable legal and regulatory requirements.

Due to the Company being listed on the London Stock Exchange, one of these legal and regulatory requirements, pursuant to the UK Listing Rules (LR11) enforced by the UK Financial Conduct Authority (“FCA”), is to identify any transaction between the Company (or any of its subsidiaries) and a third party that could be considered a **related** third party transaction (a “RPT”) and ensure it is treated appropriately as the transaction could require a market announcement or in limited cases shareholder approval prior to the transaction being completed.

A. Scope

This policy is issued to all relevant M&C staff worldwide, within all regions, areas and functions, and in some instances, parts of this Policy may apply to your relatives and other connected persons.

B. Policy

This policy sets out the fundamental requirements to be followed by employees should a potential RPT as defined below be contemplated.

Definition of a RPT Transaction

Under the Listing Rules a RPT means:

- a) a transaction (other than a transaction in the ordinary course of business) between M&C or a subsidiary and a related party (see definition below); or
- b) an arrangement (other than an arrangement in the ordinary course of business) pursuant to which M&C or a subsidiary and a related party each invests in, or provides finance to, another undertaking or asset; or
- c) any other similar transaction or arrangement (other than a transaction in the ordinary course of business) between M&C or a subsidiary and any other person the purpose and effect of which is to benefit a related party.

A related third party under the Listing Rules would be:

- 1) a person who is (or was within the 12 months before the date of the transaction or arrangement) a substantial shareholder (i.e. holds more than 10% of the Company’s shares); or
- 2) a person who is (or was within the 12 months before the date of the transaction or arrangement) a director or shadow director of the listed company or of any other company which is (and, if he has ceased to be such, was while he was a director or shadow director of such other company) its subsidiary undertaking or parent undertaking or a fellow subsidiary undertaking of its parent undertaking; or
- 3) a person exercising significant influence; or
- 4) an associate of a related party referred to in paragraph (1), (2) or (3).

Note: City Developments Limited (“CDL”) owns more than 10% of M&C and most transactions between CDL and the Company or any M&C subsidiary would be classed as a RPT and therefore should adhere to this policy. This would in most cases also include any transactions with the wider Hong Leong Group due to its relationship with CDL. Examples of RPTs are on page 3.

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Example 1

A subsidiary of CDL is developing a hotel. The hotel will continue to be owned by CDL once completed, but various subsidiaries of M&C will manage the hotel pursuant to a 15-year management agreement and provide other technical, reservations and marketing services.

Example 2

CDL, through a subsidiary, owns an office building in Singapore. Millennium & Copthorne International Limited, a wholly owned indirect subsidiary of M&C, leases space for its regional office. It is proposed to renew the lease for three years.

Exemptions

A transaction will not be deemed a RPT and need to comply with the Listing Rules if it meets the criteria of one of the permitted exemptions. Each potential RPT will be assessed to see if an exemption can be applied and the input of the Company's listing sponsor may be required.

Aggregation

In nearly all cases, any exempted transaction needs to be aggregated with all other exempted transactions in the previous 12 month period to the extent they have not been approved by shareholders.

Responsibilities of all Employees:

If a RPT is proposed it must be reported to the Company Secretary's office, which will seek the appropriate approval, and the M&C Finance Team, who track and aggregate RPTs.

Approval required for any RPT (or series of RPTs):

- under £50,000, by the Company Secretary and Group Chief Executive Officer.
- over £50,000, by the Audit and Risk Committee.
- falling within LR11, the Company Secretary will seek the guidance of the Company's listing sponsor and appropriate action will be taken, such as market announcement and/or shareholder approval, to comply with the Listing Rules.

Managers should ensure all their employees to whom this policy applies are aware of this policy and their responsibilities to act in accordance with its standards, and that a failure to do so could be viewed as a serious disciplinary issue.

C. Governance

The M&C Board of Directors will evaluate this Policy on a regular basis to determine whether it is effective in ensuring accurate and timely compliance in accordance with the Company's obligations under the Listing Rules.

Reporting Procedures

If you become aware of a situation that you feel is a possible infringement of the standards set out in this policy, you must disclose the facts promptly to your line manager, your Human Resources representative or any member of the Internal Audit or Company Secretariat teams, who will ensure the matter is investigated and any appropriate action taken.

**Endorsed by the Board of Directors of Millennium & Copthorne Hotels plc
on 18 February 2016**

Last Updated: N/A

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