Other financial information

Use of Non-GAAP measures

In addition to performance measures directly observable in the Group Financial Statements (IFRS measures), additional measures (described as Non-GAAP) are presented that are used internally by management as key measures to assess performance. Non-GAAP measures are either not defined under IFRS or are adjusted IFRS figures.

Further explanation in relation to these measures and their definitions can be found on pages 47 to 51.

Revenue and operating profit Non-GAAP reconciliations

Highlights for the year ended 31 December 2020

Reportable segments

	Revenue				Operating profit			
	2020 $m	2019 $	Change $m	Change %	2020 $m	2019 $m	Change $m	Change %
Per Group income statement	2,394	4,627	(2,233)	(48.3)	(153)	630	(783)	(124.3)
System Fund	(765)	(1,373)	608	(44.3)	102	49	53	108.2
Reimbursement of costs	(637)	(1,171)	534	(45.6)	–	–	–	–
Operating exceptional items	–	–	–	–	270	186	84	45.2
Reportable segments	992	2,083	(1,091)	(52.4)	219	865	(646)	(74.7)
Reportable segments analysed as:								
Fee business	823	1,510	(687)	(45.5)	278	813	(535)	(65.8)
Owned, leased and managed lease	169	573	(404)	(70.5)	(59)	52	(111)	(213.5)
	992	2,083	(1,091)	(52.4)	219	865	(646)	(74.7)

Underlying revenue and underlying operating profit

	Revenue				Operating profit			
	2020 $m	2019 $m	Change $m	Change %	2020 $m	2019 $m	Change $m	Change %
Reportable segments (see above)	992	2,083	(1,091)	(52.4)	219	865	(646)	(74.7)
Significant liquidated damages	(1)	(11)	10	(90.9)	(1)	(11)	10	(90.9)
Owned asset disposals[a]	(2)	(12)	10	(83.3)	(3)	(2)	(1)	50.0
Currency impact	–	–	–	–	–	(2)	–	–
Underlying revenue and underlying operating profit	989	2,060	(1,071)	(52.0)	215	850	(635)	(74.7%)

[a] The results of the Holiday Inn Melbourne Airport have been removed in 2020 (being the year of disposal) and the prior year to determine underlying growth compared to the prior year.

Underlying fee revenue

	Revenue			
	2020 $m	2019 $m	Change $m	Change %
Reportable segments fee business (see above)	823	1,510	(687)	(45.5)
Significant liquidated damages	(1)	(11)	10	(90.9)
Currency impact	–	(4)	4	–
Underlying fee revenue	822	1,495	(673)	(45.0)[a]

[a] Reported as a KPI on page 44.

Highlights by region for the year ended 31 December 2020 (continued)

Americas

	Revenue				Operating profit[b]			
	2020 $m	2019 $m	Change $m	Change %	**2020 $m**	2019 $m	Change $m	Change %
Per Group financial statements, note 2	**512**	1,040	(528)	(50.8)	**296**	700	(404)	(57.7)
Reportable segments analysed as[a]:								
Fee business	**457**	853	(396)	(46.4)	**323**	663	(340)	(51.3)
Owned, leased and managed lease	**55**	187	(132)	(70.6)	**(27)**	37	(64)	(173.0)
	512	1,040	(528)	(50.8)	**296**	700	(404)	(57.7)
Reportable segments (see above)	**512**	1,040	(528)	(50.8)	**296**	700	(404)	(57.7)
Currency impact	**–**	(5)	5	–	**–**	(4)	4	–
Underlying revenue and underlying operating profit	**512**	1,035	(523)	(50.5)	**296**	696	(400)	(57.5)

[a] Revenues as included in the Group Financial Statements, note 3.

[b] Before exceptional items.

EMEAA

	Revenue				Operating profit[b]			
	2020 $m	2019 $m	Change $m	Change %	**2020 $m**	2019 $m	Change $m	Change %
Per Group financial statements, note 2	**221**	723	(502)	(69.4)	**(50)**	217	(267)	(123.0)
Reportable segments analysed as[a]:								
Fee business	**107**	337	(230)	(68.2)	**(18)**	202	(220)	(108.9)
Owned, leased and managed lease	**114**	386	(272)	(70.5)	**(32)**	15	(47)	(313.3)
	221	723	(502)	(69.4)	**(50)**	217	(267)	(123.0)
Reportable segments (see above)	**221**	723	(502)	(69.4)	**(50)**	217	(267)	(123.0)
Significant liquidated damages	**(1)**	(11)	10	(90.9)	**(1)**	(11)	10	(90.9)
Owned asset disposals[c]	**(2)**	(12)	10	(83.3)	**(3)**	(2)	(1)	50.0
Currency impact	**–**	4	(4)	–	**–**	2	(2)	–
Underlying revenue and underlying operating profit	**218**	704	(486)	(69.0)	**(54)**	206	(260)	(126.2)

[a] Revenues as included in the Group Financial Statements, note 3.

[b] Before exceptional items.

[c] The results of the Holiday Inn Melbourne Airport have been removed in 2020 (being the year of disposal) and the prior year to determine underlying growth compared to the prior year.

Greater China

	Revenue				Operating profit[b]			
	2020 $m	2019 $m	Change $m	Change %	**2020 $m**	2019 $m	Change $m	Change %
Per Group financial statements, note 2	**77**	135	(58)	(43.0)	**35**	73	(38)	(52.1)
Reportable segments analysed as[a]:								
Fee business	**77**	135	(58)	(43.0)	**35**	73	(38)	(52.1)
Reportable segments (see above)	**77**	135	(58)	(43.0)	**35**	73	(38)	(52.1)
Currency impact	**–**	2	(2)	–	**–**	–	–	–
Underlying revenue and underlying operating profit	**77**	137	(60)	(43.8)	**35**	73	(38)	(52.1)

[a] Revenues as included in the Group Financial Statements, note 3.

[b] Before exceptional items.

Other financial information continued

Highlights for the year ended 31 December 2019

Reportable segments

	Revenue 2019 $m	Revenue 2018 $m	Revenue Change $m	Revenue Change %	Operating profit 2019 $m	Operating profit 2018 $m	Operating profit Change $m	Operating profit Change %
Per Group income statement	4,627	4,337	290	6.7	630	582	48	8.2
System Fund	(1,373)	(1,233)	(140)	11.4	49	146	(97)	(66.4)
Reimbursement of costs	(1,171)	(1,171)	–	–	–	–	–	–
Operating exceptional items	–	–	–	–	186	104	82	78.8
Reportable segments	2,083	1,933	150	7.8	865	832	33	4.0
Reportable segments analysed as:								
Fee business	1,510	1,486	24	1.6	813	793	20	2.5
Owned, leased and managed lease	573	447	126	28.2	52	39	13	33.3
	2,083	1,933	150	7.8	865	832	33	4.0

Underlying fee revenue

	Revenue 2019 $m	Revenue 2018 $m	Revenue Change $m	Revenue Change %
Reportable segments fee business (see above)	1,510	1,486	24	1.6
Significant liquidated damages	(11)	(13)	2	(15.4)
Acquisitions[a]	(14)	–	(14)	–
Currency impact	–	(17)	17	–
Underlying fee revenue	1,485	1,456	29	2.0[b]

[a] The results of acquired businesses (Six Senses and two UK portfolio hotels) are removed only in the year of acquisition when determining underlying growth compared to the prior year.

[b] Reported as a KPI on page 44.

Highlights for the year ended 31 December 2018

Reportable segments

	Revenue 2018 $m	Revenue 2017 $m	Revenue Change $m	Revenue Change %	Operating profit 2018 $m	Operating profit 2017 $m	Operating profit Change $m	Operating profit Change %
Per Group income statement	4,337	4,075	262	6.4	582	744	(162)	(21.8)
System Fund	(1,233)	(1,242)	9	(0.7)	146	34	112	329.4
Reimbursement of costs	(1,171)	(1,103)	(68)	6.2	–	–	–	–
Operating exceptional items	–	–	–	–	104	(4)	108	(2,700.0)
Reportable segments	1,933	1,730	203	11.7	832	774	58	7.5
Reportable segments analysed as:								
Fee business	1,486	1,379	107	7.8	793	731	62	8.5
Owned, leased and managed lease	447	351	96	27.4	39	43	(4)	(9.3)
	1,933	1,730	203	11.7	832	774	58	7.5

Underlying fee revenue

	Revenue 2018 $m	Revenue 2017 $m	Revenue Change $m	Revenue Change %
Reportable segments fee business (see above)	1,486	1,379	107	7.8
Significant liquidated damages	(13)	–	(13)	–
Acquisitions[a]	(1)	–	(1)	–
Currency impact	–	4	(4)	–
Underlying fee revenue	1,472	1,383	89	6.4[b]

[a] The results of acquired businesses (Regent and the UK portfolio) are removed only in the year of acquisition when determining underlying growth compared to the prior year.

[b] Reported as a KPI on page 44.

Fee margin reconciliation

	2020 $m	2019 $m	2018 $m	2017 $m
Revenue				
Reportable segments analysed as fee business (page 150)	**823**	1,510	1,486	1,379
Significant liquidated damages	**(1)**	(11)	(13)	–
Captive insurance company (note 21)	**(19)**	(19)	(11)	(9)
	803	1,480	1,462	1,370
Operating profit				
Reportable segments analysed as fee business (pages 212 and 214)	**278**	813	793	731
Significant liquidated damages	**(1)**	(11)	(13)	–
Captive insurance company (note 21)	**(3)**	(1)	(1)	–
	274	801	779	731
Fee margin[a]	**34.1%**	54.1%	53.3%	53.4%

[a] Reported as a KPI on page 45.

Net capital expenditure reconciliation

$m	12 months ended 31 December 2020 $m	2019 $m
Net cash from investing activities	**(61)**	(493)
Adjusted for:		
Contract acquisition costs net of repayments	**(64)**	(61)
System Fund depreciation and amortisation[a]	**58**	49
Acquisition of businesses, net of cash acquired	**–**	292
Payment of contingent purchase consideration	**–**	2
Net capital expenditure	**(67)**	(211)
Analysed as:		
Capital expenditure: maintenance (including contract acquisition costs, net of repayments of $64m (2019: $61m))	**(107)**	(147)
Capital expenditure: recyclable investments	**17**	(15)
Capital expenditure: System Fund capital investments	**23**	(49)
Net capital expenditure	**(67)**	(211)

[a] Excludes depreciation on right-of-use assets.

Gross capital expenditure reconciliation

$m	12 months ended 31 December 2020 $m	2019 $m
Net capital expenditure	**(67)**	(211)
Add back:		
Disposal receipts	**(18)**	(4)
Repayments of contract acquisition costs	**–**	(1)
Distributions from associates and joint ventures	**(5)**	–
System Fund depreciation and amortisation[a]	**(58)**	(49)
Gross capital expenditure	**(148)**	(265)
Analysed as:		
Capital expenditure: maintenance (including gross contract acquisition costs of $64m (2019: $62m))	**(107)**	(148)
Capital expenditure: recyclable investments	**(6)**	(19)
Capital expenditure: System Fund capital investments	**(35)**	(98)
Gross capital expenditure	**(148)**	(265)

[a] Excludes depreciation on right-of-use assets.

Other financial information continued

Free cash flow reconciliation

	12 months ended 31 December				
	2020 $m	2019 $m	2018 $m	2017 $m	2016[a] $m
Net cash from operating activities	**137**	653	709	616	710
Adjusted for:					
Payment of contingent purchase consideration	**–**	6	–	–	–
Principal element of lease payments	**(65)**	(59)	(35)	(25)	–
Purchase of shares by employee share trusts	**–**	(5)	(3)	(3)	(10)
Capital expenditure: maintenance (excluding contract acquisition costs)	**(43)**	(86)	(60)	(72)	(54)
Cash receipt from renegotiation of long-term partnership agreement	**–**	–	–	–	(95)
Free cash flow[b]	**29**	509	611	516	551

[a] Does not include the impact of IFRS 15 or IFRS 16.

[b] Reported as a KPI on page 45.

Adjusted interest reconciliation

	12 months ended 31 December	
	2020 $m	2019 $m
Net financial expenses		
Financial income	**4**	6
Financial expenses	**(144)**	(121)
	(140)	(115)
Adjusted for:		
Interest payable on balances with the System Fund	**(3)**	(13)
Capitalised interest relating to System Fund assets	**(1)**	(5)
Exceptional financial expenses	**14**	–
	10	(18)
Adjusted interest	**(130)**	(133)

Adjusted EBITDA[a] reconciliation

	2020 $m	2019 $m	2018 $m
Operating profit	**(153)**	630	582
Add back			
System Fund result	**102**	49	146
Operating exceptional items	**270**	186	104
Depreciation and amortisation	**110**	116	115
Adjusted EBITDA	**329**	981	947

[a] For covenant purposes, calculated on a frozen GAAP basis, adjusted EBITDA is $272m (2019: $897m).

Revenue per available room (RevPAR), average daily rate and occupancy

RevPAR is the primary metric used by management to track hotel performance across regions and brands. RevPAR is also a commonly used performance measure in the hotel industry. RevPAR comprises IHG System rooms revenue divided by the number of room nights available and can be mathematically derived from occupancy rate multiplied by average daily rate (ADR). Occupancy rate is rooms occupied by hotel guests expressed as a percentage of rooms that are available. ADR is rooms revenue divided by the number of room nights sold.

References to RevPAR, occupancy and average daily rate are presented on a comparable basis comprising groupings of hotels that have traded in all months in both the current and prior year. The principal exclusions in deriving this measure are new hotels, hotels closed for major refurbishment and hotels sold in either of the two years. RevPAR and ADR are quoted at a constant US$ conversion rate, in order to allow a better understanding of the comparable year-on-year trading performance excluding distortions created by fluctuations in exchange rates.

The following tables present RevPAR statistics for the year ended 31 December 2020 and a comparison to 2019. Fee business and owned, leased and managed lease statistics are for comparable hotels and include only those hotels in the Group's System at 31 December 2020 and franchised, managed, owned, leased or managed lease by the Group since 1 January 2019. The comparison with 2019 is at constant US$ exchange rates.

	Fee business		Owned, leased and managed lease	
	2020	Change vs 2019	**2020**	Change vs 2019
Americas				
InterContinental				
Occupancy	**24.9%**	(47.2)ppt	–	–
Average daily rate	**$178.70**	(16.0%)	–	–
RevPAR	**$44.46**	(71.0%)	–	–
Kimpton				
Occupancy	**28.4%**	(50.9)ppt	–	–
Average daily rate	**$212.25**	(15.5)%	–	–
RevPAR	**$60.31**	(69.7)%	–	–
Crowne Plaza				
Occupancy	**27.6%**	(36.8)ppt	–	–
Average daily rate	**$104.03**	(18.6)%	–	–
RevPAR	**$28.76**	(65.1)%	–	–
Hotel Indigo				
Occupancy	**39.1%**	(33.0)ppt	–	–
Average daily rate	**$129.15**	(20.6)%	–	–
RevPAR	**$50.46**	(57.0)%	–	–
EVEN Hotels				
Occupancy	**30.2%**	(45.4)ppt	**41.2%**	(34.8)ppt
Average daily rate	**$104.18**	(35.4)%	**$104.80**	(29.9)%
RevPAR	**$31.42**	(74.2)%	**$43.21**	(62.0)%
Holiday Inn				
Occupancy	**36.5%**	(29.4)ppt	**32.1%**	(51.3)ppt
Average daily rate	**$98.21**	(13.4)%	**$ 179.34**	(1.7)%
RevPAR	**$35.90**	(52.0)%	**$57.56**	(62.2)%
Holiday Inn Express				
Occupancy	**45.7%**	(23.1)ppt	–	–
Average daily rate	**$100.19**	(12.1)%	–	–
RevPAR	**$45.81**	(41.6)%	–	–
Staybridge Suites				
Occupancy	**55.4%**	(19.3)ppt	–	–
Average daily rate	**$100.48**	(13.7)%	–	–
RevPAR	**$55.69**	(36.0)%	–	–
Candlewood Suites				
Occupancy	**61.7%**	(10.6)ppt	–	–
Average daily rate	**$78.97**	(9.8)%	–	–
RevPAR	**$48.74**	(23.0)%	–	–

Other financial information continued

RevPAR, average daily rate and occupancy continued

	Fee business		Owned, leased and managed lease	
	2020	Change vs 2019	2020	Change vs 2019
EMEAA				
InterContinental				
Occupancy	**31.9%**	(40.5)ppt	**24.5%**	(49.7)ppt
Average daily rate	**$157.63**	(20.2)%	**$304.25**	0.6%
RevPAR	**$50.34**	(64.8)%	**$74.65**	(66.7)%
Crowne Plaza				
Occupancy	**30.2%**	(43.5)ppt	–	–
Average daily rate	**$105.13**	(13.4)%	–	–
RevPAR	**$31.72**	(64.5)%	–	–
Hotel Indigo				
Occupancy	**27.8%**	(51.1)ppt	–	–
Average daily rate	**$107.49**	(25.3)%	–	–
RevPAR	**$29.90**	(73.7)%	–	–
Holiday Inn				
Occupancy	**31.9%**	(41.6)ppt	–	–
Average daily rate	**$80.88**	(17.8)%	–	–
RevPAR	**$25.80**	(64.3)%	–	–
Holiday Inn Express				
Occupancy	**35.4%**	(41.9)ppt	–	–
Average daily rate	**$67.29**	(22.4)%	–	–
RevPAR	**$23.85**	(64.5)%	–	–
Staybridge Suites				
Occupancy	**41.4%**	(30.2)ppt	–	–
Average daily rate	**$114.94**	(7.7)%	–	–
RevPAR	**$47.61**	(46.6)%	–	–
Greater China				
InterContinental				
Occupancy	**45.1%**	(18.7)ppt	–	–
Average daily rate	**$103.33**	(10.6)%	–	–
RevPAR	**$46.64**	(36.8)%	–	–
HUALUXE				
Occupancy	**44.6%**	(6.8)ppt	–	–
Average daily rate	**$58.78**	(8.2)%	–	–
RevPAR	**$26.24**	(20.4)%	–	–
Crowne Plaza				
Occupancy	**40.6%**	(18.3)ppt	–	–
Average daily rate	**$67.84**	(10.7)%	–	–
RevPAR	**$27.54**	(38.4)%	–	–
Hotel Indigo				
Occupancy	**42.7%**	(19.9)ppt	–	–
Average daily rate	**$108.63**	(17.8)%	–	–
RevPAR	**$46.34**	(44.0)%	–	–
Holiday Inn				
Occupancy	**39.6%**	(22.8)ppt	–	–
Average daily rate	**$52.50**	(16.4)%	–	–
RevPAR	**$20.80**	(46.9)%	–	–
Holiday Inn Express				
Occupancy	**43.4%**	(17.7)ppt	–	–
Average daily rate	**$37.18**	(16.5)%	–	–
RevPAR	**$16.14**	(40.6)%	–	–

Directors' Report

This Directors' Report includes the information required to be given in line with the Companies Act or, where provided elsewhere, an appropriate cross reference is given. The Governance Report approved by the Board is provided on pages 74 to 111 and incorporated by reference herein.

Subsidiaries, joint ventures and associated undertakings

The Group has over 400 subsidiaries, joint ventures and related undertakings (including branches). A list of subsidiaries and associated undertakings disclosed in accordance with the Companies Act is provided at note 34 of the Group Financial Statements on pages 197 to 199.

Directors

For biographies of the current Directors see pages 76 to 79.

Directors' and Officers' (D&O) liability insurance and existence of qualifying indemnity provisions

The Company maintains the Group's D&O liability insurance policy, which covers Directors and Officers of the Company defending civil proceedings brought against them in their capacity as Directors or Officers of the Company (including those who served as Directors or Officers during the year). There were no indemnity provisions relating to the UK pension plan for the benefit of the Directors during 2020.

Articles of Association

The Company's Articles of Association may only be amended by special resolution and are available on the Company's website at **www.ihgplc.com/investors** under Corporate governance.

A summary is provided on pages 232 and 233.

Shares

Share capital

The Company's issued share capital at 31 December 2020 consisted of 187,717,720 ordinary shares of 20 $^{340}/_{399}$ pence each, including 5,061,408 shares held in treasury, which constituted 2.7% of the total issued share capital (including treasury shares). There are no special control rights or restrictions on share transfers or limitations on the holding of any class of shares.

During 2020, 623,019 shares were transferred from treasury to the employee share ownership trust.

As far as is known to management, IHG is not directly or indirectly owned or controlled by another company or by any government. The Board focuses on shareholder value creation. When it decides to return capital to shareholders, it considers all of its options, including share buybacks and special dividends.

Share issues and buybacks

In 2020, the Company did not issue any new shares, nor did it buy back any existing shares.

Dividends

During the year, the Company took several steps to protect its cash flow, including the Board withdrawing its recommendation of a final dividend in respect of 2019 of 85.9 ¢ per share. An interim dividend in respect of 2020 was not paid and the Board will continue to defer consideration of further dividends until visibility of the pace and scale of market recovery has improved.

Major institutional shareholders

As at 22 February 2021, the Company had been notified of the following significant holdings in its ordinary shares under the UK Disclosure Guidance and Transparency Rules (DTRs):

	As at 22 February 2021		As at 17 February 2020		As at 18 February 2019	
Shareholder	Ordinary shares/ADSs[a]	%[a]	Ordinary shares/ADSs[a]	%[a]	Ordinary shares/ADSs[a]	%[a]
BlackRock, Inc.	**10,429,827[b]**	**5.71**	9,939,317	5.46	10,165,234	5.60
Boron Investments B.V.	**6,890,000**	**3.77**	11,450,000	6.01	11,450,000	6.01
Cedar Rock Capital Limited	**14,923,417**	**5.07**	14,923,417	5.07	14,923,417	5.07
Fiera Capital Corporation	**11,037,891**	**6.06**	11,037,891	6.06	9,662,767	5.07
Fundsmith LLP	**10,222,246**	**5.18**	10,222,246	5.18	10,222,246	5.18
Royal Bank of Canada	**9,161,021[c]**	**5.01**	n/a	n/a	n/a	n/a

[a] The number of shares and percentage of voting rights was determined at the time of the relevant disclosures made in accordance with Rule 5 of the DTRs and doesn't necessarily reflect the impact of any share consolidation or any changes in shareholding subsequent to the date of notification that are not required to be notified to us under the DTRs.

[b] Total shown includes 1,431,074 qualifying financial instruments to which voting rights are attached.

[c] Total shown includes 123,160 qualifying financial instruments to which voting rights are attached.

In addition to the above notifications, the Company had been notified of the following holdings in its ordinary shares:

FMR LLC notified the Company on 22 January 2020 that it held less than 5% of voting rights.

BLS Capital Fondsmaeglerselskab A/S notified the Company on 10 November 2020 that it held less than 3% of voting rights.

As at 22 February 2021, the Company had not received any further notifications in relation to the holdings referred to above.

The Company's major shareholders have the same voting rights as other shareholders. The Company does not know of any arrangements the operation of which may result in a change in its control.

For further details on shareholder profiles, see page 243.

Directors' Report continued

2020 share awards and grants to employees

Our current policy is to settle the majority of awards or grants under the Company's share plans with shares purchased in the market or from shares held in treasury; however, the Company continues to review this policy. The Company's share plans incorporate the current Investment Association's guidelines on dilution which provide that commitments to new shares or re-issue treasury shares under executive plans should not exceed 5% of the issued ordinary share capital of the Company (adjusted for share issuance and cancellation) in any 10-year period. During the financial year ended 31 December 2020, the Company transferred 623,019 treasury shares (0.33% of the total issued share capital) to satisfy obligations under its share plans.

The estimated maximum dilution from awards made under the Company's share plans over the last 10 years is 3.5%.

As at 31 December 2020, no options were outstanding. The Company has not utilised the authority given by shareholders at any of its AGMs to allot shares for cash without first offering such shares to existing shareholders.

Employee share ownership trust (ESOT)

IHG operates an ESOT for the benefit of employees and former employees. The ESOT receives treasury shares from the Company and purchases ordinary shares in the market and releases them to current and former employees in satisfaction of share awards. During 2020, the ESOT released 736,673 shares and at 31 December 2020 it held 68,319 ordinary shares in the Company. The ESOT adopts a prudent approach to purchasing shares, using funds provided by the Group, based on expectations of future requirements.

In July 2019, shares held in the ESOT that had been allocated to share plan participants under the Annual Performance Plan were transferred to Equatex UK Limited (now Computershare Investor Services Plc) where they are held in a nominee account on behalf of those participants (Nominee). The shares held by the Nominee have been allocated to share plan participants on terms that entitle those participants to request or require the Nominee to exercise the voting rights relating to those shares. The Nominee shall exercise those votes in accordance with the directions of the participants. Shares that have not been allocated to share plan participants under such terms continue to be held by the ESOT and the trustee may vote or abstain from exercising their voting rights in relation to those shares, or accept or reject any offer relating to the shares, in any way it sees fit.

As at 31 December 2020, the Nominee held 294,932 ordinary shares in the Company, in the form of unvested share plan awards, allocated to Annual Performance Plan share plan participants.

Unless otherwise requested by the Company, the trustee of the ESOT waives all ordinary dividends on the shares held in the ESOT, other than shares which have been allocated to participants on terms which entitle them to the benefit of dividends, except for such amount per share as shall, when multiplied by the number of shares held by it on the relevant date, equal one pence or less.

Colleague Share Plan

The Company's Colleague Share Plan rules (Rules) were approved by shareholders at the Company's 2019 AGM. A summary of the Rules is set out in the appendix to the notice of the Company's 2019 AGM, which is available at **www.ihgplc.com/investors** under Shareholder centre in the AGMs and meetings section. Following a detailed communication plan, invitations to join the Colleague Share Plan were sent to all eligible corporate employees at the end of 2019 with the first plan year commencing in January 2020 (Plan Year).

In accordance with the Rules, participant contributions have been used to purchase shares on a monthly basis on behalf of the individuals (Purchased Shares) and held within the Nominee. At the end of the Plan Year, the participants received a conditional right to receive one share (Matching Share) for every one Purchased Share that they have purchased. Providing the participants hold the Purchased Shares in the Nominee until the first anniversary of the end of the Plan Year, the conditional right to Matching Shares will vest.

As at 31 December 2020, the Nominee held 35,776 ordinary shares on behalf of Colleague Share Plan participants.

The second plan year commenced in January 2021 following the annual communication inviting employees to participate, and as at 22 February 2021, the Nominee held 2,683 Purchased Shares in relation to the second plan year.

Future business developments of the Group

Further details on these are set out in the Strategic Report on pages 2 to 71.

Employees and Code of Conduct

Having a predominantly franchised and managed business model means that not all of those people who work at hotels operated under our brands are our employees. When the Group's entire estate is taken into account (including those working in our franchised and managed hotels), approximately 350,000 people worked globally across IHG's brands as at 31 December 2020. Further details on our employees and Code of Conduct are set out in the Strategic Report on pages 24 and 25.

The average number of IHG employees, including part-time employees, during 2020 were as follows:

- 8,146 people worldwide (including those in our corporate offices, central reservations offices and owned hotels (excluding those in a category below)), whose costs were borne by the Group;
- 4,686 people who worked directly on behalf of the System Fund and whose costs were borne by the System Fund; and
- 15,980 General Managers and (in the US predominantly) other hotel workers, who work in managed hotels, who have contracts or are directly employed by IHG and whose costs are borne by those hotels.

See note 4 of the Group Financial Statements on page 153 for more information.

Employment of disabled persons

IHG continues to focus on providing an inclusive environment, in which employees are valued for who they are and what they bring to the Group, and in which talented individuals are retained through all levels of the organisation – see pages 26 to 28.

We look to appoint the most appropriate person for the job and are committed to providing equality of opportunity to all employees without discrimination. Every effort is made to ensure that applications for employment from disabled employees are fully and fairly considered and that disabled employees have equal opportunities to training, career development and promotion.

The Code of Conduct applies to all Directors, officers and employees and complies with the NYSE rules as set out in Section 406 of the US Sarbanes-Oxley Act 2002. Further details can be found on page 239.

For more information on the Group's employment policies, including equal opportunities, employee communications and development, see pages 26 to 28, and our website **www.ihgplc.com/responsible-business**

Greenhouse gas (GHG) emissions

By delivering more environmentally sustainable hotels, we create value for IHG, our owners and all our stakeholders. We recognise the risks from climate change and the importance of reducing our carbon footprint and in 2020 have published our 2030 carbon reduction targets, approved by the Science Based Targets initiative. During 2020, due mainly to the impacts of Covid-19 on our industry, our absolute Scope 1, 2 and 3 (FERA) GHG emissions from our owned, leased and managed hotels fell by 23%, from a 2018 base year (against a 2030 reduction target of 15%), and our Scope 3 GHG emissions from our franchised hotels fell by 18% per square metre, from a 2018 base year (against a 2030 reduction target of 46% per square meter). Covid-19 has significantly impacted occupancy levels across our estate and required intermittent hotel closures in many locations, which in turn has significantly lowered our carbon footprint for the year. As the industry recovers, we will continue to focus on achieving our carbon reduction goals by driving energy efficiency in our hotels and increasingly looking at renewable energy solutions.

		2020		2019		2018	
Reporting boundary	**Measure**	**Global**	**UK and UK offshore only**	Global	UK and UK offshore only	Global	UK and UK offshore only
Emissions from operations under our direct control – corporate offices and IHG owned, leased and managed hotels	Energy – fuel use and refrigerants (hotels and transport) (kWh)	**1,521,594,818**	**8,153,192**	2,102,512,059	16,862,206	2,057,587,064	22,402,103
	Energy – purchased electricity, heat, steam and cooling (kWh)	**2,941,644,820**	**12,504,410**	3,788,758,919	22,032,986	3,575,195,407	18,269,535
	Scope 1 Direct emissions – fuel use and refrigerants (tCO^{2}e)	**342,504**	**1,558**	491,740	3,286	481,047	4,316
	Scope 2 Indirect emissions – purchased energy (tCO^{2}e, location-based)	**1,529,400**	**2,917**	2,014,868	5,623	1,926,948	5,057
	Scope 2 Indirect emissions – purchased energy (tCO^{2}e, market-based)	**1,536,108**	**2,917**	2,035,966	5,623	1,955,209	5,057
	Total Scope 1 and 2 (tCO^{2}e, location-based)	**1,871,903**	**4,475**	2,506,609	8,909	2,407,995	9,374
	Scope 1 and 2 intensity (tCO^{2}e per $000 revenue, location-based)	**0.35**	**0.07**	0.21	0.03	0.21	0.04
Emissions from operations outside our direct control – franchised hotels	Scope 3 Indirect emissions from franchised hotels (tCO^{2}e)	**1,904,006**	**90,632**	2,689,433	148,820	2,714,512	161,197
Total GHG emissions	Scope 1, 2 and 3 (tCO^{2}e)	**3,775,909**	**95,107**	5,196,041	157,729	5,122,507	170,571

Scope

We report Scope 1, Scope 2 and Scope 3 emissions as defined by the GHG protocol:

- Scope 1 emissions are direct emissions from the burning of fuels or from refrigerant losses by the emitter.
- Scope 2 emissions are indirect emissions generated by the energy purchased or acquired by the emitter.
- Scope 3 emissions are indirect emissions that occur in a company's value chain.

Methodology

We have worked with external consultants to give us an up-to-date picture of IHG's carbon footprint and assess our performance over time. To calculate our emissions, they use the GHG Protocol Corporate Accounting and Reporting Standard methodology and refer to other existing and emerging definitions, methodologies and standards, as relevant. Our consultants use utility consumption data as reported by hotels on the IHG Green Engage™ system, complete outlier checks as necessary, apply sampling and extrapolation methodology to estimate our global energy use and apply the appropriate emission factors to calculate our GHG emissions. For 2020, the sample covered 311 (88%) of our 354 UK hotels and 4,649 (79%) of our 5,922 global hotels with occupancy during the reporting period 2017-2020.

Global sample size was smaller in 2020 than in 2019 (92%), due to the impacts of Covid-19 on our hotels and their capacity to report utility data. Any missing datapoints for energy use in 2020 have been filled using average consumption per room night from the nearest 12-month period. Region-brand, regional and global average consumption per room night were calculated for each fuel type and outliers were identified by comparison to the median of the relevant region-brand group. Consumption data has been estimated for non-reporting hotels based on region-brand average consumption per room night, applied to a hotel's number of room nights. This ensures that all hotels have a consumption figure corresponding to their occupied room nights. As IHG's System size is continually changing, 2019 and 2018 data have been restated.

With our 2020 reporting, we have moved to calendar year reporting, showing annual GHG emissions for the period 1 January to 31 December. In previous years, we reported emissions for the period 1 October to 30 September, to ensure as much data as possible was available for annual calculations. From 2020, we are aligning our GHG reporting to our financial reporting period, to enable analysis of both financial and non-financial indicators for the same period.

Directors' Report continued

Energy reduction initiatives

IHG hotels globally use the IHG Green Engage™ system, a comprehensive online environmental management platform that helps them measure, track and report their utility consumption and carbon footprint, as well as providing over 200 'Green Solutions' with detailed guidance to support hotels in reducing their energy, water and waste impacts. To comply with the IHG Green Engage™ standard, hotels are required amongst others to report their monthly energy consumption and complete key energy saving actions. In addition, hotels are set annual carbon reduction targets to drive continuous improvement.

In 2020, we saw our global GHG emissions (Scope 1, 2 and 3) fall by 26% compared to base year 2018. This was largely due to the impacts of Covid-19 on our industry, resulting in low occupancy levels and intermittent hotel closures, but also in part due to targeted energy reduction efforts in our estate, including for example the implementation of a daily energy consumption tracker in some locations. Where possible, we have worked closely with our hotels throughout the pandemic to help minimise energy consumption and utility costs during hotel closure and maximise energy efficiency during the re-opening stage.

For more information on the Group's responsible business targets, see pages 20, 21, 29 and 30.

Finance

Political donations

The Group made no political donations under the Companies Act during the year and proposes to maintain this policy.

Financial risk management

The Group's financial risk management objectives and policies, including its use of financial instruments, are set out in note 24 to the Group Financial Statements on pages 179 to 183.

Significant agreements and change of control provisions

The Group is a party to the following arrangements which could be terminated upon a change of control of the Company and which are considered significant in terms of their potential impact on the business of the Group as a whole:

- The 10-year £400 million bond issued by the Company on 28 November 2012, under which, if the bond's credit rating was downgraded in connection with a change of control, the bond holders would have the option to require the Company to redeem or, at the Company's option, repurchase the outstanding notes together with interest accrued.
- The $1.275 billion syndicated loan facility agreement dated 30 March 2015 and maturing in September 2023, under which a change of control of the Company would entitle each lender to cancel its commitment and declare all amounts due to it payable.
- The 10-year £300 million bond issued by the Company on 14 August 2015, under which, if the bond's credit rating was downgraded in connection with a change of control, the bond holders would have the option to require the Company to redeem or, at the Company's option, repurchase the outstanding notes together with interest accrued.
- The 10-year £350 million bond issued by the Company on 24 August 2016, under which, if the bond's credit rating was downgraded in connection with a change of control, the bond holders would have the option to require the Company to redeem or, at the Company's option, repurchase the outstanding notes together with interest accrued.
- The 8.5-year €500 million bond issued by the Company on 15 November 2018, under which, if the bond's credit rating was downgraded in connection with a change of control, the bond holders would have the option to require the Company to redeem or, at the Company's option, repurchase the outstanding notes together with interest accrued.
- The 4-year €500 million bond issued by the Company on 8 October 2020, under which, if the bond's credit rating was downgraded in connection with a change of control, the bond holders would have the option to require the Company to redeem or, at the Company's option, repurchase the outstanding notes together with interest accrued.
- The 8-year £400 million bond issued by the Company on 8 October 2020, under which, if the bond's credit rating was downgraded in connection with a change of control, the bond holders would have the option to require the Company to redeem or, at the Company's option, repurchase the outstanding notes together with interest accrued.

Further details on material contracts are set out on page 234.

Business relationships

The Group is party to a technology agreement with Amadeus Hospitality Americas, Inc. (Amadeus), for the development and hosting of the Group's next generation Guest Reservation System. The initial term of 10 years will expire in 2028, and the Group has the right to extend this agreement for two additional periods of up to 10 years each on the same terms, conditions and pricing. The financial and performance obligations in this agreement are guaranteed by Amadeus IT Group S.A., the parent company of Amadeus Hospitality Americas, Inc.

Otherwise, there are no specific individual contracts or arrangements considered to be essential to the business of the Group as a whole.

Disclosure of information to Auditor

For details, see page 114.

The Companies (Miscellaneous Reporting) Regulations 2018

An overview of how the Directors have had regard to the matters set forth in Section 172(1)(a) to (f) of the Companies Act 2006 is provided in the Section 172 statement on pages 22 to 23. Further details can be found throughout the Strategic Report and Governance Report, as indicated in the Section 172 statement.

Specifically, a description of the actions taken by the Directors during the year to provide employees with information on matters concerning them, engage with employees to make better informed decisions, encourage employee involvement in the Company's employee share scheme and increase employee awareness of the financial and economic factors affecting the performance of the Company, can be found in our Employee engagement statement on page 26, throughout the Governance Report and on page 220.

Our statement of business relationships with suppliers, customers and others is set out on page 31.

Listing Rules – compliance with LR 9.8.4C

Section	Applicable sub-paragraph within LR 9.8.4C	Location
1	Interest capitalised	Group Financial Statements, note 7, page 157
4	Details of long-term incentive schemes	Directors' Remuneration Report, pages 96 to 111

The above table sets out only those sections of LR 9.8.4C which are relevant. The remaining sections of LR 9.8.4 are not applicable.

Going concern

An overview of the business activities of IHG, including a review of the key business risks that the Group faces, is given in the Strategic Report on pages 2 to 71 and in the Group information on pages 224 to 235.

The impact of the Covid-19 pandemic on the hospitality industry has been severe. Through 2020, many of the Group's hotels were temporarily closed, while others experienced historically low levels of occupancy and room rates. The Group's fee-based model and wide geographic spread mean that it is well placed to manage through these uncertain times.

The Group has taken various actions to manage cash outflows and strengthen its liquidity during 2020. As at 31 December 2020 the Group had total liquidity of $2,925m, comprising $1,350m of undrawn bank facilities and $1,575m of cash and cash equivalents (net of overdrafts and restricted cash).

There remains unusually limited visibility on the pace and scale of market recovery and therefore there are a wide range of possible planning scenarios over the going concern period. The scenarios and assessment considered by the Directors in adopting the going concern basis for preparing these financial statements is included on page 133.

Based on the assessment completed, the Directors have a reasonable expectation that the Group has sufficient resources to continue operating until at least 30 June 2022 and there are no material uncertainties that may cast doubt on the Group's going concern status. Accordingly, they continue to adopt the going concern basis in preparing the Financial Statements.

Please see page 42 for the Directors' assessment of the viability of the Group.

By order of the Board,

Nicolette Henfrey
Company Secretary
InterContinental Hotels Group PLC
Registered in England and Wales, Company number 5134420
22 February 2021

Group information
History and developments

The Company was incorporated and registered in England and Wales with registered number 5134420 on 21 May 2004 as a limited company under the Companies Act 1985 with the name Hackremco (No. 2154) Limited. In 2004/05, as part of a scheme of arrangement to facilitate the return of capital to shareholders, the following structural changes were made to the Group: (i) on 24 March 2005, Hackremco (No. 2154) Limited changed its name to New InterContinental Hotels Group Limited; (ii) on 27 April 2005, New InterContinental Hotels Group Limited re-registered as a public limited company and changed its name to New InterContinental Hotels Group PLC; and (iii) on 27 June 2005, New InterContinental Hotels Group PLC changed its name to InterContinental Hotels Group PLC and became the holding company of the Group.

The Group, formerly known as Bass, and then Six Continents, was historically a conglomerate operating as, among other things, a brewer, soft drinks manufacturer, hotelier, leisure operator, and restaurant, pub and bar owner. In 1988 Bass acquired Holiday Inn International and the remainder of the Holiday Inn brand in 1990. The InterContinental brand was acquired by Bass in 1998 and the Candlewood Suites brand was acquired by Six Continents in 2003.

On 15 April 2003, following shareholder and regulatory approval, Six Continents PLC separated into two new listed groups, InterContinental Hotels Group PLC, comprising the hotels and soft drinks businesses, and Mitchells & Butler plc, comprising the retail and standard commercial property developments business.

The Group disposed of its interests in the soft drinks business by way of an initial public offering of Britvic (Britannia Soft Drinks Limited for the period up to 18 November 2005, and thereafter, Britannia SD Holdings Limited (renamed Britvic plc on 21 November 2005), which became the holding company of the Britvic Group on 18 November 2005), a manufacturer and distributor of soft drinks in the UK, in December 2005. The Group now continues as a stand-alone hotels business.

Recent acquisitions and divestitures

The Group had no material acquisitions in 2020, therefore there was no cash outflow in this regard during the year (2019: $300 million, 2018: $38 million). The 2019 net cash outflow principally related to the acquisition of Six Senses Hotels Resorts Spas and its management business ('Six Senses') in February 2019.

Further information is included in note 11 to the Group Financial Statements on page 164.

The Group had no material divestitures in 2020 or 2019.

Capital expenditure

- Gross capital expenditure in 2020 totalled $148 million compared with $265 million in 2019 and $253 million in 2018, see page 215.
- At 31 December 2020, capital committed (being contracts placed for expenditure on property, plant and equipment and intangible assets not provided for in the Group Financial Statements) totalled $19 million.

Risk factors

The Group is subject to a variety of inherent risks that may have an adverse impact on its business operations, financial condition, turnover, profits, brands and reputation. This section describes the main risks that could materially affect the Group's business. The risks below are not the only ones that the Group faces. Some risks are not yet known to the Group and some risks that the Group does not currently believe to be material could later turn out to be material.

While the Covid-19 pandemic, and related restrictions imposed by governments and others, has not fundamentally changed our risk factors, it has heightened the uncertainty in many areas which we face in delivering our short- and longer-term ambitions and reconfirmed that many of our risks are connected. This is most obvious in relation to the continuing significance of the safety and security of our colleagues and guests, government interventions impacting domestic, national and international travel, consumer confidence and appetite to travel internationally in the longer term, how we operate our hotels and the overall impact on our business resilience. The response to the primary safety concerns of Covid-19 has also created several secondary impacts. For example:

- heightened risk of negative reputational impact (and the business consequences) as a result of any of our pandemic crisis management actions being negatively perceived by any stakeholder group;
- heightened cyber risks from working remotely;
- closure of key locations putting pressure on our processes, systems and infrastructure;
- enhanced exposure to key person risks;
- strain on our third-party supplier relationships – both in relation to business continuity and wider risks of supplier insolvency and/or default;
- heightened risk of impairment of non-current assets;
- new global or local laws or requirements; and
- significant cost pressures for owners raising risks of default on payments due to IHG, employees or suppliers; non-compliance by owners with standards and other requirements; and owner insolvency and work-outs; impacting our ability to roll out initiatives as planned and the wider risk to our business model.

More recently the Covid-19 pandemic has created further trends in certain risk factors. For example:

- a sustained downturn caused by further waves of the pandemic and/or a slower than anticipated industry recovery, including potential recovery pathways for business and leisure travel. This could create further volatility in our risk factors and also challenging conditions in the capital markets making it more difficult to obtain additional funding if required and potential impact to financial performance or further actions required to manage costs;

Risk factors continued

- heightened expectations from guests about the cleanliness and hygiene standards of major brands, which have already required a rapid response and investment by hotels and may continue to impact perceptions of brand quality;
- the current context also creates challenges for us to communicate and meet consumer expectations when hotel services (e.g. food and beverage) are limited, and to ensure effective execution of high-profile standards across our franchise estate;
- geopolitical tensions which may increase the likelihood of disruption to inbound or outbound travel and trade, and the potential for measures to be taken against businesses; and
- inherent risks of burnout, physical and mental health impacts and challenges to retain staff in remote working arrangements.

To enable focus on the material risk factors facing the Group, the detail below has been organised under headings corresponding to the ordering of the principal risks outlined earlier in this document and considers the assessment of inherent risk trend and speed of potential impact on IHG objectives.

The principal risks are on pages 34 to 41, the cautionary statements regarding forward-looking statements are on page 245 and financial and forward-looking information including note 8 on pages 157 to 162, and note 24 on pages 179 to 183.

1. Macro external factors

The Group is exposed to the risks of political and economic developments

The Group is exposed to political, economic and financial market developments such as recession, inflation and availability of credit and currency fluctuations that could lower revenues and reduce income. The outlook for 2021 may worsen due to continued uncertainty following the conclusion of Brexit; uncertainty in the Eurozone; continuing disruption from Covid-19 on domestic and international travel patterns; potential disruptions in the US economy; the impact of fluctuating commodity prices (including oil) on economies dependent on such exports; continued unrest in parts of the Middle East, Africa and Asia; and barriers to global trade, including unforeseeable changes in regulations, imposition of tariffs or embargoes, and other trade restrictions or controls. The interconnected nature of economies suggests any of these, or other events, could trigger a recession that reduces leisure and business travel to and from affected countries and adversely affects room rates and/or occupancy levels and other income-generating activities. Specifically, the Group is most exposed to the US market and, increasingly, to Greater China. The owners or potential owners of hotels franchised or managed by the Group face similar risks that could adversely impact their solvency and the Group's ability to secure and retain franchise or management agreements.

Accordingly, the Group is particularly susceptible to adverse changes in these economies as well as changes in their currencies. In addition to trading conditions, the economic outlook also affects the financial health of current and potential owners and their ability to access capital, which could impact existing operations, timely payment of IHG fees, and the health of the pipeline.

The Group is exposed to the risks of overcapacity in the hotel industry

The future operating results of the Group could be adversely affected by industry overcapacity (by number of rooms) and weak demand due, for example, to the Covid-19 pandemic and associated restrictions on travel and customer confidence in returning to business and leisure travel, to the cyclical nature of the hotel industry, and to other differences between planning assumptions and actual operating conditions. These conditions could result in reductions in room rates and occupancy levels, which would adversely impact the financial performance of the Group.

2. Preferred brands and loyalty

The Group is subject to a competitive and changing industry

The Group operates in a competitive industry and must compete effectively against traditional competitors such as other global hotel chains, local hotel companies and independent hotels to win the loyalty of guests, employees and owners. The competitive landscape also includes other types of businesses, both global and specific to certain markets, such as web-based booking channels (which include online travel agents and intermediaries), and alternative sources of accommodation such as short-term lets of private property. Failure to compete effectively in traditional and emerging areas of the business could impact the Group's market share, System size, profitability and relationships with owners and guests. The hospitality industry has experienced recent consolidation and is likely to see this trend continue as companies seek to maintain or increase competitive advantage. Further consolidation by competitors may result in such competitors having access to increased resources, capabilities or capacity and provide advantages from scale of revenues, marketing funds and/or cost structures.

The Group is reliant on the reputation of its existing brands and is exposed to inherent reputation risks

Any event that materially damages the reputation of one or more of the Group's brands and/or fails to sustain the appeal of the Group's brands to its customers and owners may have an adverse impact on the value of that brand and subsequent revenues from that brand or business. In particular, if the Group is unable to create consistent, valued and quality products and guest experiences across the franchised, managed, owned, leased and managed lease hotels or if the Group, its franchisees or business partners fail to act responsibly, this could result in an adverse impact on its brand reputation. In addition, the value of the Group's brands could be influenced by a number of external factors outside the Group's control, such as, but not limited to, changes in sentiments against global brands, changes in applicable regulations related to the hotel industry or to franchising, successful commoditisation of hotel brands by online travel agents and intermediaries, or changes in owners' perceptions of the value of the Group.

The Group is exposed to inherent uncertainties associated with brand development and expansion

The Group has launched or acquired a number of new brands, such as EVEN Hotels, HUALUXE Hotels and Resorts, avid hotels, voco hotels, Kimpton Hotels & Restaurants, Regent Hotels & Resorts, Six Senses Hotels Resorts Spas, Atwell Suites, and entered into co-branded credit card relationships to support the IHG Rewards programme and an exclusive loyalty partnership with Mr & Mrs Smith. As the roll out, integration and growth of these brands (including associated loyalty programmes) is dependent on market conditions, guest preference and owner investment, and also continued cooperation with third parties, there are inherent risks that we will be unable to recover costs incurred in developing or acquiring the brands or any new programmes or products, or those brands, programmes, or products will not succeed as we intend. The Group's ongoing agenda to deliver industry-leading net rooms growth creates risks relating to the transition of systems, operating models and processes, and may result in failures to improve commercial performance, leading to financial loss and undermining stakeholder confidence.

The Group is exposed to a variety of risks related to identifying, securing and retaining franchise and management agreements

The Group's growth strategy depends on its success in identifying, securing and retaining franchise and management agreements. This is an inherent risk for the hotel industry and the franchising business and management model. Competition with other hotel companies may generally reduce the number of suitable franchise, management and investment opportunities offered to the Group and increase the bargaining position of property owners seeking

Group information continued
Risk factors continued

to become a franchisee or engage a manager. The terms of new franchise or management agreements may not be as favourable as current arrangements; the Group may not be able to renew existing arrangements on similarly favourable terms, or at all.

There can also be no assurance that the Group will be able to identify, retain or add franchisees to the IHG System, to secure management contracts or open hotels in our development pipeline. For example, the availability of suitable sites, market saturation, planning and other local regulations or the availability and affordability of finance may restrict the supply of suitable hotel development opportunities under franchise or management agreements and mean that not every hotel in our development pipeline may develop into a new hotel that enters our system. In connection with entering into franchise or management agreements, the Group may be required to make investments in, or guarantee the obligations of, third parties or guarantee minimum income to third parties. There are also risks that significant franchisees or groups of franchisees may have interests that conflict, or are not aligned, with those of the Group, including, for example, the unwillingness of franchisees to support brand or system improvement initiatives. This could result in franchisees prematurely terminating contracts which could lead to disputes, litigation, damages and other expenses and would adversely impact the overall IHG System size and the Group's financial performance.

3. Leadership and talent

The Group requires the right people, skills and capability to manage growth and change

In order to remain competitive, the Group must employ the right people. This includes hiring and retaining highly skilled employees with particular expertise or leadership capability. The implementation of the Group's strategic business plans could be undermined by failure to build and sustain a resilient corporate culture, failure to recruit or retain key personnel, unexpected loss of key senior employees, failures in the Group's succession planning and incentive plans, or failure to invest in the development of key skills.

The Group must compete against other companies inside and outside the hospitality industry for suitably qualified or experienced employees, up to and including Executive Directors. Some of the markets in which the Group operates may experience economic growth and/or low levels of unemployment, and there may be attractive roles and competitive rewards available elsewhere.

In the US and elsewhere, including our Greater China region, the Group is continuing to experience pay compression at senior leader level which is limiting the ability to attract and retain talent in key roles. The combination of temporary pay reductions, no 2020 bonus and the expected low outcomes for the in-flight LTIP awards may lead to significant retention risks for senior talent, particularly given the challenges facing the hospitality sector in the current environment.

Some emerging markets may not have the required local expertise to operate a hotel and may not be able to attract the right talent. Failure to attract and retain employees and increasing labour costs may threaten the ability to operate hotels and our corporate support functions, achieve business growth targets or impact the profitability of our operations. Additionally, unless skills are supported by a sufficient infrastructure to enable knowledge and skills to be passed on, the Group risks losing accumulated knowledge if key employees leave the Group.

Collective bargaining activity could disrupt operations, increase our labour costs or interfere with the ability of our management to focus on executing our business strategies.

A significant number of colleagues at our managed, owned, leased and managed lease hotels (approximately 4,200 in the US, Canada, Mexico, Grand Cayman and Dutch Antilles) are covered by collective bargaining agreements and similar agreements. If relationships with those colleagues or the unions that represent them deteriorate, the properties we own, lease or manage could experience labour disruptions such as strikes, lockouts, boycotts and public demonstrations. Collective bargaining agreements representing half of our organised colleagues in the US expired during 2018. These agreements were successfully renegotiated during 2019. Hotel sector union member participation continues to increase in key markets within the Americas region, which may require IHG to enter into new labour agreements as more employees become unionised in the future. Labour disputes, which are generally more likely when collective bargaining agreements are being renegotiated, could harm our relationship with our colleagues, result in increased regulatory inquiries and enforcement by governmental authorities and deter guests. Further, adverse publicity related to a labour dispute could harm our reputation and reduce customer demand for our services.

Labour regulation and the negotiation of new or existing collective bargaining agreements could lead to higher wage and benefit costs, changes in work rules that raise operating expenses, legal costs and limitations on our ability or the ability of our third-party property owners to take cost saving measures during economic downturns. We do not have the ability to control the negotiations of collective bargaining agreements covering unionised labour employed by our third-party property owners and franchisees. Increased unionisation of our workforce, new labour legislation or changes in regulations could disrupt our operations, reduce our profitability or interfere with the ability of our management to focus on executing our business strategies.

4. Cybersecurity and information governance

The Group is exposed to the risks related to cybersecurity and data privacy

The Group is increasingly dependent upon the collection, usage, retention, availability, integrity and confidentiality of information, including, but not limited to: guest, employee and owner credit card, financial and personal data, business performance, financial reporting and commercial development. The information is sometimes held in different formats such as digital, paper, voice recordings and video and could be stored in many places, including facilities managed by third-party service providers, in our Company managed hotels, and by our franchisees, who are subject to the same or similar risks.

Cyber breaches increasingly appear to be an unfortunate reality for most firms and we therefore invest in trying to avoid them where reasonable and practical to do so – in recognition of the possible impact of cybersecurity breaches beyond data loss on operational performance and regulatory actions/ fines, as well as the potential impact on our reputation. The threats towards the hospitality industry and the Group's information are dynamic, and include cyber-attacks, fraudulent use, loss or misuse by employees and breaches of our vendors' security arrangements, amongst others.

The Group experienced cybersecurity incidents including: (a) at a number of Kimpton hotels that resulted in unauthorised access to guest payment card data; and (b) an incident that involved malware being installed on servers that processed payment cards used at restaurants and bars of 12 IHG managed properties, that the Group become aware of in 2016. These incidents resulted in the Group reimbursing the impacted card networks for counterfeit fraud losses and related expenses and becoming subject to investigations regarding compliance with applicable State and Federal data security standards, and legal action from individuals and organisations impacted by the Security Incidents. To date, four lawsuits have been filed against IHG entities relating to the Security Incidents.

The legal and regulatory environment around data privacy and requirements set out by the payment card industry surrounding information security across the many jurisdictions in which the Group operates are constantly evolving (such as the EU GDPR, China cybersecurity law, and California privacy law). If the Group fails to protect information and ensure relevant controls are in place to enable the acceptable use and release of information through the appropriate channels in a timely and accurate manner, IHG System performance, guest experience and the reputation of the Group may be adversely affected. This could lead to revenue losses, fines, penalties, litigation and other additional costs.

We are also required to comply with marketing and advertising laws relating to our direct marketing practices, including email marketing, online advertising, and postal mailings. Further restrictions to the content or interpretations of these laws could adversely impact our current and planned activities and the effectiveness or viability of our marketing strategies to maintain, extend and acquire relationships with customers, and impact the amount and timing of our sales of certain products.

For information of incidents relating to cybersecurity and data privacy, see pages 195 and 235.

5. Channel management and technology

The Group is exposed to increasing competition from online travel agents and intermediaries

A proportion of the Group's bookings originate from large multinational, regional and local online travel agents and intermediaries with which the Group has contractual arrangements and to which it pays commissions. These platforms offer a wide range of products, often across multiple brands, have growing booking and review capabilities, and may create the perception that they offer the lowest prices. Some of these online travel agents and intermediaries have strong marketing budgets and aim to create brand awareness and brand loyalty among consumers and may seek to commoditise hotel brands through price and attribute comparison. Further, if these companies continue to gain market share, they may impact the Group's profitability, undermine the Group's own booking channels and value to its hotel owners, and may be able to increase commission rates and negotiate other favourable contract terms.

The Group is exposed to inherent risks in relation to changing technology and systems

As the use of the internet, artificial intelligence, mobile and data technology grows, and new and disruptive technology solutions are developed, customer needs and expectations evolve at pace. The Group may find that its evolving technology capability is not sufficient and may have to make substantial additional investments in new technologies or systems to remain competitive. Failure to keep pace with developments in technologies or systems, and also with regulatory, risk and ethical considerations of how these developments are used, may put the Group at a competitive disadvantage. In addition, the technologies or systems that the Group chooses to deploy may not be commercially successful or the technology or system strategy may not be sufficiently aligned with the needs of the business. Any such failure could adversely affect guest experiences, and the Group may lose customers, fail to attract new customers, incur substantial costs or face other losses. This could further impact the Group's reputation in regards to innovation. (See also "The Group is exposed to the risks related to cybersecurity and data privacy").

The Group is reliant upon the resilience of its reservation system and other key technology platforms and is exposed to risks that could disrupt their operation and/or integrity

The value of the Group is partly derived from the ability to drive reservations through its reservation system and technology platforms which are highly integrated with other processes and systems and linked to multiple sales channels, including the Group's own websites, in-house and third-party managed call centres, hotels, third-party intermediaries and travel agents.

The scope and complexity of our technology infrastructure, including increasing reliance on third-party suppliers to support and protect our systems and information, as well as the rapidly evolving cyber threats, means that we are inherently vulnerable to physical damage, failures, disruptions, denial of service, phishing or other malware attacks, cyber terrorism and fraud, as well as human error, negligence and wilful misuse. These risks may be heightened when these capabilities are provided off shore or in cloud-based environments. Our franchisees and suppliers are also inherently vulnerable to the same risks.

Lack of resilience and operational availability of these systems provided by the Group or third-party technology providers and inability or difficulty in updating existing or implementing new functionality could lead to prolonged service disruption. This might result in significant business interruption, impact the guest booking experience, lead to loss of or theft of data, and subsequently adversely impact Group revenues, incur financial costs to remediate or investigate, lead to regulatory and/or contractual enforcement actions or lawsuits, or damage the Group's reputation and relationships with hotel owners.

6. Investment effectiveness and efficiency

The Group is exposed to risks related to executing and realising benefits from strategic transactions, including acquisitions and restructuring

The Group may seek to make strategic transactions, including acquisitions, divestments or investments in the future. The Group may not be able to identify opportunities or complete transactions on commercially reasonable terms, or at all, and may not realise the anticipated benefits from such transactions. Strategic transactions come with inherent valuation, financial and commercial risks, and regulatory and insider information risks during the execution of the transactions. The Group may also continue to make organisational adjustments to support delivery of our growth ambitions, including the integration of acquisitions into the Group's operating processes and systems. This creates inherent risks of complexity and that any changes made could be unsustainable or that we are unable to achieve the return envisaged through reinvestment. In addition, the Group may face unforeseen costs and liabilities, diversion of management attention, as well as longer-term integration and operational risks, which could result in a failure to realise benefits, financial losses, lower employee morale and loss of talent.

The Group is dependent upon a wide range of external stakeholders and business partners

The Group relies on the performance, behaviours and reputation of a wide range of business partners and external stakeholders, including, but not limited to, owners, contractors, lenders, suppliers, outsourced providers, vendors, joint-venture partners, online travel agents, third-party intermediaries and other business partners which may have different ethical values, interests and priorities. Further, the number and complexity of interdependencies with stakeholders is evolving. Breakdowns in relationships, contractual disputes, deterioration of the financial health of our partners, poor vendor performance, sub-standard control procedures, business continuity arrangements, insolvency, stakeholder behaviours or adverse reputations, which may be outside of the Group's control, could adversely impact on the Group's performance and competitiveness, delivery of projects, guest experiences or the reputation of the Group or its brands.

7. Legal, regulatory and ethical compliance

The Group is exposed to the risk of litigation

Certain companies in the Group are the subject of various claims and proceedings. The ultimate outcome of these matters is subject to many uncertainties, including future events and uncertainties inherent in litigation. In addition, the Group could be at risk of litigation claims made by many parties, including but not limited

Group information continued
Risk factors continued

to: guests, customers, joint-venture partners, suppliers, employees, regulatory authorities, franchisees and/or the owners of the hotels it manages. Claims filed may include requests for punitive damages as well as compensatory damages. Unfavourable outcomes of claims or proceedings could have a material adverse impact on the Group's results of operations, cash flow and/or financial position. Exposure to significant litigation or fines may also affect the reputation of the Group and its brands. (See also legal proceedings on page 235.)

The Group is required to comply with existing and changing regulations and act in accordance with societal expectations across numerous countries, territories and jurisdictions
Government regulations affect countless aspects of the Group's business including corporate governance, health and safety, the environment, social responsibility, bribery and corruption, employment law and diversity, disability access, data privacy and information protection, financial, accounting and tax. Regulatory changes may require significant changes in the way the business operates and may inhibit the Group's strategy, including the markets the Group operates in, brand protection, and use or transmittal of personal data. If the Group fails to comply with existing or changing regulations, the Group may be subject to fines, prosecution, loss of licence to operate or reputational damage.

The reputation of the Group and the value of its brands are influenced by a wide variety of factors, including the perception of stakeholder groups such as guests, owners, suppliers and communities in which the Group operates. The social and environmental impacts of its business are under increasing scrutiny, and the Group is exposed to the risk of damage to its reputation if it fails to (or fails to influence its business partners to) undertake responsible practices and engage in ethical behaviour, or fails to comply with relevant regulatory requirements.

The Group is exposed to risks associated with its intellectual property
Given the importance of brand recognition to the Group's business, the protection of its intellectual property poses a risk due to the variability and changes in controls, laws and effectiveness of enforcement globally, particularly in jurisdictions which may not have developed levels of protection for corporate assets such as intellectual property, trade secret, know-how and customer information, and records. Any widespread infringement, misappropriation or weakening of the control environment could materially harm the value of the Group's brands and its ability to develop the business and compete currently or in the future. Third-party claims that we infringe their intellectual property could lead to disputes, litigation, damages and other expenses. (See also "The Group is exposed to the risks related to cybersecurity and data privacy".)

8. Financial management and control systems

The Group is exposed to a variety of risks associated with its financial stability and ability to borrow and satisfy debt covenants
While the strategy of the Group is to grow through activities that do not involve significant amounts of its own capital, the Group does require capital to fund some development opportunities, technological innovations and strategic acquisitions; and to maintain and improve owned hotels. The Group is reliant upon having financial strength and access to borrowing facilities to meet these expected capital requirements. The majority of the Group's borrowing facilities are only available if the financial covenants in the facilities are complied with. Non-compliance with covenants could result in the Group's lenders demanding repayment of the funds advanced and any undrawn facilities could be unavailable. If the Group's financial performance does not meet market expectations, it may not be able to refinance existing facilities on terms considered favourable.

The Group's operations are dependent on maintaining sufficient liquidity to meet all foreseeable medium-term requirements and provide headroom against unforeseen obligations
Cash and cash equivalents is held in short-term deposits and cash funds which allow daily withdrawals of cash. Most of the Group's funds are held in the UK or US, although $44 million (2019: $16 million) is held in countries where repatriation is restricted as a result of foreign exchange regulations. Medium and long-term borrowing requirements are met through committed bank facilities and bonds. Short-term borrowing requirements may be met from drawings under uncommitted overdrafts and facilities.

The Group is exposed to an impairment of the carrying value of our brands, goodwill or other tangible and intangible assets negatively affecting our consolidated operating results
Significant amounts of goodwill, intangible assets, right-of-use assets, property, plant and equipment, investments and contract assets are recognised on the Group balance sheet. We review the value of our goodwill and indefinite-lived intangible assets for impairment annually (or whenever events or circumstances indicate impairment may have occurred). Changes to estimated values can result from political, economic and financial market developments or other shifts in the business climate, the competitive environment, the perceived reputation of our brands (by guests or owners), or changes in interest rates, operating cash flows, market capitalisation, or developments in the legal or regulatory environment. Impairments of $226m were recognised in 2020, primarily due to changes in forecast future cash flows as a consequence of Covid-19 and the associated future economic impacts. Because of the significance of our goodwill and other non-current assets, we have incurred and may incur future impairment charges on these assets which could have a material adverse effect on our financial results.

The Group is exposed to fluctuations in exchange rates, currency devaluations or restructurings and to interest rate risk in relation to its borrowings
The US dollar is the predominant currency of the Group's revenue and cash flows. Movements in foreign exchange rates can affect the Group's reported profit, net liabilities and interest cover. The most significant exposures of the Group are in currencies that are freely convertible. The Group's reported debt has an exposure to borrowings held in pounds sterling (including €1,000 million euro bonds which have been swapped into sterling using currency swaps). Conducting business in currencies other than US dollars exposes us to fluctuations in exchange rates, currency devaluations, or restructurings. This could potentially lower our reported revenues, increase our costs, reduce our profits or disrupt our operations. Our exposure to these factors is linked to the pace of our growth in territories outside the US and, if the proportion of our revenues grows, this may increase the potential sensitivity to currency movements having an adverse impact on our results.

The Group is also exposed to interest rate risk in relation to its fixed and floating rate borrowings and may use interest rate swaps to manage the exposure.

The Group could be affected by credit risk on treasury transactions
The Group uses long-term credit ratings from Standard and Poor's, Moody's and Fitch Ratings as a basis for setting its counterparty limits. In order to manage the Group's credit risk exposure, the treasury function sets counterparty exposure limits using metrics including credit ratings, the relative placing of credit default swap pricings, tier 1 capital and share price volatility of the relevant counterparty. The Group trades only with recognised, creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In respect of credit risk arising from financial assets, the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments. The carrying amount of financial assets represents the maximum exposure to credit risk.

The Group's financial performance may be affected by changes in tax laws
Many factors will affect the Group's future tax rate, the key ones being legislative developments, future profitability of underlying subsidiaries and tax uncertainties. The impact of Covid-19 has resulted in changes to the Group's current geographic profit mix and this trend is expected to continue for at least the short term. This is likely to result in a higher than usual tax rate for the Group in the short term. Worldwide tax reform continues, most notably with the OECD's review into 'Tax Challenges Arising from Digitalisation', and this could impact the tax profile of the Group over the longer term. The Group continues to monitor activity in this area. Tax liabilities or refunds may also differ from those anticipated, in particular as a result of changes in tax law, changes in the interpretation of tax law, or clarification of uncertainties in the application of tax law.

The Group may face difficulties insuring its business
Historically, the Group has maintained insurance at levels determined to be appropriate in light of the cost of cover and the risk profile of the business. However, the Group's claims experience and wider external market forces may limit the scope of coverage the Group can obtain and the Group's ability to obtain coverage at reasonable rates. Other forces beyond the Group's control, such as terrorist attacks or natural disasters, may be uninsurable or simply too expensive to insure. Inadequate or insufficient insurance carried by the Group, our owners or other partners for damage, other potential losses or liabilities to third parties involving properties that we own, manage or franchise could expose the Group to large claims or could result in the loss of capital invested in properties.

9. Safety and security

The Group is exposed to a variety of risks associated with safety, security and crisis management
There is a constant need to protect the safety and security of our guests, employees and assets against natural and man-made threats. These include, but are not limited to, exceptional events such as extreme weather, civil or political unrest, violence and terrorism, serious and organised crime, fraud, employee dishonesty, cyber crime, pandemics or contagious diseases (including but not limited to Covid-19), fire, and day-to-day accidents, incidents and petty crime which impact the guest or employee experience, could cause loss of life, sickness or injury and result in compensation claims, fines from regulatory bodies, litigation, and impact reputation. Serious incidents or a combination of events could escalate into a crisis which, if managed poorly, could further expose the Group and its brands to significant reputational damage.

10. Environmental and social megatrends

The Group is exposed to the risk of events or stakeholder expectations that adversely impact domestic or international travel, including climate change
The room rates and occupancy levels of the Group could be adversely impacted by events that reduce domestic or international travel, such as actual or threatened acts of terrorism or war, political or civil unrest, epidemics and pandemics or threats thereof, travel-related accidents or industrial action, natural or man-made disasters, or other local factors impacting specific countries, cities or individual hotels, as well as increased transportation and fuel costs. Additionally, the Group may be adversely impacted by increasing stakeholder and societal expectations and attitudes in relation to factors contributing to climate change including overtravel and overtourism, and those linked directly to hotels including waste, water, energy, or impact on local communities. A decrease in the demand for business and/or leisure hotel rooms as a result of such events or attitudinal and demand shifts may have an adverse impact on the Group's operations or growth prospects and financial results. In addition, inadequate planning, preparation, response or recovery in relation to a major incident or crisis may cause loss of life, prevent operational continuity, or result in financial loss, and consequently impact the value of our brands and/or the reputation of the Group.

Domestic and international environmental laws and regulations may cause us to incur substantial costs or subject us to potential liabilities.
The Group is exposed to certain compliance costs and potential liabilities under various foreign and US federal, state and local environmental, health and safety laws and regulations. These laws and regulations govern actions and reporting requirements relating to matters including air emissions, the use, storage and disposal of hazardous and toxic substances, and wastewater disposal. The Group's failure to comply with such laws, including any required permits or licences, could result in substantial fines or possible revocation of our authority to conduct some of our operations. We could also be liable under such laws for the costs of investigation, removal or remediation of hazardous or toxic substances at our currently or formerly owned, leased or operated real property (including managed and franchised properties) or at third-party locations in connection with our waste disposal operations, regardless of whether or not we knew of, or caused, the presence or release of such substances. The Group may also be required to remediate such substances or remove, abate or manage asbestos, mould, radon gas, lead or other hazardous conditions at our properties. The presence or release of such toxic or hazardous substances could result in third-party claims for personal injury, property or natural resource damages, business interruption or other losses. Such claims and the need to investigate, remediate or otherwise address hazardous, toxic or unsafe conditions could adversely affect the Group's operations, the value of any affected real property, or our ability to sell, lease or assign our rights in any such property, or could otherwise harm our business or reputation. Environmental, health and safety requirements have also become increasingly stringent, and our costs may increase as a result. New or revised laws and regulations or new interpretations of existing laws and regulations, such as those related to climate change, could affect the operation of our properties or result in significant additional expense and restrictions on the Group's business operations.

Group information continued
Directors' and Executive Committee members' shareholdings

As at 22 February 2021: (i) Executive Directors had the number of beneficial interests in shares (including Directors' share awards under IHG's share plans) set out in the table on page 105; (ii) Non-Executive Directors had the number of beneficial interests in shares set out in the table on page 110; and (iii) Executive Committee members had the number of beneficial interests in shares (including members' share awards under IHG's share plans) set out in the table below. These shareholdings indicate all Directors' or Executive Committee members' beneficial interests and those held by their spouses and other connected persons. As at 22 February 2021, no Director or Executive Committee member held more than 1.0% of the total issued share capital. None of the Directors have a beneficial interest in the shares of any subsidiary.

	Number of shares held outright			APP deferred share awards			LTIP share awards (unvested)			Total number of shares held		
Executive Committee member	**22 Feb 2021**	31 Dec 2020	31 Dec 2019	**22 Feb 2021**	31 Dec 2020	31 Dec 2019	**22 Feb 2021**	31 Dec 2020	31 Dec 2019	**22 Feb 2021**	31 Dec 2020	31 Dec 2019
Keith Barr	**70,279**	70,279	52,832	**37,705**	37,705	32,697	**119,227**	119,227	102,537	**227,211**	227,211	188,066
Paul Edgecliffe-Johnson	**53,376**	53,376	38,562	**26,751**	26,751	25,637	**86,479**	86,479	76,150	**166,606**	166,606	140,349
Elie Maalouf	**67,428**	67,428	43,652	**25,417**	25,417	32,591	**88,691**	88,691	74,695	**181,536**	181,536	150,938
Claire Bennett	**16,521**	16,521	9,152	**14,379**	14,379	8,494	**55,340**	55,340	44,675	**86,240**	86,240	62,321
Jolyon Bulley	**57,939**	57,939	52,164	**11,787**	11,787	7,891	**51,624**	51,624	38,216	**121,350**	121,350	98,271
Yasmin Diamond	**7,581**	7,581	2,354	**11,016**	11,016	9,491	**36,887**	36,887	30,331	**55,484**	55,484	42,176
Nicolette Henfrey	**4,528**	4,528	1,528	**6,621**	6,621	5,077	**32,939**	32,939	21,239	**44,088**	44,088	27,844
Wayne Hoare	**0**	0	n/a[1]	**4,666**	4,666	n/a[1]	**22,653**	22,653	n/a[1]	**27,319**	27,319	n/a[1]
Kenneth Macpherson	**30,160**	30,160	14,145	**18,557**	18,557	31,186	**54,789**	54,789	46,670	**103,506**	103,506	92,001
Ranjay Radhakrishnan	n/a[2]	n/a[2]	22,128	n/a[2]	n/a[2]	16,874	n/a[2]	n/a[2]	48,498	n/a[2]	n/a[2]	87,500
George Turner	**27,951**	27,951	17,983	**18,151**	18,151	17,288	**55,848**	55,848	46,691	**101,950**	101,950	81,962

1 Wayne Hoare joined the Company on 14 September 2020.

2 Ranjay Radhakrishnan left the Company on 29 February 2020.

Executive Directors' benefits upon termination of office

All current Executive Directors have a rolling service contract with a notice period from the Group of 12 months. As an alternative, the Group may, at its discretion, pay in lieu of that notice. Neither notice nor a payment in lieu of notice will be given in the event of gross misconduct.

Payment in lieu of notice could potentially include up to 12 months' salary and the cash equivalent of 12 months' pension contributions, and other contractual benefits. Where possible, the Group will seek to ensure that, where a leaver mitigates their losses by, for example, finding new employment, there will accordingly be a corresponding reduction in compensation payable for loss of office.

Further details on the policy for determination of termination payments are included in the Directors' Remuneration Policy, which is available on IHG's website at **www.ihgplc.com/investors** under Corporate governance in the Directors' Remuneration Policy section.

Description of securities other than equity securities

Fees and charges payable to a depositary

Category (as defined by SEC)	Depositary actions	Associated fee
Depositing or substituting the underlying shares	Each person to whom ADRs are issued against deposits of shares, including deposits and issuances in respect of: • Share distributions, stock splits, rights, mergers • Exchange of securities or any other transactions or event or other distribution affecting the ADSs or the deposited securities	$5 for each 100 ADSs (or portion thereof)
Receiving or distributing dividends	Distribution of stock dividends	$5 for each 100 ADSs (or portion thereof)
	Distribution of cash	$0.02 or less per ADS (or portion thereof)
Selling or exercising rights	Distribution or sale of securities, the fee being in an amount equal to the fee for the execution and delivery of ADSs which would have been charged as a result of the deposit of such securities	$5 for each 100 ADSs (or portion thereof)
Withdrawing an underlying security	Acceptance of ADRs surrendered for withdrawal of deposited securities	$5 for each 100 ADSs (or portion thereof)
Transferring, splitting or grouping receipts	Transfers, combining or grouping of depositary receipts	$1.50 per ADS
General depositary services, particularly those charged on an annual basis	Other services performed by the depositary in administering the ADRs	$0.02 per ADS (or portion thereof) not more than once each calendar year and payable at the sole discretion of the ADR Depositary by billing ADR holders or by deducting such charge from one or more cash dividends or other cash distributions
Expenses of the depositary	Expenses incurred on behalf of ADR holders in connection with: • Compliance with foreign exchange control regulations or any law or regulation relating to foreign investment • The ADR Depositary's or its custodian's compliance with applicable laws, rules or regulations • Stock transfer or other taxes and other governmental charges • Cable, telex, facsimile transmission/delivery • Transfer or registration fees in connection with the deposit and withdrawal of deposited securities • Expenses of the ADR Depositary in connection with the conversion of foreign currency into US dollars (which are paid out of such foreign currency) • Any other charge payable by the ADR Depositary or its agents	Expenses payable at the sole discretion of the ADR Depositary by billing ADR holders or by deducting charges from one or more cash dividends or other cash distributions are $20 per transaction

Fees and charges payable by a depositary

J.P. Morgan Chase Bank N.A. (the ADR Depositary) is the depositary for IHG's ADR programme. The ADR Depositary's principal executive office is at: J.P. Morgan Depositary Receipts, 383 Madison Avenue, Floor 11, New York, NY 10179. The ADR Depositary has agreed to reimburse certain reasonable Company expenses related to the Company's ADR programme and incurred by the Company in connection with the ADR programme. During the year ended 31 December 2020, the Company received $160,121.84 from the ADR Depositary in respect of legal, accounting and other fees incurred in connection with the preparation of the Annual Report and Form 20-F, ongoing SEC compliance and listing requirements, investor relations programmes, and advertising and public relations expenditure.

Change in certifying accountant

A description of the audit tender process completed by the Company is included in the 2019 Annual Report and Form 20-F. An update on the auditor transition is on page 89.

In connection with the audits of IHG's financial statements for each of the two fiscal years ended 31 December 2020 (i) there were no disagreements with EY, as that term is used in Item 16F(a)(1)(iv) of Form 20-F, over any matters of accounting principles or practices, financial statement disclosure, or auditing scope and procedures, which if not resolved to EY's satisfaction would have caused EY to make reference to the matter in their report and (ii) there were no 'reportable events' as that term is described in Item 16F(a)(1)(v) of Form 20-F.

Group information continued
Articles of Association

The Company's Articles of Association (the Articles) were first adopted with effect from 27 June 2005 and were most recently amended at the AGM held on 7 May 2020 and are available on the Company's website at **www.ihgplc.com/investors** under Corporate governance. The following summarises material rights of holders of the Company's ordinary shares under the material provisions of the Articles and English law. This summary is qualified in its entirety by reference to the Companies Act and the Articles.

The Company's shares may be held in certificated or uncertificated form. No holder of the Company's shares will be required to make additional contributions of capital in respect of the Company's shares in the future.

In the following description, a 'shareholder' is the person registered in the Company's register of members as the holder of the relevant share.

Principal objects

The Company is incorporated under the name InterContinental Hotels Group PLC and is registered in England and Wales with registered number 5134420. The Articles do not restrict its objects or purposes.

Directors

Under the Articles, a Director may have an interest in certain matters (Permitted Interest) without the prior approval of the Board, provided they have declared the nature and extent of such Permitted Interest at a meeting of the Directors or in the manner set out in Section 184 or Section 185 of the Companies Act.

Any matter in which a Director has a material interest, and which does not comprise a Permitted Interest, must be authorised by the Board in accordance with the procedure and requirements contained in the Articles. In particular, this includes the requirement that a Director may not vote on a resolution to authorise a matter in which they are interested, nor may they count in the quorum of the meeting at which such business is transacted.

Further, a Director may not vote in respect of any proposal in which they, or any person connected with them, has any material interest other than by virtue of their interests in securities of, or otherwise in or through, the Company, nor may they count in the quorum of the meeting at which such business is transacted. This is subject to certain exceptions, including in relation to proposals: (a) indemnifying them in respect of obligations incurred on behalf of the Company; (b) indemnifying a third party in respect of obligations of the Company for which the Director has assumed responsibility under an indemnity or guarantee; (c) relating to an offer of securities in which they will be interested as an underwriter; (d) concerning another body corporate in which the Director is beneficially interested in less than one per cent of the issued shares of any class of shares of such a body corporate; (e) relating to an employee benefit in which the Director will share equally with other employees; and (f) relating to liability insurance that the Company is empowered to purchase for the benefit of Directors of the Company in respect of actions undertaken as Directors (or officers) of the Company.

The Directors have authority under the Articles to set their own remuneration (provided certain criteria are met). While an agreement to award remuneration to a Director is an arrangement with the Company that comprises a Permitted Interest (and therefore does not require authorisation by the Board in that respect), it is nevertheless a matter that would be expected to give rise to a conflict of interest between the Director concerned and the Company, and such conflict must be authorised by a resolution of the Board. The Director that is interested in such a matter may neither vote on the resolution to authorise such conflict, nor count in the quorum of the meeting at which it was passed. Furthermore, as noted above, the interested Director is not permitted to vote in respect of any proposal in which they have any material interest (except in respect of the limited exceptions outlined above) nor may they count in the quorum of the meeting at which such business is transacted.

As such, a Director has no power, in the absence of an independent quorum, to vote on compensation to themselves, but may vote on a resolution (and may count in the quorum of the meeting at which it was passed) to award compensation to Directors provided those arrangements do not confer a benefit solely on them.

The Directors are empowered to exercise all the powers of the Company to borrow money, subject to the limitation that the aggregate amount of all monies borrowed by the Company and its subsidiaries shall not exceed an amount equal to three times the Company's share capital and consolidated reserves, unless sanctioned by an ordinary resolution of the Company.

Under the Articles, there are no age-limit requirements relating to a person's qualification to hold office as a Director of the Company.

Directors are not required to hold any shares of the Company by way of qualification.

The Articles require annual retirement and re-election of all Directors at the AGM.

Rights attaching to shares

Dividend rights and rights to share in the Company's profits

Under English law, dividends are payable on the Company's ordinary shares only out of profits available for distribution, as determined in accordance with accounting principles generally accepted in the UK and by the Companies Act. No dividend will bear interest as against the Company.

Holders of the Company's ordinary shares are entitled to receive such dividends as may be declared by the shareholders in general meeting, rateably according to the amounts paid up on such shares, provided that the dividend cannot exceed the amount recommended by the Directors.

The Company's Board of Directors may declare and pay to shareholders such interim dividends as appear to them to be justified by the Company's financial position. If authorised by an ordinary resolution of the shareholders, the Board of Directors may also direct payment of a dividend in whole or in part by the distribution of specific assets (and in particular of paid-up shares or debentures of any other company).

Any dividend unclaimed by a member (or by a person entitled by virtue of transmission on death or bankruptcy or otherwise by operation of law) after six years from the date the dividend was declared, or became due for payment, will be forfeited and will revert to the Company.

Voting rights

The holders of ordinary shares are entitled, in respect of their holdings of such shares, to receive notice of general meetings and to attend, speak and vote at such meetings in accordance with the Articles.

Voting at any general meeting of shareholders is by a show of hands unless a poll, which is a written vote, is duly demanded. On a show of hands, every shareholder who is present in person or by proxy at a general meeting has one vote regardless of the number of shares held. Resolutions put to the members at electronic general meetings shall be voted on by a poll, which poll votes may be cast by such electronic means as the Board in its sole discretion deems appropriate for the purposes of the meeting.

On a poll, every shareholder who is present in person or by proxy has one vote for every share held by that shareholder. A poll may be demanded by any of the following:

- the Chair of the meeting;
- at least five shareholders present in person or by proxy and entitled to vote at the meeting;
- any shareholder or shareholders present in person or by proxy representing in the aggregate not less than one-tenth of the total voting rights of all shareholders entitled to vote at the meeting; or
- any shareholder or shareholders present in person or by proxy holding shares conferring a right to vote at the meeting and on which there have been paid up sums in the aggregate at least equal to one-tenth of the total sum paid up on all the shares conferring that right.

A proxy form will be treated as giving the proxy the authority to demand a poll, or to join others in demanding one.

The necessary quorum for a general meeting is two persons carrying a right to vote upon the business to be transacted, whether present in person or by proxy.

Matters are transacted at general meetings of the Company by the proposing and passing of resolutions, of which there are two kinds:

- an ordinary resolution, which includes resolutions for the election of Directors, the approval of financial statements, the cumulative annual payment of dividends, the appointment of the Auditor, the increase of share capital or the grant of authority to allot shares; and
- a special resolution, which includes resolutions amending the Articles, disapplying statutory pre-emption rights, modifying the rights of any class of the Company's shares at a meeting of the holders of such class or relating to certain matters concerning the Company's winding up or changing the Company's name.

An ordinary resolution requires the affirmative vote of a majority of the votes of those persons present and entitled to vote at a meeting at which there is a quorum.

Special resolutions require the affirmative vote of not less than three-quarters of the persons present and entitled to vote at a meeting at which there is a quorum.

AGMs must be convened upon advance written notice of 21 days. Other meetings must be convened upon advance written notice of 14 days. The days of delivery or receipt of the notice are not included. The notice must specify the nature of the business to be transacted. The Board of Directors may, if they choose, make arrangements for shareholders, who are unable to attend the place of the meeting, to participate at other places. The Articles also allow for shareholders to attend and participate in shareholder meetings by electronic means.

Variation of rights

If, at any time, the Company's share capital is divided into different classes of shares, the rights attached to any class may be varied, subject to the provisions of the Companies Act, with the consent in writing of holders of three-quarters in nominal value of the issued shares of that class or upon the adoption of a special resolution passed at a separate meeting of the holders of the shares of that class. At every such separate meeting, all of the provisions of the Articles relating to proceedings at a general meeting apply, except that the quorum is to be the number of persons (which must be two or more) who hold or represent by proxy not less than one-third in nominal value of the issued shares of that class.

Rights in a winding-up

Except as the Company's shareholders have agreed or may otherwise agree, upon the Company's winding up, the balance of assets available for distribution is to be distributed among the holders of ordinary shares according to the amounts paid up on the shares held by them:

- after the payment of all creditors including certain preferential creditors, whether statutorily preferred creditors or normal creditors; and
- subject to any special rights attaching to any class of shares.

This distribution is generally to be made in cash. A liquidator may, however, upon the adoption of a special resolution of the shareholders, divide among the shareholders the whole or any part of the Company's assets in kind.

Limitations on voting and shareholding

There are no limitations imposed by English law or the Articles on the right of non-residents or foreign persons to hold or vote the Company's ordinary shares or ADSs, other than the limitations that would generally apply to all of the Company's shareholders.

Working Time Regulations 1998

Under EU law, many employees of Group companies are now covered by the Working Time Regulations which came into force in the UK on 1 October 1998. These regulations implemented the European Working Time Directive and parts of the Young Workers Directive, and lay down rights and protections for employees in areas such as maximum working hours, minimum rest time, minimum days off and paid leave.

In the UK, there is in place a national minimum wage under the National Minimum Wage Act 1998, as amended. At 31 December 2020, the minimum wage for individuals aged 18 to 20 was £6.45 per hour, aged 21 to 24 was £8.20 per hour and for those aged 25 or over was £8.72 per hour in each case, excluding apprentices aged under 19 years or, otherwise, in the first year of their apprenticeships. This particularly impacts businesses in the hospitality and retailing sectors. Compliance with the National Minimum Wage Act is being monitored by the Low Pay Commission, an independent statutory body established by the UK Government.

None of the Group's UK employees are covered by collective bargaining agreements with trade unions.

Continual attention is paid to the external market in order to ensure that terms of employment are appropriate. The Group believes the Group companies will be able to conduct their relationships with trade unions and employees in a satisfactory manner.

Group information continued
Material contracts

The following contracts have been entered into otherwise than in the course of ordinary business by members of the Group: (i) in the two years immediately preceding the date of this document in the case of contracts which are or may be material; or (ii) that contain provisions under which any Group member has any obligation or entitlement that is material to the Group as at the date of this document. To the extent that these agreements include representations, warranties and indemnities, such provisions are considered standard in an agreement of that nature, save to the extent identified below.

Syndicated Facility

On 30 March 2015, the Company signed a five-year $1.275 billion bank facility agreement (Syndicated Facility) with Bank of America Merrill Lynch International Limited, Barclays Bank plc, HSBC Bank PLC, SunTrust Robinson Humphrey, The Bank of Tokyo-Mitsubishi UFJ, Ltd and The Royal Bank of Scotland plc, all acting as joint bookrunners and The Bank of Tokyo-Mitsubishi UFJ, Ltd as facility agent. The Company has exercised its ability to extend the term of the Syndicated Facility by two additional periods of 12 months, and, in April 2020, agreed a further extension of the Syndicated Facility taking its term to September 2023. The interest margin payable on borrowings under the Syndicated Facility is linked to IHG's consolidated leverage ratio. The margin can vary between LIBOR + 0.90% and LIBOR + 2.75% depending on the level of the ratio. The Syndicated Facility was undrawn as at 31 December 2020.

£3 billion Euro Medium Term Note programme

In 2020, the Group updated its Euro Medium Term Note programme (Programme) and issued a tranche of €500 million 1.625% notes due 8 October 2024 (2020 Euro Issuance) and a tranche of £400 million 3.375% notes due 8 October 2028 (2020 GBP Issuance).

On 14 September 2020, an amended and restated trust deed (Trust Deed) was executed by InterContinental Hotels Group PLC as issuer (Issuer), Six Continents Limited and InterContinental Hotels Limited as guarantors (Guarantors) and HSBC Corporate Trustee Company (UK) Limited as trustee (Trustee), pursuant to which the trust deed dated 27 November 2009, as supplemented by four supplemental trust deeds dated 7 July 2011, 9 November 2012, 16 June 2015 and 11 August 2016 between the same parties relating to the Programme, were amended and restated. Under the Trust Deed, the Issuer may issue notes (Notes) unconditionally and irrevocably guaranteed by the Guarantors, up to a maximum nominal amount from time to time outstanding of £3 billion (or its equivalent in other currencies). Notes are to be issued in series (each a Series) in bearer form. Each Series may comprise one or more tranches (each a Tranche) issued on different issue dates. A Tranche of Notes may be issued on the terms and conditions set out in a base prospectus as amended and/or supplemented by a document setting out the final terms (Final Terms) of such Tranche or in a separate prospectus specific to such Tranche.

Under the Trust Deed, each of the Issuer and the Guarantors has given certain customary covenants in favour of the Trustee.

The Final Terms issued under each of the 2020 Euro Issuance and the 2020 GBP Issuance provide that the holders of the Notes have the right to repayment if the Notes (a) become non-investment grade within the period commencing on the date of announcement of a change of control and ending 90 days after the change of control (Change of Control Period) and are not subsequently, within the Change of Control Period, reinstated to investment grade; (b) are downgraded from a non-investment grade and are not reinstated to its earlier credit rating or better within the Change of Control Period; or (c) are not credit rated and do not become investment grade credit rated by the end of the Change of Control Period.

On 14 September 2020, the Issuer and the Guarantors entered into an amended and restated agency agreement (Agency Agreement) with HSBC Bank plc as principal paying agent and the Trustee, pursuant to which the Issuer and the Guarantors appointed paying agents and calculation agents in connection with the Programme and the Notes.

Under the Agency Agreement, each of the Issuer and the Guarantors has given a customary indemnity in favour of the paying agents and the calculation agents.

On 14 September 2020, the Issuer and the Guarantors entered into an amended and restated dealer agreement (Dealer Agreement) with HSBC Bank plc as arranger and Barclays Bank PLC, Commerzbank Aktiengesellschaft, HSBC Bank plc, Merrill Lynch International, MUFG Securities EMEA plc, Truist Securities, Inc. and Wells Fargo Securities International Limited as dealers (Dealers), pursuant to which the Dealers were appointed in connection with the Programme and the Notes.

Under the Dealer Agreement, each of the Issuer and the Guarantors has given customary warranties and indemnities in favour of the Dealers.

£1 billion Euro Commercial Paper Programme

In 2020, the Group established a £1 billion Euro Commercial Paper Programme (ECP) and issued £600m of commercial paper under the Joint HM Treasury and Bank of England Covid Corporate Financing Facility. The issuance matures on 16 March 2021.

On 17 April 2020, an Issue and Paying Agency Agreement (IPA Agreement) was entered into by InterContinental Hotels Group PLC as issuer (Issuer), Six Continents Limited and InterContinental Hotels Limited as guarantors (Guarantors) and HSBC Bank PLC (HSBC), pursuant to which the Issuer and the Guarantors appointed HSBC as issue agent and principal paying agent in connection with the ECP.

Under the IPA Agreement, each of the Issuer and the Guarantors has given a customary indemnity in favour of HSBC.

On 17 April 2020, the Issuer and Guarantors entered into a dealer agreement (Dealer Agreement) with HSBC, pursuant to which HSBC was appointed as arranger and dealer in connection with the ECP.

Under the Dealer Agreement, each of the Issuer and the Guarantors has given customary warranties and indemnities in favour of HSBC.

Legal proceedings

Group companies have extensive operations in the UK, as well as internationally, and are involved in a number of legal claims and proceedings incidental to those operations. These legal claims and proceedings are in various stages and include disputes related to specific hotels where the potential materiality is not yet known. It is the Company's view that such proceedings, either individually or in the aggregate, have not in the recent past and are not likely to have a significant effect on the Group's financial position or profitability. Notwithstanding the above, the Company notes the matters set out below. Litigation is inherently unpredictable and, as of 22 February 2021, unless stated otherwise, the outcome of these matters cannot be reasonably determined.

A claim was filed on 5 July 2016 by CPTS Hotel Lessee, LLC (CPTS) against Holiday Hospitality Franchising, LLC (HHF). The claimant alleges breach of the licence agreement and seeks a declaratory judgement from the court that it has the right to terminate its licence with HHF. HHF and InterContinental Hotels Group Resources, Inc. filed a claim against CPTS Hotel Lessee, LLC also seeking a declaratory judgement and alleging breach of contract and fraud. On 1 May 2018, the court granted IHG's motion for preliminary injunction and ruled that the license agreement at issue is not terminable at will by CPTS. As of 22 February 2021, the likelihood of a favourable or unfavourable result cannot be reasonably determined and it is not possible to determine whether any loss is likely or to estimate the amount of any loss.

A claim was filed on 26 June 2017 against Inter-Continental Hotels Corporation, InterContinental Hotels Group Resources, Inc., and InterContinental Hotels Group (Canada), Inc. seeking class action status and alleging breach of fiduciary duty, negligence, breach of confidence, intrusion upon seclusion, breach of contract, breach of privacy legislation, and unjust enrichment regarding an alleged data breach. The claim was amended in March 2018 to name Six Continents Hotels, Inc. as the sole defendant. The claimant alleges that security failures allowed customers' financial information to be compromised. As of 22 February 2021, the likelihood of a favourable or unfavourable result cannot be reasonably determined and it is not possible to determine whether any loss is likely or to estimate the amount of any loss.

Two claims were filed on 19 March 2018 and 6 December 2018 against Six Continents Hotels, Inc. and other hotel companies, alleging violations of anti-trust regulations. One of the matters is a class action, and both suits allege that the defendant hotel companies conspired to eliminate competitive branded keyword search advertising in the hotel industry, which raised prices for hotel rooms in violation of applicable law. As of 22 February 2021, the likelihood of a favourable or unfavourable result cannot be reasonably determined and it is not possible to determine whether any loss is likely or to estimate the amount of any loss.

A claim was filed on 5 April 2019 and amended on 16 December 2019 against Kimpton seeking class action status and alleging harm related to the compromise of personal information due to a data security breach. The allegations relate to a breach of the reservation system previously used by Kimpton. As of 22 February 2021 the likelihood of a favourable or unfavourable result cannot be reasonably determined and it is not possible to determine whether any loss is likely or to estimate the amount of any loss.

An arbitration was filed on 21 December 2018 alleging that IHG Hotels Limited and InterContinental Hotels Group PLC misrepresented the right of a third party to license the Crowne Plaza brand. The claimant seeks monetary damages for various alleged losses. As of 22 February 2021 the likelihood of a favourable or unfavourable result cannot be reasonably determined and it is not possible to determine whether any loss is likely or to estimate the amount of any loss.

A union pension plan filed an action against InterContinental Hotels Group Resources, Inc. ("IHGR") on 28 August 2019 in the Southern District of New York alleging that IHGR failed to pay a pension fund liability associated with its alleged withdrawal from the fund based on the termination of IHGR's management of three formerly IHG-branded hotels. The parties reached agreement on a resolution of this matter on 14 October 2020, and the action was dismissed. The parties have complied with the terms of the agreement.

A claim was filed on 5 May 2017 against InterContinental Hotels Group PLC, Inter-Continental Hotels Corporation, and InterContinental Hotels Group Resources, Inc. seeking class action status and alleging breach of implied contract, negligence, and unjust enrichment regarding an alleged data breach. The claimant alleges that IHG failed to secure and safeguard customers' personal financial data. The parties reached an agreement on a resolution of this matter, which the Court approved on 2 September 2020 and the case was dismissed with prejudice. The parties are complying with the terms of the agreement, and the claims administration process is underway.

Exchange controls and restrictions on payment of dividends

There are no restrictions on dividend payments to US citizens.

Although there are currently no UK foreign exchange control restrictions on the export or import of capital or the payment of dividends on the ordinary shares or the ADSs, economic sanctions which may be in force in the UK from time to time impose restrictions on the payment of dividends to persons resident (or treated as so resident) in or governments of (or persons exercising public functions in) certain countries.

Other than economic sanctions which may be in force in the UK from time to time, there are no restrictions under the Articles or under English law that limit the right of non-resident or foreign owners to hold or vote the ordinary shares or the ADSs. In addition, the Articles contain certain limitations on the voting and other rights of any holder of ordinary shares whose holding may, in the opinion of the Directors, result in the loss or failure to secure the reinstatement of any licence or franchise from any US governmental agency held by Six Continents Hotels, Inc. or any subsidiary thereof.

Shareholder information
Taxation

This section provides a summary of material US federal income tax and UK tax consequences to the US holders, described below, of owning and disposing of ordinary shares or ADSs of the Company. This section addresses only the tax position of a US holder who holds ordinary shares or ADSs as capital assets. This section does not, however, discuss all of the tax considerations that may be relevant to any particular US holder, such as the provisions of the Internal Revenue Code of 1986, as amended (IR Code) known as the Medicare Contribution tax or tax consequences to US holders subject to special rules, such as:

- certain financial institutions.
- insurance companies.
- dealers and traders in securities who use a mark-to-market method of tax accounting.
- persons holding ordinary shares or ADSs as part of a straddle, conversion transaction, integrated transaction or wash sale, or persons entering into a constructive sale with respect to the ordinary shares or ADSs.
- persons whose functional currency for US federal income tax purposes is not the US dollar.
- partnerships or other entities classified as partnerships for US federal income tax purposes.
- persons liable for the alternative minimum tax.
- tax-exempt organisations.
- persons who acquired the Company's ADSs or ordinary shares pursuant to the exercise of any employee stock option or otherwise in connection with employment.
- persons who, directly or indirectly, own ordinary shares or ADSs representing 10% or more of the Company's voting power or value.

This section does not generally deal with the position of a US holder who is resident in the UK for UK tax purposes or who is subject to UK taxation on capital gains or income by virtue of carrying on a trade, profession or vocation in the UK through a branch, agency or permanent establishment to which such ADSs or ordinary shares are attributable ('trading in the UK').

As used herein, a 'US holder' is a person who, for US federal income tax purposes, is a beneficial owner of ordinary shares or ADSs and is: (i) a citizen or individual resident of the US; (ii) a corporation, or other entity taxable as a corporation, created or organised in or under the laws of the US, any state therein or the District of Columbia; (iii) an estate whose income is subject to US federal income tax regardless of its source; or (iv) a trust, if a US court can exercise primary supervision over the trust's administration and one or more US persons are authorised to control all substantial decisions of the trust.

This section is based on the IR Code, its legislative history, existing and proposed regulations, published rulings and court decisions, and on UK tax laws and the published practice of HM Revenue and Customs (HMRC), all as of the date hereof. These laws, and that practice, are subject to change, possibly on a retroactive basis.

This section is further based in part upon the representations of the ADR Depositary and assumes that each obligation in the deposit agreement and any related agreement will be performed in accordance with its terms. For US federal income tax purposes, an owner of ADRs evidencing ADSs will generally be treated as the owner of the underlying shares represented by those ADSs. For UK tax purposes, in practice, HMRC will also regard holders of ADSs as the beneficial owners of the ordinary shares represented by those ADSs (although case law has cast some doubt on this). The discussion below assumes that HMRC's position is followed.

Generally, exchanges of ordinary shares for ADSs, and ADSs for ordinary shares, will not be subject to US federal income tax or UK taxation on capital gains, although UK stamp duty or stamp duty reserve tax (SDRT) may arise as described below.

Investors should consult their own tax advisers regarding the US federal, state and local, the UK and other tax consequences of owning and disposing of ordinary shares or ADSs in their particular circumstances.

The following disclosures assume that the Company is not, and will not become, a passive foreign investment company (PFIC), as described below.

Taxation of dividends

UK taxation

Under current UK tax law, the Company will not be required to withhold tax at source from dividend payments it makes.

A US holder who is not resident for UK tax purposes in the UK and who is not trading in the UK will generally not be liable for UK taxation on dividends received in respect of the ADSs or ordinary shares.

US federal income taxation

A US holder is generally subject to US federal income taxation on the gross amount of any dividend paid by the Company out of its current or accumulated earnings and profits (as determined for US federal income tax purposes). Distributions in excess of the Company's current and accumulated earnings and profits, as determined for US federal income tax purposes, will be treated as a return of capital to the extent of the US holder's basis in the shares or ADSs and thereafter as capital gain. Because the Company has not historically maintained, and does not currently maintain, books in accordance with US tax principles, the Company does not expect to be in a position to determine whether any distribution will be in excess of the Company's current and accumulated earnings and profits as computed for US federal income tax purposes. As a result, it is expected that amounts distributed will be reported to the Internal Revenue Service (IRS) as dividends.

Subject to applicable limitations, dividends paid to certain non-corporate US holders will be taxable at the preferential rates applicable to long-term capital gain if the dividends constitute 'qualified dividend income'. The Company expects that dividends paid by the Company with respect to the ADSs will constitute qualified dividend income. US holders should consult their own tax advisers to determine whether they are subject to any special rules that limit their ability to be taxed at these preferential rates.

Dividends must be included in income when the US holder, in the case of shares, or the ADR Depositary, in the case of ADSs, actually or constructively receives the dividend, and will not be eligible for the dividends-received deduction generally allowed to US corporations in respect of dividends received from other US corporations. For foreign tax credit limitation purposes, dividends will generally be income from sources outside the US.

The amount of any dividend paid in pounds sterling will be the US dollar value of the sterling payments made, determined at the spot sterling/US dollar rate on the date the dividend distribution is includible in income, regardless of whether the payment is in fact converted into US dollars. If the dividend is converted into US dollars on that date, a US holder should not be required to recognise foreign currency gain or loss in respect of the dividend income. Generally, any gain or loss resulting from currency exchange fluctuations during the period from the date the dividend payment is includible in income to the date the payment is converted into US dollars will be treated as ordinary income or loss from sources within the US.

Taxation of capital gains

UK taxation

A US holder who is not resident for UK tax purposes in the UK and who is not trading in the UK will not generally be liable for UK taxation on capital gains, or eligible for relief for allowable losses, realised or accrued on the sale or other disposal of ADSs or ordinary shares. A US holder of ADSs or ordinary shares who is an individual and who, broadly, has temporarily ceased to be resident in the UK or has become temporarily treated as non-resident for UK tax purposes for a period of not more than five years and who disposes of ordinary shares or ADSs during that period may, for the year of assessment when that individual becomes resident again in the UK, be liable to UK tax on capital gains (subject to any available exemption or relief), notwithstanding the fact that such US holder was not treated as resident in the UK at the time of the sale or other disposal.

US federal income taxation

A US holder who sells or otherwise disposes of ordinary shares or ADSs will recognise a capital gain or loss for US federal income tax purposes equal to the difference between the amount realised and its tax basis in the ordinary shares or ADSs, each determined in US dollars. Such capital gain or loss will be a long-term capital gain or loss where the US holder has a holding period greater than one year. Losses may also be treated as long-term capital losses to the extent of certain 'extraordinary dividends' that qualified for the preferential tax rates on qualified dividend income described above. The capital gain or loss will generally be income or loss from sources within the US for foreign tax credit limitation purposes. The deductibility of capital losses is subject to limitations.

PFIC rules

Based on the manner in which the Group operates its business and estimates of the value of its assets (which estimates are based, in part, on the market value of the Company's ADSs) the Company believes that it was not a PFIC for US federal income tax purposes for its 2020 taxable year. However, this conclusion is an annual factual determination and thus may be subject to change. If the Company were a PFIC for any taxable year during which a US holder owned ordinary shares or ADSs, gain realised on the sale or other disposition of ordinary shares or ADSs would, in general, not be treated as capital gain. Instead, gain would be treated as if the US holder had realised such gain rateably over the holding period for the ordinary shares or ADSs and, to the extent allocated to the taxable year of the sale or other disposition and to any year before the Company became a PFIC, would be taxed as ordinary income. The amount allocated to each other taxable year would be taxed at the highest tax rate in effect (for individuals or corporations, as applicable) for each such year to which the gain was allocated, together with an interest charge in respect of the tax attributable to each such year. In addition, similar rules would apply to any 'excess distribution' received on the ordinary shares or ADSs (generally, the excess of any distribution received on the ordinary shares or ADSs during the taxable year over 125% of the average amount of distributions received during a specified prior period). The preferential rates for qualified dividend income described above would not apply if the Company were a PFIC in the taxable year of the distribution or the preceding taxable year.

Certain elections may be available (including a market-to-market election) to US holders that would result in alternative treatments of the ordinary shares or ADSs. If the Company were a PFIC for any taxable year in which a US holder held ordinary shares or ADSs, a US holder would generally be required to file IRS Form 8621 with their annual US federal income tax returns, subject to certain exceptions.

Additional tax considerations

UK inheritance tax

An individual who is neither domiciled nor deemed domiciled in the UK is only chargeable to UK inheritance tax to the extent the individual owns assets situated in the UK. As a matter of UK law, it is not clear whether the situs of an ADS for UK inheritance tax purposes is determined by the place where the depositary is established and records the entitlements of the deposit holders, or by the situs of the underlying share which the ADS represents, but HMRC may take the view that the ADSs, as well as the ordinary shares, are or represent UK-situs assets.

However, an individual who is domiciled in the US (for the purposes of the Estate and Gift Tax Convention (the Convention)), and is not a UK national as defined in the Convention, will not be subject to UK inheritance tax (to the extent UK inheritance tax applies) in respect of the ordinary shares or ADSs on the individual's death or on a transfer of the ordinary shares or ADSs during their lifetime, provided that any applicable US federal gift or estate tax is paid, unless the ordinary shares or ADSs are part of the business property of a UK permanent establishment or pertain to a UK fixed base of an individual used for the performance of independent personal services. Where the ordinary shares or ADSs have been placed in trust by a settlor, they may be subject to UK inheritance tax unless, when the trust was created, the settlor was domiciled in the US and was not a UK national. If no relief is given under the Convention, inheritance tax may be charged on death and also on the amount by which the value of an individual's estate is reduced as a result of any transfer made by way of gift or other undervalue transfer, broadly within seven years of death, and in certain other circumstances. Where the ordinary shares or ADSs are subject to both UK inheritance tax and to US federal gift or estate tax, the Convention generally provides for either a credit against US federal tax liabilities for UK inheritance tax paid or for a credit against UK inheritance tax liabilities for US federal tax paid, as the case may be.

UK stamp duty and SDRT

Neither stamp duty nor SDRT will generally be payable in the UK on the purchase or transfer of an ADS, provided that the ADS and any separate instrument or written agreement of transfer are executed and remain at all times outside the UK. UK legislation does however provide for stamp duty (in the case of transfers) or SDRT to be payable at the rate of 1.5% on the amount or value of the consideration (or, in some cases, the value of the ordinary shares) where ordinary shares are issued or transferred to a person (or a nominee or agent of a person) whose business is or includes issuing depositary receipts or the provision of clearance services. In accordance with the terms of the deposit agreement, any tax or duty payable on deposits of ordinary shares by the depositary or by the custodian of the depositary will typically be charged to the party to whom ADSs are delivered against such deposits.

Following litigation on the subject, HMRC has accepted that it will no longer seek to apply the 1.5% SDRT charge when new shares are issued to a clearance service or depositary receipt system on the basis that the charge is not compatible with EU law. Although there is a risk that this position could be affected by the UK's exit from the EU and the expiry on 31 December 2020 of the related transition period, HMRC's recently published practice states that the disapplication of the 1.5% charge on the issue of shares (and transfers integral to the raising of capital) into clearance services or depositary receipt systems in accordance with the relevant principles of EU law will remain the position following the expiry of the transition period unless the relevant UK statutory provisions are amended. In HMRC's view, the 1.5% SDRT or stamp duty charge will continue to apply to transfers of shares into a clearance service or depositary receipt system unless they are an integral part of an issue of share capital. Specific professional advice should be sought before paying the 1.5% SDRT or stamp duty charge in any circumstances.

Shareholder information continued
Taxation continued

A transfer of the underlying ordinary shares will generally be subject to stamp duty or SDRT, normally at the rate of 0.5% of the amount or value of the consideration (rounded up to the next multiple of £5 in the case of stamp duty). A transfer of ordinary shares from a nominee to its beneficial owner, including the transfer of underlying ordinary shares from the depositary to an ADS holder, under which no beneficial interest passes, will not be subject to stamp duty or SDRT.

US backup withholding and information reporting
Payments of dividends and sales proceeds with respect to ADSs and ordinary shares may be reported to the IRS and to the US holder. Backup withholding may apply to these reportable payments if the US holder fails to provide an accurate taxpayer identification number or certification of exempt status or fails to report all interest and dividends required to be shown on its US federal income tax returns. Certain US holders (including, among others, corporations) are not subject to information reporting and backup withholding. The amount of any backup withholding from a payment to a US holder will be allowed as a credit against the holder's US federal income tax liability and may entitle the holder to a refund, provided that the required information is timely furnished to the IRS. US holders should consult their tax advisers as to their qualification for exemption from backup withholding and the procedure for obtaining an exemption.

Certain US holders who are individuals (and certain specified entities), may be required to report information relating to their ownership of non-US securities unless the securities are held in accounts at financial institutions (in which case the accounts may be reportable if maintained by non-US financial institutions). US holders should consult their tax advisers regarding any reporting obligations they may have with respect to the Company's ordinary shares or ADSs.

Disclosure controls and procedures

As of the end of the period covered by this report, the Group carried out an evaluation under the supervision and with the participation of the Group's management, including the Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of the Group's disclosure controls and procedures (as defined in Rules 13a–15(e) and 15d–15(e) of the Securities Exchange Act 1934). These are defined as those controls and procedures designed to ensure that information required to be disclosed in reports filed under the Securities Exchange Act 1934 is recorded, processed, summarised and reported within the specified periods. Based on that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that the Group's disclosure controls and procedures were effective.

Summary of significant corporate governance differences from NYSE listing standards

The Group's statement of compliance with the principles and provisions specified in the UK Corporate Governance Code issued in July 2018 by the Financial Reporting Council (the Code) is set out on pages 94 and 95.

IHG has also adopted the corporate governance requirements of the US Sarbanes-Oxley Act and related rules and of the NYSE, to the extent that they are applicable to it as a foreign private issuer. As a foreign private issuer, IHG is required to disclose any significant ways in which its corporate governance practices differ from those followed by US companies. These are as follows:

Basis of regulation

The Code contains a series of principles and provisions. It is not, however, mandatory for companies to follow these principles. Instead, companies must disclose how they have applied them and disclose, if applicable, any areas of non-compliance along with an explanation for the non-compliance.

In contrast, US companies listed on the NYSE are required to adopt and disclose corporate governance guidelines adopted by the NYSE.

Independent Directors

The Code's principles recommend that at least half the Board, excluding the Chair, should consist of independent non-executive directors. As at 22 February 2021, the Board consisted of the Chair, independent at the time of his appointment, three Executive Directors and nine independent Non-Executive Directors. NYSE listing rules applicable to US companies state that companies must have a majority of independent directors. The NYSE has set out six bright line tests for director independence. The Board's judgement is that all of its Non-Executive Directors are independent. However, it did not explicitly take into consideration the NYSE's tests in reaching this determination.

Chair and Chief Executive Officer

The Code recommends that the Chair and Chief Executive Officer should not be the same individual to ensure that there is a clear division of responsibility for the running of the Company's business. There is no corresponding requirement for US companies. The roles of Chair and Chief Executive Officer were, as at 22 February 2021 and throughout 2020, fulfilled by separate individuals.

Committees

The Company has a number of Board Committees which are similar in purpose and constitution to those required for domestic companies under NYSE rules. The NYSE requires US companies to have audit, remuneration and nominating/corporate governance committees composed entirely of independent directors, as defined under the NYSE rules. The Company's Nomination, Audit and Remuneration Committees consist entirely of Non-Executive Directors who are independent under the standards of the Code, which may not necessarily be the same as the NYSE independence standards. The nominating/governance committee is responsible for identifying individuals qualified to become Board members and to recommend to the Board a set of corporate governance principles. As the Company is subject to the Code, the Company's Nomination Committee is responsible for nominating, for approval by the Board, candidates for appointment to the Board, although it also assists in developing the role of the Senior Independent Non-Executive Director. The Company's Nomination Committee consists of the Chair and independent Non-Executive Directors.

The Chair of the Company is not a member of either the Remuneration or Audit Committees. As set out on page 86, the Audit Committee is chaired by an independent Non-Executive Director who, in the Board's view, has the experience and qualifications to satisfy the criterion under US rules for an 'audit committee financial expert'.

Non-Executive Director meetings

NYSE rules require that non-management Directors of US companies must meet on a regular basis without management present, and independent Directors must meet separately at least once per year. The Code recommends: (i) the Board Chair to hold meetings with the Non-Executive Directors without the Executive Directors present; and (ii) the Non-Executive Directors to meet at least annually without the Chair present to appraise the Chair's performance. The Company's Non-Executive Directors have met frequently without Executive Directors being present, and intend to continue this practice, after every Board meeting if possible.

Shareholder approval of equity compensation plans

The NYSE rules require that shareholders must be given the opportunity to vote on all equity compensation plans and material revisions to those plans. The Company complies with UK requirements which are similar to the NYSE rules. The Board does not, however, explicitly take into consideration the NYSE's detailed definition of 'material revisions'.

Code of Conduct

The NYSE requires companies to adopt a code of business conduct and ethics, applicable to Directors, officers and employees. Any waivers granted to Directors or officers under such a code must be promptly disclosed. As set out on page 220, IHG's Code of Conduct is applicable to all Directors, officers and employees, and is available on the Company's website at **www.ihgplc.com/investors** under Corporate governance. No waivers have been granted under the Code of Conduct.

Compliance certification

Each chief executive of a US company must certify to the NYSE each year that he or she is not aware of any violation by the Company of any NYSE corporate governance listing standard. As the Company is a foreign private issuer, the Company's Chief Executive Officer is not required to make this certification. However, he is required to notify the NYSE promptly in writing after any of the Company's executive officers become aware of any non-compliance with those NYSE corporate governance rules applicable to the Company.

Shareholder information continued
Selected five-year consolidated financial information

The selected consolidated financial data set forth in the table below for the years ended 31 December 2016, 2017, 2018, 2019 and 2020 has been prepared in accordance with IFRS as issued by the IASB and in accordance with IFRS adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union, and is derived from the audited Group Financial Statements. IFRS adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union differs in certain respects from IFRS as issued by the IASB. However, the differences have no impact on the Group Financial Statements for the years presented. The selected consolidated financial data set forth below should be read in conjunction with, and is qualified in its entirety by reference to, the Group Financial Statements and notes thereto included elsewhere in this Annual Report and Form 20-F.

Group income statement data

For the year ended 31 December	2020	2019	2018	2017	2016
	$m, except earnings per ordinary share				
Total revenue	**2,394**	4,627	4,337	4,075	3,912
Operating profit before System Fund and exceptional items	**219**	865	832	774	706
System Fund	**(102)**	(49)	(146)	(34)	35
Operating exceptional items	**(270)**	(186)	(104)	4	(29)
Operating (loss)/profit	**(153)**	630	582	744	712
Financial income	**4**	6	5	4	6
Financial expenses	**(144)**	(121)	(101)	(95)	(86)
Fair value gains/(losses) on contingent purchase consideration	**13**	27	(4)	–	–
(Loss)/profit before tax	**(280)**	542	482	653	632
Tax:					
On profit before exceptional items	**(32)**	(176)	(159)	(203)	(185)
On exceptional items	**52**	20	22	(2)	12
Exceptional tax	**–**	–	5	87	–
	20	(156)	(132)	(118)	(173)
(Loss)/profit for the year from continuing operations:	**(260)**	386	350	535	459
Attributable to:					
Equity holders of the parent	**(260)**	385	349	534	456
Non-controlling interest	**–**	1	1	1	3
(Loss)/earnings per ordinary share (continuing and total operations):					
Basic	(142.9)¢	210.4¢	183.7¢	276.7¢	215.1¢
Diluted	(142.9)¢	209.2¢	181.8¢	275.3¢	213.1¢

Group statement of financial position data

For the year ended 31 December	2020	2019 Restated[a]	2018 Restated[a]	2017	2016
	$m, except number of shares				
Goodwill and other intangible assets	**1,293**	1,376	1,143	967	858
Property, plant and equipment and right-of-use assets	**504**	799	786	736	419
Investments and other financial assets	**249**	394	364	369	359
Non-current trade and other receivables	**–**	–	–	–	8
Retirement benefit assets	**–**	–	–	3	–
Non-current derivative financial instruments	**5**	–	7	–	–
Deferred compensation plan investments	**236**	218	193	–	–
Non-current tax receivable	**15**	28	31	16	23
Deferred tax assets	**113**	66	63	78	69
Non-current contract costs	**70**	67	55	51	45
Non-current contract assets	**311**	311	270	241	185
Current assets	**2,243**	916	1,373	861	796
Assets classified as held for sale	**–**	19	–	–	–
Total assets	**5,039**	4,194	4,285	3,322	2,762
Current liabilities	**1,867**	1,365	1,407	1,306	1,150
Long-term debt including lease liabilities	**3,314**	2,673	2,525	2,267	1,606
Liabilities classified as held for sale	**–**	22	–	–	–
Net liabilities	**(1,849)**	(1,465)	(1,131)	(1,354)	(1,146)
Equity share capital	**156**	151	146	154	141
IHG shareholders' equity	**(1,857)**	(1,473)	(1,139)	(1,361)	(1,154)
Number of shares in issue at end of the year (millions)	**187**	187	197	197	206

[a] Restated for the recognition of the Group's deferred compensation assets and liabilities (see pages 134 of the Group Financial Statements for further details).

Return of funds

Since March 2003, the Group has returned over £6.6 billion of funds to shareholders by way of special dividends, capital returns and share repurchase programmes.

Return of funds programme	Timing	Total return	Returned to date
£501m special dividend[a]	Paid in December 2004	£501m	£501m
£250m share buyback	Completed in 2004	£250m	£250m
£996m capital return[a]	Paid in July 2005	£996m	£996m
£250m share buyback	Completed in 2006	£250m	£250m
£497m special dividend[a]	Paid in June 2006	£497m	£497m
£250m share buyback	Completed in 2007	£250m	£250m
£709m special dividend[a]	Paid in June 2007	£709m	£709m
£150m share buyback	N/A[b]	£150m	£120m
$500m special dividend[ac]	Paid in October 2012	£315m[d] ($500m)	£315m[e] ($505m)
$500m share buyback	Completed in 2014	£315m[d] ($500m)	£315m ($500m)[f]
$350m special dividend	Paid in October 2013	£229m[g] ($350m)	£228m ($355m)[h]
$750m special dividend[a]	Paid in July 2014	£447m[i] ($750m)	£446m ($763m)[j]
$1,500m special dividend[a]	Paid in May 2016	£1,038m[k] ($1,500m)	£1,038m ($1,500m)
$400m special dividend[a]	Paid in May 2017	£309m[l] ($400m)	£310m ($404m)
$500m special dividend[a]	Paid in January 2019	£389m[m] ($500m)	£388m ($510m)
Total		£6,645m	£6,613m

[a] Accompanied by a share consolidation.

[b] This programme was superseded by the share buyback programme announced on 7 August 2012.

[c] IHG changed the reporting currency of its Consolidated Financial Statements from sterling to US dollars effective from the Half-Year Results as at 30 June 2008.

[d] The dividend was first determined in US dollars and converted to sterling immediately before announcement at the rate of $1=£0.63, as set out in the circular detailing the special dividend and share buyback programme published on 14 September 2012.

[e] Sterling dividend translated at $1=£0.624.

[f] Translated into US dollars at the average rates of exchange for the relevant years (2014 $1=£0.61; 2013 $1=£0.64; 2012 $1 = £0.63).

[g] The dividend was first determined in US dollars and converted to sterling immediately before announcement at the rate of $1=£0.65, as announced in the Half-Year Results to 30 June 2013.

[h] Sterling dividend translated at $1=£0.644.

[i] The dividend was first determined in US dollars and converted to sterling immediately before announcement at the rate translated at $1=£0.597.

[j] Sterling dividend translated at $1=£0.5845.

[k] The dividend was first determined in US dollars and converted to sterling at the rate of $1 = £0.6923, as announced on 12 May 2016.

[l] The dividend was first determined in US dollars and converted to sterling at the rate of $1 = £0.7724, as announced on 11 May 2017.

[m] The dividend was first determined in US dollars and converted to sterling at the rate of £1 = $1.2860, as announced on 17 January 2019.

Shareholder information continued

Purchases of equity securities by the Company and affiliated purchasers

During the financial year ended 31 December 2020, no ordinary shares were purchased by the Company or the Company's employee share ownership trust.

	Total number of shares (or units) purchased	Average price paid per share (or unit) (£)	Total number of shares (or units) purchased as part of publicly announced plans or programmes	Maximum number of shares (or units) that may be purchased under the plans or programmes
Month 1 (no purchases this month)	nil	nil	nil	18,123,205[a]
Month 2 (no purchases this month)	nil	nil	nil	18,123,205[a]
Month 3 (no purchases this month)	nil	nil	nil	18,123,205[a]
Month 4 (no purchases this month)	nil	nil	nil	18,123,205[a]
Month 5 (no purchases this month)	nil	nil	nil	18,265,631[b]
Month 6 (no purchases this month)	nil	nil	nil	18,265,631[b]
Month 7 (no purchases this month)	nil	nil	nil	18,265,631[b]
Month 8 (no purchases this month)	nil	nil	nil	18,265,631[b]
Month 9 (no purchases this month)	nil	nil	nil	18,265,631[b]
Month 10 (no purchases this month)	nil	nil	nil	18,265,631[b]
Month 11 (no purchases this month)	nil	nil	nil	18,265,631[b]
Month 12 (no purchases this month)	nil	nil	nil	18,265,631[b]

[a] Reflects the resolution passed at the Company's AGM held on 3 May 2019.

[b] Reflects the resolution passed at the Company's AGM held on 7 May 2020.

Dividend history

The table below sets forth the amounts of ordinary dividends on each ordinary share and special dividends, in respect of each financial year indicated.

	Interim dividend		Final dividend		Total dividend		Special dividend	
	pence	cents	pence	cents	pence	cents	pence	cents
2020	–	–	–	–	–	–	–	–
2019	32.0	39.9	–[a]	–[a]	32.0	39.9	–	–
2018	27.7	36.3	60.4	78.1	88.1	114.4	203.8[bd]	262.1[bd]
2017	24.4	33.0	50.2	71.0	74.6	104.0	156.4[b]	202.5[b]
2016	22.6	30.0	49.4	64.0	72.0	94.0	438.2[b]	632.9[b]
2015	17.7	27.5	40.3	57.5	58.0	85.0	–	–
2014	14.8	25.0	33.8	52.0	48.6	77.0	174.9[b]	293.0[b]
2013	15.1	23.0	28.1	47.0	43.2	70.0	87.1	133.0
2012	13.5	21.0	27.7	43.0	41.2	64.0	108.4[b]	172.0[b]
2011	9.8	16.0	24.7	39.0	34.5	55.0	–	–
2010	8.0	12.8	22.0	35.2	30.0	48.0	–	–
2009	7.3	12.2	18.7	29.2	26.0	41.4	–	–
2008[c]	6.4	12.2	20.2	29.2	26.6	41.4	–	–
2007	5.7	11.5	14.9	29.2	20.6	40.7	200[b]	–
2006	5.1	9.6	13.3	25.9	18.4	35.5	118[b]	–

[a] The Board withdrew its recommendation of a final dividend in respect of 2019 of 85.9 ¢ per share. The Board will continue to defer consideration of further dividends until visibility of the pace and scale of market recovery has improved.

[b] Accompanied by a share consolidation.

[c] IHG changed the reporting currency of its Consolidated Financial Statements from sterling to US dollars effective from the Half-Year Results as at 30 June 2008. Starting with the interim dividend for 2008, all dividends have first been determined in US dollars and converted into sterling prior to payment.

[d] This special dividend was announced on 19 October 2018 and paid on 29 January 2019.

Shareholder profiles

Shareholder profile by type as at 31 December 2020

Category of shareholder	Number of shareholders	Percentage of total shareholders	Number of ordinary shares	Percentage of issued share capital
Private individuals	31,035	94.25	8,030,777	4.28
Nominee companies	1,100	3.34	154,746,738	82.43
Limited and public limited companies	673	2.05	14,769,660	7.87
Other corporate bodies	113	0.34	10,151,763	5.41
Pension funds, insurance companies and banks	8	0.02	18,782	0.01
Total	32,929	100	187,717,720	100

Shareholder profile by size as at 31 December 2020

Range of shareholdings	Number of shareholders	Percentage of total shareholders	Number of ordinary shares	Percentage of issued share capital
1–199	22,553	68.49	1,353,854	0.72
200–499	5,772	17.53	1,808,630	0.96
500–999	2,323	7.05	1,611,344	0.86
1,000–4,999	1,568	4.76	3,069,920	1.64
5,000–9,999	190	0.58	1,350,769	0.72
10,000–49,999	292	0.89	6,409,427	3.41
50, 000–99,999	67	0.20	4,948,131	2.64
100,000–499,999	112	0.34	26,377,746	14.05
500,000–999,999	17	0.05	11,917,458	6.35
1,000,000 and above	35	0.11	128,870,441	68.65
Total	32,929	100	187,717,720	100

Shareholder profile by geographical location as at 31 December 2020

Country/Jurisdiction	Percentage of issued share capital
UK	49.4
Rest of Europe	28.8
US (including ADRs)	17.1
Rest of world	4.7
Total	100

The geographical profile presented is based on an analysis of shareholders (by manager) of 38,000 shares or above where geographical ownership is known. This analysis only captures 90.1% of total issued share capital. Therefore, the known percentage distributions have been multiplied by 100⁄90.1 (1.110) to achieve the figures shown in the table above.

As of 22 February 2021, 7,757,832 ADSs equivalent to 7,757,832 ordinary shares, or approximately 4.13% of the total issued share capital, were outstanding and were held by 425 holders. Since certain ordinary shares are registered in the names of nominees, the number of shareholders on record may not be representative of the number of beneficial owners.

As of 22 February 2021, there were a total of 32,786 recorded holders of ordinary shares, of whom 250 had registered addresses in the US and held a total of 320,288 ordinary shares (0.17% of the total issued share capital).

Exhibits

The following exhibits are filed as part of this Annual Report on Form 20-F with the SEC, and are publicly available through the SEC's website at **www.sec.gov,** search InterContinental Hotels Group PLC, under Company Filings.

Exhibit 1	Articles of Association of the Company dated 7 May 2020
Exhibit 2(d)	Description of Securities Registered Under Section 12 of the Exchange Act
Exhibit 4(a)(i)(a)	Amended and restated trust deed dated 14 September 2020 relating to a £3 billion Euro Medium Term Note Programme, among InterContinental Hotels Group PLC, Six Continents Limited, InterContinental Hotels Limited and HSBC Corporate Trustee Company (UK) Limited
Exhibit 4(a)(ii)[a]	$1.275 billion bank facility agreement dated 30 March 2015, among InterContinental Hotels Group PLC and certain of its subsidiaries, and Bank of America Merrill Lynch International Limited, Barclays Bank PLC, Citibank, N.A. London Branch, Commerzbank Aktiengesellschaft, London Branch, DBS Bank Ltd., London Branch, HSBC Bank plc, SunTrust Bank, The Bank of Tokyo-Mitsubishi UFJ, Ltd., The Royal Bank Of Scotland plc, U.S. Bank National Association and Wells Fargo Bank N.A., London Branch (incorporated by reference to Exhibit 4(a)(iii) of the InterContinental Hotels Group PLC Annual Report on Form 20-F (File No. 1 – 10409) dated 3 March 2016)
Exhibit 4(a)(iii)	Waiver and amendment letter dated 20 April 2020 relating to the $1.275 billion bank facility agreement dated 30 March 2015
Exhibit 4(a)(iv)	Extension letter dated 27 April 2020 relating to the $1.275 billion bank facility agreement dated 30 March 2015
Exhibit 4(a)(v)	Waiver and amendment letter dated 4 December 2020 relating to the $1.275 billion bank facility agreement dated 30 March 2015
Exhibit 4(c)(i)[a]	Paul Edgecliffe-Johnson's service contract dated 6 December 2013, commencing on 1 January 2014 (incorporated by reference to Exhibit 4(c)(i) of the InterContinental Hotels Group PLC Annual Report on Form 20-F (File No. 1-10409) dated 26 February 2014)
Exhibit 4(c)(ii)	Rules of the InterContinental Hotels Group Long Term Incentive Plan as approved by shareholders on 2 May 2014 and as amended on 14 February 2019, 4 December 2019 and 7 May 2020
Exhibit 4(c)(iii)	Rules of the InterContinental Hotels Group Annual Performance Plan as amended
Exhibit 4(c)(iv)[a]	Keith Barr's service contract dated 5 May 2017, commencing on 1 July 2017 (incorporated by reference to Exhibit 4(c)(v) of the InterContinental Hotels Group Annual Report on Form 20-F (File No.1-10409) dated 1 March 2018)
Exhibit 4(c)(v)[a]	Elie Maalouf's service contract dated 19 October 2017, commencing on 1 January 2018 (incorporated by reference to Exhibit 4(c)(vi) of the InterContinental Hotels Group Annual Report on Form 20-F (File No.1-10409) dated 1 March 2018)
Exhibit 8	List of subsidiaries as at 31 December 2020 (can be found on pages 197 to 199)
Exhibit 12(a)	Certification of Keith Barr filed pursuant to 17 CFR 240.13a–14(a)
Exhibit 12(b)	Certification of Paul Edgecliffe-Johnson filed pursuant to 17 CFR 240.13a–14(a)
Exhibit 13(a)	Certification of Keith Barr and Paul Edgecliffe-Johnson furnished pursuant to 17 CFR 240.13a–14(b) and 18 U.S.C.1350
Exhibit 15(a)(i)	Consent of independent registered public accounting firm, Ernst & Young LLP
Exhibit 101	XBRL Instance Document and related items

[a] Incorporated by reference.

Forward-looking statements

The Annual Report and Form 20-F 2020 contains certain forward-looking statements as defined under US legislation (Section 21E of the Securities Exchange Act of 1934) with respect to the financial condition, results of operations and business of the Group and certain plans and objectives of the Board of Directors of InterContinental Hotels Group PLC with respect thereto. Such statements include, but are not limited to, statements made in the Chair's statement and in the Chief Executive Officer's review. These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. Forward-looking statements often use words such as 'anticipate', 'target', 'expect', 'estimate', 'intend', 'plan', 'goal', 'believe', or other words of similar meaning. These statements are based on assumptions and assessments made by the Group's management in light of their experience and their perception of historical trends, current conditions, expected future developments and other factors they believe to be appropriate.

By their nature, forward-looking statements are inherently predictive, speculative and involve risk and uncertainty. There are a number of factors that could cause actual results and developments to differ materially from those expressed in, or implied by, such forward-looking statements, including, but not limited to: the risks of political and economic developments; the risks of overcapacity in the hotel industry; the Group being subject to a competitive and changing industry; the Group's reliance on the reputation of its existing brands and exposure to inherent reputation risks; the Group's exposure to inherent uncertainties associated with brand development and expansion; the Group's exposure to a variety of risks related to identifying, securing and retaining franchise and management agreements; the Group's requirement of the right people, skills and capability to manage growth and change; the risks associated with collective bargaining activity which could disrupt operations, increase labour costs or interfere with the ability of management to focus on executing business strategies; the Group's exposure to the risks related to cybersecurity and data privacy; the Group's exposure to increasing competition from online travel agents and intermediaries; the Group's exposure to inherent risks in relation to changing technology and systems; the Group's reliance upon the resilience of its reservation system and other key technology platforms, and the risks that could disrupt their operation and/or integrity; the Group's exposure to risks related to executing and realising benefits from strategic transactions, including acquisitions and restructuring; the Group's dependence upon a wide range of external stakeholders and business partners; the Group's exposure to the risk of litigation; the requirement to comply with existing and changing regulations and act in accordance with societal expectations across numerous countries, territories and jurisdictions; the Group's exposure to risks associated with its intellectual property; the Group's exposure to a variety of risks associated with its financial stability and ability to borrow and satisfy debt covenants; the Group's operations being dependent on maintaining sufficient liquidity to meet all foreseeable medium-term requirements and provide headroom against unforeseen obligations; the Group's exposure to an impairment of the carrying value of its brands, goodwill or other tangible and intangible assets negatively affecting its consolidated operating results; the Group's exposure to fluctations in exchange rates, currency devaluations or restructurings and to interest rate risk in relation to its borrowings; the risk that the Group may be affected by credit risk on treasury transactions; the risk that the Group's financial performance may be affected by changes in tax laws; the risks associated with insuring the Group's business; the Group's exposure to a variety of risks associated with safety, security and crisis management; the Group's exposure to the risk of events or stakeholder expectations that adversely impact domestic or international travel, including climate change; and the risks associated with domestic and international environmental laws and regulations that may cause us to incur substantial costs or subject us to potential liabilities.

The main factors that could affect the business and financial results are described in the Strategic Report of the Annual Report and Form 20-F 2020.

Form 20-F cross-reference guide

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Glossary

Adjusted EBITDA
operating profit, excluding System Fund revenues and expenses, exceptional items and depreciation and amortisation.

ADR
an American Depositary Receipt, being a receipt evidencing title to an ADS.

ADR Depositary
J.P. Morgan Chase Bank N.A.

ADS
an American Depositary Share as evidenced by an ADR, being a registered negotiable security, listed on the New York Stock Exchange, representing one ordinary share of 20 $^{340}/_{399}$ pence each of the Company.

AGM
Annual General Meeting of InterContinental Hotels Group PLC.

Annual Report
the Annual Report and Form 20-F in relation to the years ending 31 December 2019 or 2020 as relevant.

APP
Annual Performance Plan.

Articles
the Articles of Association of the Company for the time being in force.

average daily rate
rooms revenue divided by the number of room nights sold.

basic earnings per ordinary share
profit available for IHG equity holders divided by the weighted average number of ordinary shares in issue during the year.

Board
the Board of Directors of InterContinental Hotels Group PLC.

capital expenditure
purchases of property, plant and equipment, intangible assets, associate and joint venture investments, and other financial assets, plus contract acquisition costs (key money).

Captive
the Group's captive insurance company, SCH Insurance Company.

cash-generating units (CGUs)
the smallest identifiable groups of assets that generate cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

CCFF
Commercial paper issued under the UK Government's Covid Corporate Financing Facility.

Code
UK Corporate Governance Code issued in 2018 by the Financial Reporting Council in the UK.

Colleague
individuals who work at IHG corporate offices, reservation centres, managed, owned, leased, managed lease and franchised hotels collectively.

Companies Act
the Companies Act 2006, as amended from time to time.

Company or **Parent Company**
InterContinental Hotels Group PLC.

comparable RevPAR
a comparison for a grouping of hotels that have traded in all months in financial years being compared. Principally excludes new hotels, hotels closed for major refurbishment and hotels sold in either of the two years. Hotels temporarily closed as a result of Covid-19 are not excluded from comparable RevPAR.

Compound Annual Growth Rate (CAGR)
the annual growth rate over a period of years, calculated on the basis that each year's growth is compounded, that is, the amount of growth in each year is included in the following year's number, which in turn grows further.

constant currency
a prior-year value translated using the current year's average exchange rates.

contingencies
liabilities that are contingent upon the occurrence of one or more uncertain future events.

continuing operations
operations not classified as discontinued.

currency swap
an exchange of a deposit and a borrowing, each denominated in a different currency, for an agreed period of time.

Deferred Compensation Plan
a US plan that allows for the additional provision for retirement within a dedicated trust, either through employee deferral of salary with matching company contributions or through direct company contribution.

derivatives
financial instruments used to reduce risk, the price of which is derived from an underlying asset, index or rate.

direct channels
methods of booking hotel rooms (both digital and voice) not involving third-party intermediaries.

Director
a Director of InterContinental Hotels Group PLC.

DR Policy
Directors' Remuneration Policy.

EMEAA
Europe, Middle East, Asia and Africa.

Employee
individuals directly employed at IHG corporate offices, reservation centres and managed, owned, leased, managed lease hotels.

employee engagement survey
our employee engagement survey, known as Colleague HeartBeat, completed by IHG employees only.

Enterprise contribution to revenue
the percentage of room revenue booked through IHG managed channels and sources: direct via our websites, apps and call centres; through our interfaces with Global Distribution Systems (GDS) and agreements with Online Travel Agencies (OTAs); other distribution partners directly connected to our reservation system; and Global Sales Office business or IHG Reward members that book directly at a hotel.

ERG
employee resource group.

EU
the European Union.

euro or **€**
the currency of the European Economic and Monetary Union.

exceptional items
items that are disclosed separately because of their size, nature or incidence.

fee business
IHG's franchise and managed businesses combined.

fee margin
fee margin is calculated by dividing 'fee operating profit' by 'fee revenue'. Fee revenue and fee operating profits are calculated from revenue from reportable segments and operating profit from reportable segments, adjusted to exclude the revenue and operating profit from the Group's owned, leased and managed lease hotels and significant liquidated damages. In addition, fee margin is adjusted for the results of the Group's captive insurance company, where premiums are intended to match the expected claims and as such these amounts are adjusted from the fee margin to better depict the profitability of the fee business. Fee margin is presented at actual exchange rates.

franchisee
an owner who uses a brand under licence from IHG.

goodwill
the difference between the consideration given for a business and the total of the fair values of the separable assets and liabilities comprising that business.

Group or **IHG**
the Company and its subsidiaries.

Guest Love
IHG's guest satisfaction measurement tool used to measure brand preference and guest satisfaction.

Guest Reservation System or **GRS**
our global electronic guest reservation system.

hedging
the reduction of risk, normally in relation to foreign currency or interest rate movements, by making offsetting commitments.

hotel revenue
revenue from all revenue-generating activity undertaken by managed and owned, leased and managed lease hotels, including room nights, food and beverage sales.

IASB
International Accounting Standards Board.

IFRS
International Financial Reporting Standards as issued by the IASB and adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union.

IHG PLC
InterContinental Hotels Group PLC.

indirect channels
online travel intermediaries and business and leisure travel agents.

interest rate swap
an agreement to exchange fixed for floating interest rate streams (or vice versa) on a notional principal.

liquidated damages
payments received in respect of the early termination of franchise and management contracts.

LTIP
Long Term Incentive Plan.

managed leases
properties which are held through a lease but with the same characteristics as management contracts.

management contract or management agreement
a contract to operate a hotel on behalf of the hotel owner.

market capitalisation
the value attributed to a listed company by multiplying its share price by the number of shares in issue.

net debt
loans and other borrowings, lease liabilities, the exchange element of the fair value of derivatives hedging debt values, less cash and cash equivalents.

net rooms supply
net total number of IHG System hotel rooms.

NYSE
New York Stock Exchange.

occupancy rate
rooms occupied by hotel guests, expressed as a percentage of rooms that are available.

ordinary share
from 8 May 2017 the ordinary shares of $19\frac{17}{21}$ pence each in the Company; and from 14 January 2019 the ordinary shares of $20\frac{340}{399}$ pence each in the Company.

owner
the ultimate owner of a hotel property.

pipeline
hotels/rooms that will enter the IHG System at a future date. A new hotel only enters the pipeline once a contract has been signed and the appropriate fees paid. In rare circumstances, a hotel will not open for reasons such as the financing being withdrawn.

ppt
a percentage point is the unit for the arithmetic difference of two percentages.

reimbursable revenues
reimbursements from managed and franchised hotels for costs incurred by IHG, for example the cost of IHG employees working in managed hotels. The related revenues and costs are presented gross in the Group income statement and there is no impact to profit.

revenue management
the employment of pricing and segment strategies to optimise the revenue generated from the sale of room nights.

revenue per available room or RevPAR
rooms revenue divided by the number of room nights that are available (can be mathematically derived from occupancy rate multiplied by average daily rate).

room count
number of rooms franchised, managed, owned, leased or managed leased by IHG.

rooms revenue
revenue generated from the sale of room nights.

royalties
fees, based on rooms revenue, that a franchisee pays to the Group.

SEC
US Securities and Exchange Commission.

sterling or pounds sterling, £, pence or p
the pound sterling, the currency of the United Kingdom.

subsidiary
a company over which the Group exercises control.

System
hotels/rooms operating under franchise and management agreements together with IHG owned, leased and managed lease hotels/rooms, globally (the IHG System) or on a regional basis, as the context requires.

System Fund or Fund
assessment fees and contributions collected from hotels within the IHG System which fund activities that drive revenue to our hotels including marketing, the IHG Rewards loyalty programme and our distribution channels.

technology fee income
income received from hotels under franchise and management agreements for the use of IHG's Guest Reservation System.

total gross revenue
total rooms revenue from franchised hotels and total hotel revenue from managed, owned, leased and managed lease hotels. Other than owned, leased and managed lease hotels, it is not revenue wholly attributable to IHG, as it is mainly derived from hotels owned by third parties.

Total Shareholder Return or TSR
the theoretical growth in value of a shareholding over a period, by reference to the beginning and ending share price, and assuming that dividends, including special dividends, are reinvested to purchase additional units of the equity.

UK
the United Kingdom.

US
the United States of America.

US 401(k) Plan
the Defined Contribution 401(k) plan.

US dollars, US$, $ or ¢
the currency of the United States of America.

workforce
IHG employees.

working capital
the sum of inventories, receivables and payables of a trading nature, excluding financing and taxation items.

Useful information

Investor information

Website and electronic communication

As part of IHG's commitment to reduce the cost and environmental impact of producing and distributing printed documents in large quantities, this Annual Report and Form 20-F 2020 has been made available to shareholders through our website at **www.ihgplc.com/investors** under Annual Report.

Shareholders may electronically appoint a proxy to vote on their behalf at the 2021 AGM. Shareholders who hold their shares through CREST may appoint proxies through the CREST electronic proxy appointment service, by using the procedures described in the CREST Manual.

Shareholder hotel discount

IHG offers discounted hotel stays (subject to availability) for registered shareholders only, through a controlled-access website. This is not available to shareholders who hold shares through nominee companies, ISAs or ADRs. For further details please contact the Company Secretary's office (see the opposite page).

Responsible Business Report

In line with our commitment to responsible business practices, this year we have produced a Responsible Business Report showcasing our approach to responsible business and progress against our Responsible Business Targets.

Visit **www.ihgplc.com/responsible-business** for details.

Registrar

For information on a range of shareholder services, including enquiries concerning individual shareholdings, notification of a shareholder's change of address and amalgamation of shareholder accounts (in order to avoid duplicate mailing of shareholder communications), shareholders should contact the Company's Registrar, Equiniti, on +44 (0) 371 384 2132[a].

Dividend services

Dividend Reinvestment Plan (DRIP)

The Company offers a DRIP for shareholders to purchase additional IHG shares with their cash dividends. For further information about the DRIP, please contact our Registrar helpline on +44 (0) 371 384 2132.

See **www.shareview.co.uk/info/drip** for a DRIP application form and information booklet.

Bank mandate

We encourage shareholders to have their dividends paid directly into their UK bank or building society accounts, to ensure efficient payment and clearance of funds on the payment date. For further information, please contact our Registrar (see page opposite).

Overseas payment service

It is also possible for shareholders to have their dividends paid directly to their bank accounts in a local currency. Charges are payable for this service.

Go to **www.shareview.co.uk/info/ops** for further information.

Out-of-date/unclaimed dividends

If you think that you have out-of-date dividend cheques or unclaimed dividend payments, please contact our Registrar (see the opposite page).

Individual Savings Account (ISA)

Equiniti offers a Stocks and Shares ISA that can invest in IHG shares. For further information, please contact Equiniti on +44 (0) 345 300 0430[a].

Share-dealing services

Equiniti offers the following share-dealing facilities.

Postal dealing

0371 384 2132 from the UK[a]
+44 121 415 7034 from overseas[a]

Telephone dealing

For more information, call +44 (0)345 603 7037[b]

Internet dealing

Visit **www.shareview.co.uk** for more information.

Changes to the base cost of IHG shares

Details of all the changes to the base cost of IHG shares held from April 2004 to January 2019, for UK Capital Gains Tax purposes, may be found on our website at **www.ihgplc.com/investors** under Shareholder centre in the Tax information section.

'Gone away' shareholders

Working with ProSearch (an asset reunification company), we continue to look for shareholders who have not kept their contact details up to date. We have funds waiting to be claimed and are committed to doing what we can to pay these to their rightful owners. Please contact ProSearch on +44 (0) 800 612 8671[a] or email info@prosearchassets.com for further details.

Shareholder security

Many companies have become aware that their shareholders have received unsolicited telephone calls or correspondence concerning investment matters. These are typically from 'brokers' who target UK shareholders, offering to sell them what often turn out to be worthless or high-risk shares in US or UK investments. These operations are commonly known as 'boiler rooms'. More detailed information on this or similar activity can be found at **www.fca.org.uk/consumers** on the Financial Conduct Authority website.

Details of any share dealing facilities that the Company endorses will be included in Company mailings.

Trading markets

The principal trading market for the Company's ordinary shares is the London Stock Exchange (LSE). The ordinary shares are also listed on the NYSE, trading in the form of ADSs evidenced by ADRs. Each ADS represents one ordinary share. The Company has a sponsored ADR facility with J.P. Morgan Chase Bank, N.A., as ADR Depositary.

American Depositary Receipts (ADRs)

The Company's shares are listed on the NYSE in the form of American Depositary Shares, evidenced by ADRs and traded under the symbol 'IHG'. Each ADR represents one ordinary share. All enquiries regarding ADR holder accounts and payment of dividends should be directed to J.P. Morgan Chase Bank, N.A., our ADR Depositary bank (contact details shown on the opposite page).

Documents on display

Documents referred to in this Annual Report and Form 20-F that are filed with the SEC can be found at the SEC's public reference room located at 100 F Street, NE Washington, DC 20549. For further information and copy charges please call the SEC at 1-800-SEC-0330. The SEC maintains a website that contains reports, proxy and information statements, and other information regarding issuers that file electronically and the Company's SEC filings since 22 May 2002 are also publicly available through the SEC's website at **www.sec.gov**. Copies of the Company's Articles can be obtained via the website at **www.ihgplc.com/investors** under Corporate Governance or from the Company's registered office on request.

[a] Lines are open from 08:30 to 17:30 Monday to Friday, excluding UK public holidays.

[b] Lines are open from 08:00 to 18:00 Monday to Friday, excluding UK public holidays.

Financial calendars

Dividends

	2020
2020 Interim dividend	
Ex-dividend date	N/A
Record date	N/A
Payment date	N/A

	2020
2020 Final dividend	
Ex-dividend date	N/A
Record date	N/A
Payment date	N/A

Other dates

	2020
Financial year end	31 December

	2021
Announcement of Preliminary Results for 2020	23 February
Announcement of 2021 First Quarter Interim Management Statement	7 May
Annual General Meeting	7 May
Announcement of Half-Year Results for 2021	10 August
Announcement of 2021 Third Quarter Interim Management Statement	22 October
Financial year end	31 December

	2022
Announcement of Preliminary Results for 2021	February

Contacts

Registered office
Broadwater Park, Denham, Buckinghamshire, UB9 5HR, United Kingdom

Telephone:
+44 (0) 1895 512 000

www.ihgplc.com

For general information about the Group's business, please contact the Corporate Affairs department at the above address. For all other enquiries, please contact the Company Secretary's office at the above address.

Registrar
Equiniti, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA, United Kingdom

Telephone:
+44 (0) 371 384 2132

www.shareview.co.uk

ADR Depositary
Shareowner Services, PO Box 64504, St. Paul, MN 55164-0504, United States of America

Telephone:
+1 800 990 1135 (US calls) (toll-free)
+1 651 453 2128 (non-US calls)

Enquiries: **www.shareowneronline.com** under contact us

www.adr.com

Auditor
Ernst & Young LLP

Investment bankers
BofA Securities
Goldman Sachs

Solicitors
Freshfields Bruckhaus Deringer LLP

Stockbrokers
BofA Securities

IHG® Rewards
If you wish to enquire about, or join, IHG Rewards,

visit **www.ihg.com/rewardsclub** or telephone:

+800 2222 7172[b] (Austria, Belgium, Denmark, Finland, France, Germany, Hungary, Ireland, Israel, Italy, Luxembourg, Netherlands, Norway, Portugal, Russia, Spain, Sweden, Switzerland, and UK)

+44 1950 499004[c] (all other countries/regions in Europe and Africa)

1 888 211 9874 (US and Canada)

001 800 272 9273[c] (Mexico)

+1 801 975 3013[c] (Spanish) (Central and South America)

+973 6 500 9 296[a] (Middle East)

+800 2222 7172[b] (Australia, Japan, Korea, Malaysia, New Zealand, Philippines, Singapore and Thailand)

800 830 1128[a] or 021 20334848[a] (Mainland China)

800 965 222 (Hong Kong SAR)

0800 728 (Macau SAR)

00801 863 366 (Taiwan, China)

+632 8857 8788[c] (all other countries/regions in Asia Pacific)

[+] Denotes international access code. 00 or 011 in most countries.

[a] Toll charges apply.

[b] Universal International Freephone Number.

[c] International calling rates may apply.