

InterContinental Hotels Group PLC

Nomination Committee – Terms of Reference

1. **Membership**

- 1.1 Members of the Nomination Committee (the “Committee”) shall be the Chair of the Board and all Non-executive Directors a majority of whom shall be independent.
- 1.2 The Board shall appoint the Committee Chair who should be either the Chair of the Board or an independent Non-executive Director. In the absence of the Committee Chair and/or an appointed deputy (who should be the Senior Independent Director, if present), the remaining members present shall elect one of their number to chair the meeting. The Chair of the Board shall not chair the Committee when it is dealing with the matter of succession to the chairmanship.
- 1.3 Only members of the Committee have the right to attend Committee meetings. However, other individuals such as the Chief Executive, the Chief Human Resources Officer and external advisers may be invited to attend for all or part of any meeting, as and when appropriate and necessary.

2. **Secretary**

The Company Secretary or his/her nominee shall act as the Secretary of the Committee.

3. **Quorum**

The quorum necessary for the transaction of business shall be 3. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested or exercisable by the Committee.

4. **Frequency of Meetings**

The Committee shall meet not less than twice a year and at such other times as the Chair of the Committee shall require.

5. **Notice of Meetings**

Meetings of the Committee shall be convened by the Secretary of the Committee at the request of the Chair of the Committee.

6. **Minutes of Meetings**

- 6.1 The Secretary shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance.
- 6.2 Minutes of Committee meetings shall be circulated to all members of the Committee unless in the opinion of the Chair of the Committee it would be inappropriate to do so.

7. **Engagement with shareholders**

- 7.1 The Chair of the Committee shall, where considered appropriate, seek engagement with shareholders on significant matters related to the responsibilities of the Committee.
- 7.2 The Chair of the Committee shall attend the Annual General Meeting prepared to respond to any shareholder questions on the Committee's activities and responsibilities.

8. **Duties**

8.1 The Committee shall be responsible for:

- 8.1.1 regularly reviewing the structure, size and composition (including the skills, knowledge, experience and diversity) required of the Board and the length of service of the Board and for making recommendations to the Board with regard to any changes;
- 8.1.2 giving full consideration to succession planning for the Chair, Directors and Senior Executives, taking into account the challenges and opportunities facing the Company and the skills and expertise needed, having regard to the benefits of diversity and generally keeping under review the leadership needs of the organisation, both Executive and Non-executive, with a view to ensuring the continued ability of the organisation to compete effectively in the marketplace, recognising that the Chair of the Board and other Non-executive Directors shall be excluded where their role is being considered and where appropriate;
- 8.1.3 identifying and nominating, for approval of the Board, candidates to fill Board vacancies as and when they arise;
- 8.1.4 before any appointment is made by the Board, evaluating the balance of skills, knowledge, experience and diversity on the Board, and in the light of this evaluation assist in preparing a description of the role and capabilities required for a particular appointment. In identifying suitable external candidates the Committee shall:
 - 8.1.4.1 in normal circumstances use open advertising or the services of external advisers to facilitate the search;
 - 8.1.4.2 consider candidates from a wide range of backgrounds;
 - 8.1.4.3 consider candidates on merit, cognitive and personal strengths and against objective criteria with due regard for the benefits of diversity, including gender, social and ethnic; and
 - 8.1.4.4 take care that Non-executive appointees have enough time available to devote to the position;
- 8.1.5 satisfying itself in connection with any appointment of any Director or other Senior Executive that their curriculum vitae and other relevant background information has been properly verified;
- 8.1.6 for the appointment of a Chair of the Board, preparing a job specification, including the time commitment expected. A proposed Chair's other significant commitments should be disclosed to the Board before appointment and any changes to the Chair's commitments should be reported to the Board as they arise;

- 8.1.7 prior to the appointment of a director, requiring the proposed appointee to disclose any other business interests that may result in a conflict of interest and be required to report any future business interests that could result in a conflict of interest;
 - 8.1.8 ensuring that, on appointment to the Board, Non-executive directors receive a formal letter of appointment setting out clearly what is expected of them in terms of time commitment, Committee service and involvement outside Board meetings;
 - 8.1.9 reviewing the Board evaluation process and the outcomes and action taken, and in particular reviewing the results of the Board performance evaluation process that relate to the composition of the Board;
 - 8.1.10 assessing at the time of every performance evaluation whether the Non-executive directors are spending appropriate time to fulfil their duties and reviewing annually the time required from Non-executive Directors by reference to the evaluation process;
 - 8.1.11 reviewing engagement mechanisms for, and considering the interests of, the Company's key stakeholders, including the workforce;
 - 8.1.12 reviewing the Group's policy on diversity and inclusion and how it has been implemented, including progress on achieving objectives; and
 - 8.1.13 working and liaising as necessary with all other Board committees.
- 8.2 The Committee should make recommendations to the Board concerning:
- 8.2.1 formulating plans for succession for both Executive and Non-executive Directors and in particular for the key roles of Chair and Chief Executive Officer;
 - 8.2.2 suitable candidates for the role of Senior Independent Director;
 - 8.2.3 suitable candidates for the roles of Chair of the Audit, Nomination and Remuneration Committees, in consultation with the Chair of the relevant Committee;
 - 8.2.4 membership of the Audit and Remuneration Committees, and any other Board Committees as appropriate, in consultation with the Chairmen of those Committees;
 - 8.2.5 the re-appointment of any Non-executive Director at the conclusion of their specified term of office having given due regard to their performance and ability to continue to contribute to the Board in the light of the knowledge, skills and experience required and tenure of appointment;
 - 8.2.6 any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provisions of the law and their service contract;
 - 8.2.7 the re-election by shareholders of directors under the annual re-election provisions of the UK Corporate Governance Code or the retirement by rotation provisions in the Company's Articles of Association, having due regard to the performance and ability to contribute to the Board in the light of the knowledge, skills and experience required and the need for progressive refreshing of the Board (particularly in relation to Non-executive directors being re-elected for a term beyond six years);
 - 8.2.8 the appointment of any Director to executive or other office; and

8.2.9 matters arising from discussions regarding the interests of the Company's key stakeholders, including the workforce.

9. **Reporting Responsibilities**

9.1 The Committee Chair shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.

9.2 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.

9.3 The Committee shall make a statement in the Annual Report about its activities, having regard to the provisions of the applicable UK Corporate Governance Code.

10. **Other**

10.1 The Committee shall have access to sufficient resources in order to carry out its duties, including access to the Company secretariat for assistance if required, and be provided with appropriate and timely training, both in the form of an induction programme for new members and on an ongoing basis for all members. This includes keeping up to date and fully informed about strategic issues and commercial changes affecting the Company and the markets in which it operates.

10.2 The Committee shall give due consideration to laws and regulations, the provisions of the Code and the requirements of the UK Listing Authority's Listing, Prospectus and Disclosure and Transparency Rules and any other applicable rules, as appropriate.

10.3 The Committee shall, at least once a year, review its own performance, constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.

11. **Authority**

The Committee is authorised to obtain, at the Company's expense, outside legal or other professional advice on any matters within its terms of reference.

December 2018