

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

We, Classic Fund Management AG (“**Classic**”) and BWM AG (“**BWM**”), understand that, CDL or such other subsidiary of CDL that it may nominate (the “**Offeror**”) is proposing to make a cash offer 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 (the “**Acquisition**”) at the proposed offer price of 685 pence in cash per share in the Company payable by the Offeror (the “**Proposed Offer Price**”). We understand that the Acquisition is expected to be implemented by way of an Offer (as defined below).

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) all rights, including voting rights, attaching to all the shares in the Company as set out in the first column of the table at (i) in respect of Classic, Appendix 1; and (ii) in respect of BWM, Appendix 2, respectively to this deed (together, the “**Owned Shares**”, and where the context requires for Classic in respect of the Shares held by it, the “**Classic Owned Shares**”, and where the context requires for BWM in respect of the Shares it is able to control, the “**BWM Owned 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 all rights, including voting rights, attaching to such shares); and

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

2.2 Warranties etc.

2.2.1 We each warrant and undertake to the Offeror that:

- (i) in relation to each of our respective Owned Shares, the Owned 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);
- (ii) the Shares shall be transferred pursuant to the Acquisition free from all charges, liens and encumbrances and with all rights now or hereafter attaching to them,

including the right to all dividends declared, made or paid hereafter (other than as provided by the terms of the Acquisition, if applicable); and

- (iii) we have full power and authority to accede to the Acquisition or to undertake the same (in relation to any Shares of which we are not both registered holder and beneficial owner) in respect of all the 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 the Shares;
- 2.3.2 we agree to fulfil this undertaking, in respect of the 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 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.
- 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 the 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 the 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;
- 2.4.3 exercise (or, where relevant, procure the exercise of) all voting rights attaching to the 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 each of Classic and BWM 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** 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);

- 4.1.2 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 Proposed Offer Price;
- 4.1.3 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 Code; or
- 4.1.4 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 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 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, increased or revised proposed or actual offer in cash by the Offeror, 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 Acquisition.

6.1.2 The Offeror reserves the right to make an offer any time at a price below the Proposed 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 Classic and BWM are given on a joint and several basis;
- 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 a cash 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 cash 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

CLASSIC FUND MANAGEMENT AG

in the presence of:



Signature of
Müller Erich
Director - CEO

Signature of

Pascal Prüss

Address of witness

Securities Analyst

EXECUTED as a DEED by

BWM AG

in the presence of:



Signature of
Georg von Wyss
Portfolio Manager

Signature of

Pascal Prüss

Address of witness

Securities Analyst

Appendix 1
Shares to which this deed relates - Classic

Classic Fund Management AG, of Austrasse 15, FL-9495 Triesen, is the entity with the authority to enter into this deed in respect of: (i) a total of 6,385,522 Classic Owned Shares as at the date of this deed as set out in the table below; and (ii) any New Shares after the date of this deed.

Number of Shares (specify class)	Number of Ordinary Shares under option	Registered holder and address	Beneficial owner and address
6,385,522 ordinary shares	0	Classic Fund Management AG Austrasse 15, FL-9495 Triesen	Classic Fund Management AG Austrasse 15, FL-9495 Triesen

Appendix 2
Shares to which this deed relates - BWM

BWM AG, of Korporationsweg 13c, CH-8832 Wilen b. Wollerau, is the entity with the authority to enter into this deed in respect of: (i) a total of 598,053 BWM Owned Shares as at the date of this deed as set out in the table below; and (ii) any New Shares after the date of this deed.

Number of Shares (specify class)	Number of Ordinary Shares under option	Registered holder and address	Beneficial owner and address
598,053 ordinary shares*	0	LLB Fund Services AG* Äulestrasse 80, Postfach 1238, 9490 Vaduz, Liechtenstein	LLB Fund Services AG* Äulestrasse 80, Postfach 1238, 9490 Vaduz, Liechtenstein

* BWM AG has full discretionary control over all rights, including voting rights, attaching to all the BWM Owned Shares for which LLB Fund Services AG is the registered and beneficial owner.