

**InterContinental Hotels Group PLC****Schedule of Matters reserved for the Board**

**The following matters shall be reserved for the Board:**

**1. Strategy and management**

- 1.1 responsibility for the overall leadership of the Group, setting the Group's purpose, values and strategy and ensuring that these are aligned with the Group's culture.
- 1.2 the long-term strategic aims and objectives of the Group.
- 1.3 the Group's overall business and commercial strategy, annual operating and capital expenditure budget and financial plans necessary to achieve these objectives, and ensuring that any corrective action is taken.
- 1.4 review of performance in light of the Group's strategic aims, objectives, business plans and budgets.
- 1.5 acquisitions or disposal of businesses, investments, transactions or commitments of any kind where the actual or potential liability or value (in the case of a joint venture – the value of the whole company or project) exceeds \$50m. Except that individual capital investments outside agreed strategies or for new brand development will be submitted.
- 1.6 all matters representing a major change of policy or involvement of a material nature in a new area of business.
- 1.7 all matters likely by reason of public interest to be of a sensitive nature, or affect the image or reputation of the Group including the Group's culture and policies and practices relating to the proper governance of the Group, ethical conduct of business, workforce related matters, community related matters, relationships with suppliers and business partners, environmental matters, and health and safety matters.
- 1.8 understanding the views of the Group's key stakeholders and describing in the Company's annual report how their interests, and the matters set out in section 172 of the Companies Act 2006, have been considered in discussions and decision-making.

**2. Structure and capital**

- 2.1 the basis of allocation of capital within the Group, including any changes to capital allocation.
- 2.2 changes relating to the Group's capital structure and significant changes to the Group's management and control structure.
- 2.3 the issue, the making of calls or the forfeiture of shares of the Company or the issue of equity linked instruments.
- 2.4 the issue of loan capital to be listed on any stock exchange or to be issued pursuant to a public or private placement.

2.5 approval of the dividend policy, the payment of interim dividends, special dividends and the recommendation of final dividends and all other shareholder returns.

2.6 the withholding of payment of any dividend or other moneys on any of the Company's shares and the refusal of registration of a transfer of shares.

### **3. Governance**

3.1 approval of appointments to the Board (including the Senior Independent Director) and one level below, following recommendations from the Nomination Committee, succession-planning policies and positions for senior management, and approval of the division of responsibilities between the Chair and the Chief Executive Officer.

3.2 receiving reports on the views of shareholders and ensuring a satisfactory dialogue with shareholders based on the mutual understanding of objectives.

3.3 ensuring effective engagement with and regard for the interests of shareholders and other stakeholders.

3.4 determining the independence of non-executive directors in light of their character, judgment and relationships.

3.5 terms of service of executive and non-executive directors and executives one level down.

3.6 the establishment of Board Committees and the approval of their terms of reference and any material changes as part of the annual review of the Board Committees' terms of reference, and the appointment of directors or holders of an executive office pursuant to the Articles of Association.

3.7 the appointment or removal of the Company Secretary.

3.8 review of the Group's overall corporate governance arrangements, including the annual review of the performance of the Board, the Board Committees, and the individual directors.

### **4. Financial Reporting and audit**

4.1 approval for publication of Trading Updates, Half Year Results, Preliminary Results, Annual Reports and Accounts, and Annual Reports on Form 20-F.

4.2 appointment of the external auditor following the recommendation of the Audit Committee.

**5. Policies and controls**

- 5.1 ensuring the maintenance of sound risk management and internal-control systems, including risk analysis and management processes, authority levels, accounting and treasury policies, and operational and compliance controls, and the monitoring and annual effectiveness review of such internal-control processes.
- 5.2 determining the appropriate level of risk appetite for the Group.
- 5.3 policies relating to pensions, donations, professional advisors and fees.
- 5.4 ensuring that workforce policies and practices are consistent with the Company's values and support its long-term sustainable success.
- 5.5 the review of the adequacy and security of the Company's arrangements, including policies and procedures, for the workforce to raise any matters of concern, in confidence and reviewing reports of any such matters raised.

**6. Pension schemes**

- 6.1 the powers reserved to the Principal Employer in the trust deeds governing the Group's pension schemes relating to the appointment and removal of trustees, auditors and actuaries, alteration of the trust deeds, admission of associated employers, transfers to and from the other schemes, the setting of contribution rates, borrowings and investment in financial derivatives.

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