

To: **City Developments Limited (“CDL”)**

9 Raffles Place, 12-00 Republic Plaza, Singapore 048619

24 May 2019

Dear Sirs

Possible Acquisition of Millennium & Copthorne Hotels plc (the “Company”)

1 Background

JNE Partners LLP, as manager of JNE Master Fund LP (“**JNE**”) and MSD Capital, L.P., as general partner to MSD Value Investments, L.P. (“**MSD**”) (JNE and MSD referred to collectively herein as “**we**” or the “**JNE Concert Party**”) entered into a joint voting agreement in relation to their interest in the Company on 31 December 2018 (“**Joint Voting Agreement**”). As at the date of this deed, JNE Concert Party holds an aggregate interest in 21,093,139 ordinary shares in the capital of the Company representing approximately 6.49% of the existing issued share capital of the Company.

We understand that, CDL or such other subsidiary of CDL that it may nominate (the “**Offeror**”) is proposing to make an Offer (as defined below) for the entire issued and to be issued ordinary share capital of the Company, other than the shares currently held by CDL and its direct and indirect subsidiaries at the offer price of 685 pence in cash per share in the Company payable by the Offeror (the “**Offer Price**”). We understand that the Acquisition is expected to be implemented by way of an Offer subject to acceptance by holders of shares representing 50 per cent. plus one ordinary share in the issued share capital of the Company not currently held by CDL or its direct or indirect subsidiaries (the “**Acquisition**”).

All references in this deed to a “**Rule 2.7 Announcement**” mean an announcement of a firm intention to make an offer for the Company made in accordance with Rule 2.7 of the Code.

2 Irrevocable undertakings

2.1 Shares

2.1.1 We each confirm and warrant that we are the registered holder and/or beneficial owner of (or are otherwise able to control the exercise of) voting rights attaching to all the shares in the Company as set out next to our respective names in the second column of the table at Appendix 1 to this deed (together, the “**Controlled Shares**”, and where the context requires for JNE in respect of the Shares held by it, the “**JNE Controlled Shares**”, and where the context requires for MSD in respect of the Shares held by it, the “**MSD Controlled Shares**”).

2.1.2 In this undertaking:

“**New Shares**” means any other shares of the Company of which we may, after the date hereof, become the registered holder and/or beneficial owner (or otherwise become able to control the exercise of voting rights attaching to such shares); and

“**Shares**” means the Controlled Shares together with any New Shares.

2.2 Warranties

2.2.1 We each warrant and undertake to the Offeror that:

- (i) in relation to each of our respective Controlled Shares, the Controlled Shares include all the shares in the Company registered in our name or beneficially owned by us or in respect of which we are interested (as defined in the Code); and
- (ii) we have full power and authority to accede to the Acquisition or to undertake the same (in relation to our respective Shares of which we are not both registered holder and beneficial owner) in respect of all our respective Shares.

2.3 Undertaking to accept the Offer

If the Offeror elects to implement the Acquisition by way of an Offer:

- 2.3.1 we each undertake to accept, or procure the acceptance of, the Offer in respect of our respective Shares;
- 2.3.2 we each agree to fulfil this undertaking, in respect of our respective Shares by not later than 3.00 p.m. on the seventh business day after the date of despatch to shareholders of the Company of the formal document containing the Offer (the “**Offer Document**”) (or, in respect of any New Shares acquired by us after the publication of the Offer Document, within seven days of such acquisition), by either:
 - (i) returning to you, or procuring the return to you, or as you may direct, duly completed and signed form(s) of acceptance relating to the Offer and we also agree to forward, or procure to be forwarded, with such form(s) of acceptance or as soon as possible thereafter the share certificate(s) or other document(s) of title in respect of the relevant Shares;
 - (ii) sending (or procuring that any CREST sponsor sends) to Euroclear UK & Ireland Limited the relevant Transfer to Escrow instruction accepting the Offer (in accordance with the procedures described in the Offer Document) in respect of the relevant Shares; or
 - (iii) taking such other steps as may be set out in the Offer Document to effect the acceptance of the Offer and transfer to you of the Shares; and
- 2.3.3 we each undertake that we shall, notwithstanding the provisions of the Code on or any terms of the Offer regarding withdrawal, not withdraw such acceptance(s).

2.4 Dealings with Shares

We each agree that we shall, and shall procure that any person holding our respective Shares shall:

- 2.4.1 except pursuant to the Acquisition, not dispose of, charge, pledge or otherwise encumber or grant any option or other right over or otherwise deal in any of those Shares or any interest in them (whether conditionally or unconditionally);
- 2.4.2 not acquire any shares or other securities of the Company or any interest (as defined in the Code) in any such shares or securities unless the Panel confirms that we and any such person holding the Shares are not “acting in concert” with CDL;
- 2.4.3 exercise (or, where relevant, procure the exercise of) all voting rights attaching to those Shares in such manner as to enable the Acquisition to be made and become unconditional and oppose the taking of any action which might result in any condition of the Acquisition not being satisfied;

2.4.4 prior to the earlier of the Offer closing or lapsing, not, without the consent of the Offeror, convene or requisition, or join in convening or requisitioning, any general or class meeting of the Company; and

2.4.5 other than pursuant to this deed, not enter into any agreement or arrangement or allow to arise any obligation with any person, whether conditionally or unconditionally,

- (i) to do any of the acts prohibited by paragraphs 2.4.1 to 2.4.4 inclusive; or
- (ii) which would or might restrict or impede the Offer becoming unconditional or our ability to comply with this undertaking; or
- (iii) in relation to, or operating by reference to, the Shares or any interest in them,

and references in this paragraph 2.4.5 to any agreement, arrangement or obligation shall include any such agreement, arrangement or obligation whether or not subject to any conditions or which is to take effect upon or following the closing of the Offer or lapsing or upon or following this undertaking ceasing to be binding or upon or following any other event.

3 Publicity

3.1 We each consent to:

3.1.1 any possible offer announcement of the Acquisition or any Rule 2.7 Announcement (or other announcement required pursuant to the Code, including pursuant to Rule 2.10(b)), containing references to the JNE Concert Party and to this deed;

3.1.2 particulars of this deed being set out in the formal document(s) implementing the Acquisition; and

3.1.3 this deed being published on a website as required by Rule 26.2 and Note 4 on Rule 21.2 of the Code, the Disclosure Guidance and Transparency Rules and the Listing Rules of the Financial Conduct Authority.

3.2 We each acknowledge that by entering into this deed, after the commencement of an offer period the provisions of Rule 2.11 and Rule 8 of the Code shall apply which include the obligation to make prompt announcements and notifications after becoming aware that we shall not be able to comply with the terms of this deed or no longer intend to do so.

3.3 We each understand that the information provided to us in relation to the Acquisition is given in confidence and must be kept confidential, save as required by law or any rule of any relevant regulatory body or stock exchange, until an announcement containing details of the Offer is released by the Offeror or the Company or the information has otherwise become generally or publicly available. If and to the extent any of the information is inside information for the purposes of the Criminal Justice Act 1993 or the EU Market Abuse Regulation, we shall comply with the applicable restrictions in those enactments on dealing in securities and disclosing inside information. We agree to keep confidential any information relating to the Acquisition.

4 Conditions and Termination

This deed shall not oblige the Offeror to announce or proceed with the Acquisition. However, without prejudice to any accrued rights or liabilities, our Obligations shall terminate and be of no further force and effect if:

- 4.1.1 an announcement of a possible offer for the Company made in accordance with Rule 2.4 of the Code is not released on or before 5.00 p.m. on 7 June 2019 (or such later date as the Offeror and the JNE Concert Party may agree), provided that a Rule 2.7 Announcement has not already been released prior to the date as set out in this Clause 4.1.1;
- 4.1.2 the Rule 2.7 Announcement is not released on or before 5.00 p.m. on 31 July 2019 (or such later date as the Offeror and the Company may agree, with the consent of the Panel if relevant);
- 4.1.3 subject to Clause 6.1.2, the terms of the Rule 2.7 Announcement represent a diminution in value of the consideration being offered compared to that stated in the Offer Price;
- 4.1.4 the Offeror announces, with the consent of the Panel, and before the Offer Document is published, that it does not intend to proceed with the Acquisition and no new, revised or replacement Offer is announced by the Offeror in accordance with Rule 2.7 of the Takeover Code; or
- 4.1.5 the Offer does not become effective, is withdrawn or lapses in accordance with its terms.

5 Enforcement

5.1 Governing law etc.

This deed and any non-contractual obligations arising out of or in connection with it shall be governed by and construed in accordance with English law and we each agree that the courts of England are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with this deed and that accordingly any proceedings arising out of or in connection with this deed shall be brought in such courts.

5.2 Specific performance

Without prejudice to any other rights or remedies which you may have, we each acknowledge and agree that damages may not be an adequate remedy for any breach by us of any of our Obligations. You shall be entitled to the remedies of injunction, specific performance and other equitable relief for any threatened or actual breach of any such Obligation and no proof of special damages shall be necessary for the enforcement by you of your rights under this deed.

6 Interpretation

6.1 Revised Acquisition

- 6.1.1 In this deed, references to the Acquisition shall include any extended or increased cash offer or proposal by the Offeror made in accordance with the requirements in the Code.
- 6.1.2 The Offeror reserves the right to make an offer any time at a price below the Offer Price by the amount of any dividend (or other distribution) which is paid or becomes payable by the Company to its shareholders after the date of this deed.

6.2 Additional Terms

The Acquisition shall be subject to such terms and conditions as may be required to comply with Applicable Requirements (as defined below).

6.3 Unconditional and irrevocable obligations

Except to the extent otherwise specified, the Obligations set out in this deed are unconditional and irrevocable.

6.4 Time

6.4.1 Time shall be of the essence of the Obligations set out in this deed.

6.4.2 All references to time in this deed are to London time.

6.5 Whole agreement

This deed supersedes any previous written or oral agreement between us in relation to the matters dealt with in this deed and contains the whole agreement between us relating to the subject matter of this deed at the date of this deed to the exclusion of any terms implied by law which may be excluded by contract. We each acknowledge that we have not been induced to sign this deed by any representation, warranty or undertaking not expressly incorporated into it.

6.6 Meaning

In this deed:

6.6.1 each of the contractual obligations and commitments given by JNE and MSD are given on a several basis, and not a joint and several basis. Other than where joint action is expressly provided for, each of JNE and MSD shall (except as otherwise agreed among them) have the right to protect and enforce each of its rights without joining any of the others in any proceedings;

6.6.2 references to “**Applicable Requirements**” mean the requirements of the Code, the Panel, any applicable law, the High Court of Justice in England and Wales, the Companies Act 2006, the Listing Rules, the Disclosure Guidance and Transparency Rules or Prospectus Rules made by the Financial Conduct Authority in exercise of its function as competent authority pursuant to Part VI of the Financial Services and Markets Act 2000, the Financial Conduct Authority in its capacity as the UK Listing Authority or the requirements of the London Stock Exchange plc or any other relevant regulatory authority;

6.6.3 references to the “**Code**” are to the UK City Code on Takeovers and Mergers;

6.6.4 references to the “**Obligations**” are to our undertakings, agreements, warranties, appointments, consents and waivers set out in this deed;

6.6.5 references to an “**Offer**”:

(i) mean an offer by the Offeror or any subsidiary of the Offeror or CDL for the entire issued and to be issued ordinary share capital of the Company (except for the ordinary share capital owned by CDL and/or its direct and indirect subsidiaries) by way of a takeover offer within the meaning of Section 974 of the Companies Act 2006; and

(ii) shall include any extended, increased or revised offer by the Offeror for the acquisition of the Company, the terms of which in the opinion of the Offeror’s Financial Adviser is at least as favourable to shareholders of the Company as the original Offer;

6.6.6 references to the “**Offeror’s Financial Adviser**” is to Barclays Bank plc; and

6.6.7 references to the “Panel” are to the Panel on Takeovers and Mergers.

7 Third Party Rights

A person who is not party to this deed has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this deed except and to the extent that this deed expressly provides for this Act to apply to any of its terms, but this does not affect any right or remedy of a third party which exists or is available apart from that Act.

8 Customer relationship

We confirm and accept that Offeror’s Financial Adviser is not acting for us in relation to the Acquisition and shall not be responsible to us for providing protections afforded to their clients or advising us on any matter relating to the Acquisition.

In Witness whereof this deed has been duly executed and delivered as a deed on the date above mentioned.

EXECUTED as a DEED by
JNE PARTNERS LLP
in the presence of:

}

Signature of
Jonathan Esfandi

Signature of
Sean Meehan

Address of witness

EXECUTED as a DEED by
MSD CAPITAL, L.P.
in the presence of:

}

Signature of
Robert Simonds
Chief Compliance Officer

Signature of
Erin Foster

Address of witness

Appendix 1
Shares to which this deed relates

JNE Concert Party shareholder	Number of Shares (specify class)	Number of Ordinary Shares under option	Registered holder* and address	Beneficial owner* and address
JNE	10,758,606	-	<p>9,748,416 JNE Partners LLP, as manager of JNE Master Fund LP c/o JNE Master Fund LP 35 Park Lane, London, W1K 1RB</p> <p>1,010,190 Goldman Sachs Securities (Nominees) Ltd. Peterborough Court, 133 Fleet Street, London, EC4A 2BB</p>	JNE Master Fund LP
MSD	10,334,533	-	<p>6,645,894 MSD Capital, L.P., as general partner to MSD Value Investments, L.P. c/o MSD Value Investments LP 645 Fifth Ave, 21st Floor, New York, NY, 10022 5910</p> <p>3,688,639 Goldman Sachs Securities (Nominees) Ltd. Peterborough Court, 133 Fleet Street, London, EC4A 2BB</p>	MSD Value Investments, L.P.

* Where more than one, indicate number of shares attributable to each