

**28 October 2020**

## **InterContinental Hotels Group PLC (IHG)**

### **Update on 2020 Annual General Meeting vote**

At the IHG Annual General Meeting (AGM) on 7 May 2020, resolution 2 (Directors' Remuneration Policy) received the support of 77.14% of shareholder votes, and resolution 8 (increase in the maximum award limit under the Long Term Incentive Plan) received the support of 77.26% of shareholder votes. The Directors' Remuneration Policy (the Policy) is on pages 110 to 117 of the Annual Report and Form 20-F 2019:

#### [IHG Annual Report and Form 20-F 2019](#)

Following the AGM, the Board acknowledged that some shareholders had concerns with the Policy and committed to engaging with shareholders in relation to this. We offered to engage with those of our top 25 shareholders who voted against resolutions 2 and 8, and we have now been able to do so with the majority of those shareholders.

In those discussions we listened to shareholder views and concerns, and in particular to understand their perspectives on:

- the provision for the increase in maximum LTIP awards (to 350% for CEO and 275% for other Executive Directors); and
- the structure of the post-cessation shareholding requirement for Executive Directors (100% of minimum shareholding requirement for 6 months, and 50% for 12 months following cessation of employment).

The Board recognises that there exists a range of views across the shareholder base in relation to the pay of Executive Directors, and sought to understand these views through extensive consultation carried out in relation to the Policy in the months leading up to the AGM. The Board notes the 77.14% shareholder support received, and continues to believe that the commercial rationale for the LTIP maximum award increase is critical to the retention and development of talent in order to drive the long-term success of the business. The Board also believes that the structure of the post-cessation requirement is appropriate for IHG.

The views expressed by shareholders in the most recent round of consultations following the AGM will be taken into consideration as the Remuneration Committee continues to keep the Policy under ongoing review, and as it determines payments and awards to be made under the terms of the Policy.

In connection with this, the Remuneration Committee confirms that, as noted in the 2020 Notice of AGM, awards for the 2020/22 LTIP cycle were made at the previous remuneration policy level of 205%, rather than at the increased maximum level under the new approved Policy. This LTIP cycle award is subject to the existing discretion of the Remuneration Committee to adjust the formulaic outcomes at vesting to ensure alignment with business results.

The Board and the Remuneration Committee would like to thank shareholders for their engagement and input in relation to this Policy and we will continue to engage with shareholders in relation to executive pay going forward.