



MILLENNIUM & COPTHORNE HOTELS NEW ZEALAND LIMITED
NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

Notice is given that the Annual Meeting of Millennium & Copthorne Hotels New Zealand Limited ("the Company" or "MCK") will be held on Tuesday 28 May 2024 commencing at 1.00pm (New Zealand time) at Grand Millennium Auckland, 71 Mayoral Drive, Auckland, New Zealand and virtually via the online platform provided by MCK's share registrar, Computershare Investor Services Limited, at <https://meetnow.global/nz>.

BUSINESS

Chairman's Welcome and Introduction

Managing Director's Review

Resolutions

1 To re-elect director

In accordance with the Company's Constitution, **Kevin HANGCHI** retires by rotation and, being eligible, offers himself for re-election. (See Explanatory Notes for more information and profile)

2 To re-elect director

In accordance with the Company's Constitution, **Colin SIM** retires by rotation and, being eligible, offers himself for re-election. (See Explanatory Notes for more information and profile)

3 To re-elect director

In accordance with the Company's Constitution, **Leslie PRESTON** retires by rotation and, being eligible, offers herself for re-election. (See Explanatory Notes for more information and profile)

4 To elect director

Steven ZINGEL, having been nominated by a shareholder and, being eligible, offers himself for election. (See Explanatory Notes for more information and profile)

5 Directors' remuneration – proposed increase

That the aggregate maximum annual remuneration for directors be increased from NZ\$200,000 to NZ\$400,000, to be paid and allocated to the Directors as the Board considers appropriate. (See Explanatory Notes for more information)

6 Auditor's remuneration

To consider and, if thought fit, pass the following resolution as an ordinary resolution:
"That the Board of Directors be authorised to fix the auditor's fees and expenses".

(See Explanatory Notes for more information)

General Business

By Order of the Board

A handwritten signature in black ink, appearing to read "Takeshi Ito", with a long horizontal stroke extending to the right.

Takeshi Ito
Vice President Legal & Company Secretary
30 April 2024

PROCEDURAL NOTES

Entitlement to vote

You are entitled to vote at the Annual Meeting if you have a shareholding at 5.00pm on Friday 24 May 2024 (New Zealand time).

In accordance with the NZX Listing Rules, MCK will disregard any votes cast in favour of Resolution 5 (Directors' remuneration) by any director and their "associated persons" (as defined under the NZX Listing Rules). However, this restriction does not apply where a director is casting votes in accordance with an express instruction to vote for or against the resolution from a person who is not disqualified from voting. Directors holding a discretionary proxy may not exercise any discretionary proxy votes on the resolution.

Because the Company's majority shareholder, CDL Hotels Holdings New Zealand Limited, is an "associated person" of Messrs Kwek and Hangchi, it will not vote on Resolution 5.

There are no other restrictions on any shareholder or group of shareholders to prevent them from exercising their vote on any of the other resolutions being considered at the meeting.

Proxies and Corporate Representatives

Shareholders entitled to attend and vote at the Annual Meeting may appoint a proxy (or representative, in the case of a corporate shareholder) to attend (either in person or virtually) and vote on their behalf. A proxy need not be a shareholder of the Company. The appointment of a proxy or representative does not preclude a shareholder from attending the Annual Meeting and voting.

The Chair of the meeting, or any other director, is willing to act as proxy for any shareholder who wishes to appoint him or her to vote on their behalf. If you appoint the Chair of the meeting, or any other director, as your proxy and do not direct him or her how to vote in the proxy form, the Chair of the meeting, or that other director, will vote in favour of all of the resolutions set out in this Notice. To appoint the Chair of the meeting or another director as your proxy, enter 'the Chair' or the name of that other director you wish to appoint in the space allocated in 'Step 1' of the proxy form enclosed with this Notice. Alternatively, to appoint a proxy online (or in the case of a corporate shareholder, a representative), the shareholder must make that appointment online by visiting www.investorvote.co.nz. A shareholder will be taken to have signed the proxy form by lodging it in accordance with the instructions on the website. Please note that because of the voting restriction discussed above relating to Resolution 5 (Directors' remuneration), any director appointed proxy (including the Chair) will only be able to vote on that resolution with an express instruction to vote for or against the resolution.

If you do not name a person as your proxy but otherwise complete the proxy form in full, or you appoint a proxy but your named proxy does not attend the meeting (whether in person or virtually), the Chair of the meeting will be appointed your proxy. When acting as proxy in these circumstances, the Chair of the meeting will:

- vote in accordance with your express direction; and
- for any resolutions where you have selected "proxy discretion", vote in accordance with his or her discretion (subject to any applicable voting restrictions).

Proxy forms must be received by the Company's share registrar, Computershare Investor Services Limited (contact details for which are set out on the proxy form), by 1.00pm on Sunday 26 May 2024 (New Zealand time). A proxy form is enclosed with this Notice.

All resolutions for consideration at the Annual Meeting **are ordinary resolutions and must be passed by a simple majority of the votes of those shareholders entitled to vote and voting on the resolutions.**

How to attend the meeting online

In addition to attending in person, shareholders can attend the meeting virtually through the Computershare meeting platform <https://meetnow.global/nz>. To access the meeting, click 'Go' under the MCK meeting and then click 'JOIN MEETING NOW'. By using the meeting platform, you will be able to watch the meeting, vote and ask questions online using your smartphone, tablet or desktop device. Please refer to the Virtual Meeting Guide available at www.computershare.com/vm-guide-nz for more information.

You will need the latest version of Chrome, Safari or Edge to access the meeting. Please ensure your browser is compatible. If you have any questions, or need assistance with the online process, please contact Computershare Investor Services Limited on +64 9 488 8777 between 8.30am and 5.00pm Monday to Friday (New Zealand time). Audio will stream through the selected device, so shareholders will need to ensure that they have the volume control on their headphones or device turned up. Shareholders will be able to view the presentations, vote on the resolutions to be put to shareholders and ask questions, by using their own computers or mobile devices. Shareholders will still be able to appoint a proxy to vote for them, as they otherwise would, by following the instructions on the proxy form and this Notice of Annual Meeting. Details of how to participate 'virtually' are provided in the Virtual Meeting Guide, with instructions for accessing the virtual meeting. Shareholders are encouraged to review this guide prior to the Annual Meeting. Shareholders will require their CSN / Shareholder Number, which can be found on their proxy form, for verification purposes.

If you are attending the meeting in person

The Hotel has car parking space on site for a fee but spaces are limited. Alternatively, shareholders can use the Civic Carpark building in Aotea Square. If you are taking public transport, Grand Millennium Auckland is close to stops 1078, 1084 (Mayoral Drive) and 1364 (Greys Avenue) and a short walk from stops 7059 and 7060 (Town Hall).

EXPLANATORY NOTES

Resolution 1 - Re-election of director:

Kevin HANGCHI

Mr. Hangchi is currently Senior Vice President, Hong Leong Management Services Pte. Limited. He has global transactional experience across many of the Hong Leong Group's entities including listings and public offerings, mergers and acquisitions as well as capital markets issuances and banking facilities. Mr. Hangchi has been called to the English and Singaporean bars and holds an honours degree in Accountancy and Law from the University of Southampton.

Mr. Hangchi was appointed to the Board in 2016 and was last re-elected to the Board at the 2021 annual meeting of shareholders.

The Board has determined that Mr. Hangchi is not an Independent Director as defined under the NZX Listing Rules because of his association with the majority shareholder of the Company.

The Board unanimously recommends shareholders vote in favour of the re-election of Mr. Hangchi.

Resolution 2 - Re-election of director:

Colin SIM

Mr. Sim is the executive chairman of the East Quarter Group of companies in Australia. The East Quarter Group is involved in the development, investment and management of residential, commercial and industrial projects across New South Wales. Mr. Sim has strong analytical skills and extensive experience in property development/investment and business in Australia. He studied Mechanical Engineering in London and has lived in Sydney, Australia for over 40 years.

Mr. Sim was appointed to the Board in July 2017 and was re-elected to the Board at the 2021 Annual Meeting of shareholders.

The Board has determined that Mr. Sim is an Independent Director as defined under the NZX Listing Rules.

The Board unanimously recommends shareholders vote in favour of the election of Mr. Sim.

Resolution 3 - Re-election of director:

Leslie PRESTON

Ms. Preston founded Bachcare Holiday Homes ("Bachcare") in 2003 and was CEO and a director until 2020. Under her leadership Bachcare grew to become the leading full-service holiday home rental management company in New Zealand and was named one of The World's Top 20 Vacation Rental Companies in 2019.

Ms. Preston hails from New York and has worked for KPMG Peat Marwick and Bankers Trust in the United States and for Boston Consulting Group and BellSouth / Vodafone in New Zealand. Her senior management experience has included roles in marketing, customer and corporate operations as well as business strategy. She holds an MBA from Stanford University Graduate School of Business and a BA (Cum Laude) from Franklin and Marshall College, Pennsylvania.

Ms. Preston was first appointed to the Board in February 2021 and was then elected to the Board at the 2021 annual meeting of shareholders, as required under the Company's Constitution.

The Board has determined that Ms. Preston is an Independent Director as defined under the NZX Listing Rules.

The Board unanimously recommends shareholders vote in favour of the election of Ms. Preston.

Resolution 4 - Election of director:

Steven Howard ZINGEL

The Company has received a nomination for the Board from a shareholder of the Company, Ms. Philippa Lessel Pearless-Zingel, in respect of Mr. Zingel in accordance with NZX Listing Rules 2.2.1(b) and 2.3 and clause 20.3(b) of the Company's Constitution. The statement below was provided with his nomination and has not been verified by the Company. Shareholders will have the opportunity to meet and ask questions of Mr. Zingel at the meeting.

He is currently Manager Project Management Services of a Crown agency in New Zealand. With an annual multimillion dollar budget, he manages the delivery of technology, and organisational improvements projects and programmes. He is also a member of various internal project / portfolio governance committee. His senior management experience includes, strategy, marketing, customer and corporate operations. He was involved as a Managing Director of several retail tourism and information technology businesses based in Christchurch at the time of the earthquakes. This experience has provided him with valuable insight to managing organisations through significant change. Mr. Zingel is currently a Director and Trustee of several private New Zealand entities.

The Zingel family have been substantive investors in Millennium & Copthorne Hotels New Zealand Limited for over 20 years. Mr. Zingel if elected to the board will ensure a spotlight on the operations of MCK from a New Zealand perspective. His aim is to focus the company for the benefit of all shareholders, suppliers, employees and customers.

He holds an MBA with distinction from Canterbury University and BSc (Chemistry) with Hons from Otago University. Steven is a New Zealand citizen; he is 54 years old and lives in Auckland. He is married to Claire and they have two sons aged 21 and 19.

The Board has determined that, if elected, Mr. Zingel would qualify as an Independent Director as defined under the NZX Listing Rules.

The Board has considered Mr. Zingel's nomination and, after due consideration, has decided not to provide a recommendation to shareholders on this resolution.

Resolution 5 – Directors’ remuneration:

This resolution seeks shareholder approval to increase the total annual remuneration available to all directors of MCK for their services as directors (“fee pool”) by \$200,000. The total fee pool is currently \$200,000. The total fee pool was approved by resolution in 1996. This current resolution proposes that the total fee pool increases to \$400,000. This change requires shareholder approval under NZX Listing Rule 2.11.1(a).

MCK’s current director remuneration, approved by the Board in 2019, is as follows:

Base Fee*	\$38,000
Additional fee for the Chair	\$4,000
Additional fee for Chair of the Audit Committee	\$9,000
Additional fee for other members of the Audit Committee	\$7,000

Messrs. Harrison and Kwek do not currently receive any directors’ fees from MCK.

Accordingly, currently the total standard fees paid amount to \$172,000 and are within the current shareholder-approved limit of \$200,000. In 2023, additional fees were paid to directors on the Due Diligence Committee (Leslie Preston & Graham McKenzie) with the total fees paid out being \$200,000.

Reasons for proposed increase

The total fee pool was last increased more than 25 years ago, in 1996. The Board considers that, after such a long period, it is appropriate to now increase the total fee pool.

As part of considering whether to propose to shareholders an increase in the total fee pool and, if so the amount of the increase, the MCK Board engaged remuneration consultants Strategic Pay to conduct an independent review of MCK’s director remuneration. Strategic Pay’s full report can be viewed on MCK’s website at <https://mckhotels.co.nz/investors/mck-agm-presentations-2014-onwards/>.

Strategic Pay’s review took into account:

- the level of fees compared against relevant market data;
- the responsibilities of MCK’s directors, the Board composition and meeting schedule; and
- the size, ownership and industry of the MCK business.

Key conclusions from Strategic Pay’s review were that:

- as director fees have not been increased in 28 years, there is a significant difference between the current fees paid to directors and the private sector market medians. Currently MCK directors receive a base fee of \$38,000 annually, however Strategic Pay’s recommended that MCK directors should be receiving a base fee of between \$65,000-\$70,000;
- MCK Chair fees are significantly lower compared to the private sector market medians. New Zealand’s current market practice pays base annual Chair fees at about a two to one (2:1x) ratio to base annual Director fees. This “premium” reflects the additional responsibilities, scope and risk borne by Chairs. Despite this, MCK is currently paying base annual Chair fees at just over a one to one (1.1:1) ratio to base annual Director fees; and
- the aggregate remuneration fee pool should be increased from \$200,000 to between \$370,000-\$405,000. Strategic Pay believes this recommended range represents market levels appropriate for the MCK business.

In accordance with the findings in the Strategic Pay report, the Board considers that the current fee pool limit does not provide sufficient flexibility to appropriately remunerate the Directors.

As a result, the Board is seeking approval from shareholders to raise the total fee pool from \$200,000 to \$400,000. The Board has determined that this increase of \$200,000 is fair to shareholders given that there has not been any increase in the fee pool for over twenty years and will help to attract and retain highly qualified and suitably experienced Directors to the Board.

No increases to the remuneration levels detailed above are currently proposed as a result of the proposed increase in the fee pool. However, the Board reserves the right to make changes at any time, if it considers appropriate.

Given that the Board is interested in this resolution, it is not providing a recommendation for this resolution.

Resolution 6 – Auditor’s remuneration:

KPMG is the existing Auditor of the Company. KPMG is automatically reappointed as Auditor under section 207T of the Companies Act 1993. Section 207S of the Companies Act 1993 provides that the fees and expenses of the auditor are to be fixed in such manner as the Company determines at the Annual Meeting. The Board recommends that, consistent with usual practice, the auditor’s fees and expenses be fixed by the Directors.

The Board unanimously recommends shareholders vote in favour of this resolution.