

# Nomination Committee Report



## Key duties and role of the Committee

### Key objectives and summary of responsibilities

The Committee reviews the composition of the Board and its Principal Committees, evaluating the balance of skills, experience, independence, knowledge and diversity requirements before making appropriate recommendations to the Board as to any changes. It also ensures plans are in place for orderly succession for both Directors and other Senior Executives and is responsible for reviewing the Group's senior leadership needs.

The Committee's role, responsibilities and authority delegated to it by the Board are set out in its Terms of Reference (ToR), which are reviewed annually and approved by the Board. During 2019, the composition of the Committee was reviewed and adjusted to comprise one member of each of the Board Committees as well as the Senior Independent Non-Executive Director, to allow for more focused discussion on Board composition and succession.

The Committee's key responsibilities and focus areas during the year have been:

- Board and Committee composition and recommendations on appointments to the Board;
- Leadership development and succession planning including evaluating gender balance;
- Board engagement with the workforce;
- Overseeing the performance evaluation of the Board, its Committees and individual Directors; and
- Monitoring development in all matters relating to Corporate Governance.

### Membership and attendance at meetings

The Committee's membership and attendance at meetings are available on page 79. All members of the Committee are Non-Executive Directors. When the Committee considers matters relating to my position, Dale Morrison, the Senior Independent Non-Executive Director, acts as Committee Chair.

### Reporting to the Board

The Committee makes recommendations to the Board for all Board appointments. Minutes are circulated to Board members and I report back to the Board on the activities of the Committee following each meeting.

### Effectiveness of the Committee and External Evaluation

During 2019, the Committee was reviewed as part of the external Board evaluation process. Details of the external evaluation, including how it was conducted, the nature and extent of the evaluator's contact with the Board and the actions arising from the evaluation, are set out on pages 86 to 87. The evaluation concluded that the Committee remains effective.

## Focus areas and activities

### Board and Committee composition

The Committee continued to review the current and future composition of the Board and Committees, particularly in light of the Group's focus on accelerated growth. Having reviewed the skills, experience and knowledge of the Board, and taking into account progressive refreshing of the Board, the Committee determined that additional expertise in the hotels and hospitality sectors would be

beneficial, and recommended the appointment of Arthur de Haast as a Non-Executive Director, with effect from 1 January 2020. An external search consultancy was not used in relation to this appointment. Arthur's biography is set out on page 81, and details of Arthur's induction plan can be found on page 86.

### Leadership development and executive succession planning

During the year, the Committee continued to review the development plans for the Executive Committee and succession plans for senior management positions in order to ensure the development of a diverse pipeline for succession.

### Board engagement with the workforce

During 2019, the Committee reviewed a proposal for the Board's engagement with employees, concluding that the most effective approach would be to designate a Non-Executive Director as having responsibility for employee engagement. Luke Mayhew was appointed to the role in August 2019. Luke's role is to work with Executive Directors and the Company Secretary to coordinate Board activities and interests in relation to employees, including undertaking a detailed review of employee engagement reporting, gaining a greater insight into the culture of the Company and ensuring robust methods of receiving feedback and communicating with employees are established. An outline of Luke's activities during 2019 is given on pages 32 and 33.

### Diversity & Inclusion/Gender Balance

We recognise that diversity and inclusion is essential, across all levels of our business. All appointments are based on merit, experience and performance and the Board actively seeks diversity of skills, gender, social and ethnic backgrounds, cognitive and personal strengths.

Our Global Diversity and Inclusion Policy (D&I Policy) applies to all people employed by IHG and we encourage our franchised operations and those managed hotels where we do not directly employ people to follow the same principles. The objective of our D&I Policy is to celebrate difference, recognising that this underpins external, as well as internal, relationships.

During 2019, the Committee reviewed and discussed our commitments, the progress made and the work of the D&I Board (see pages 30 and 31).

We continue to deliver against our D&I Policy and are committed to our 2018-2020 Responsible Business Diversity target, as noted on page 31. As of 31 December 2019, 36% of the Board were female and two of our Principal Committees are chaired by women. In addition, 37% of senior operational leaders are now women, indicating our continued commitment to diversity at all levels of our business. Going forward, the Corporate Responsibility Committee (to be renamed the Responsible Business Committee) will assume responsibility for the Group's diversity and inclusion agenda.

### Looking forward

In 2020, the Committee will continue to ensure that we have appropriate plans in place for orderly succession of appointments to the Board and to senior management, so that an appropriate balance of skills, experience, knowledge and diversity is maintained.

### Patrick Cescau

Chair of the Nomination Committee  
17 February 2020