

Governance

In this section

Chair's overview	112
Our Board of Directors	114
Changes to the Board, and its Committees, and Executive Committee	118
Board and Committee membership and attendance in 2024	118
Our Executive Committee	119
Governance structure	122
Board activities	123
Key areas of focus during the year	123
Key matters discussed in 2024 and Section 172 statement	124
Our shareholders and investors	126
Director appointments and induction	126
Board effectiveness evaluation	127
Audit Committee Report	128
Responsible Business Committee Report	134
Nomination Committee Report	136
Directors' Remuneration Report	138
Directors' Remuneration Policy	167
Statement of compliance	176



Chair's overview



“The Board views the maintenance of high standards of governance as an essential element of the Group’s delivery of strategy and value creation.”

Deanna Oppenheimer
Chair of the Board

As at 17 February 2025:

40%

Women on IHG’s Board

3

IHG Directors from a minority ethnic background

Throughout 2024, the Board sought to ensure that the Group’s governance structure and processes remain robust and appropriate as the Group pursues its strategic objectives with an emphasis on growth, efficiency and an increased pace of execution in the context of a rapidly developing environment.

The Board also sought to be responsive to the views of shareholders and other stakeholders.

To this end, I was pleased to engage in depth with shareholders through a series of governance meetings throughout the year.

The meetings focused in particular on Board and leadership changes, executive remuneration and sustainability, and provided valuable insight into investors’ views and perspectives in these areas. The positive support for the Group’s management and strategy was notable.

I also enjoyed several interactions with hotel owners, including meetings with the Chair and CEO of the IHG Owners Association. These helped me and the Board to further understand the benefits IHG brings to its owners as well as the challenges owners face, particularly in respect of financing.

I was also grateful for the opportunity to meet and spend time with more colleagues across various functions and regions and to experience first-hand the strong culture of collaboration and commerciality.

Focus areas and activities

The Board had another active year in 2024, and more information on its activities is given on pages 123 to 125.

The Board focused on the execution of the Group’s growth objectives. The Board had detailed discussions in respect of growth opportunities and was pleased to approve the Group’s long-term agreement with NOVUM Hospitality announced during the year to significantly increase the Group’s presence in Germany.

The Board also focused heavily on the execution of the Group’s ancillary business priorities. For example, the Board and the Audit Committee were closely involved in assessing the changes in the recognition of a portion of IHG One Rewards point sale proceeds from the System Fund to the Group’s fee business revenue, focusing in particular on the accounting and reporting implications as well as the impact of the changes on hotel owners and the Group’s investors.

The Board and the Audit Committee also focused in depth on the new US co-brand credit card arrangements announced during the year.

The Board noted several positive outcomes of the new agreements, including the creation of more opportunities for customers to engage with IHG and the IHG One Rewards loyalty programme, further strengthening IHG's enterprise helping to deliver more business to hotels and driving significant value for shareholders.

Board composition

During the year, we announced that Daniela Barone Soares was stepping down from the Board at 31 December. I would again like to thank Daniela for her contribution to IHG. Other than Sir Ron Kalifa's appointment to the Board from 1 January 2024, details of which were included in our Annual Report and Form 20-F 2023, there were no other changes to the Board during the year. An overview of the appointments to the Executive Committee made during the year is included in the Nomination Committee report on pages 136 and 137.

In line with UK corporate governance requirements and recommendations, our Board continues to meet the FTSE Women Leaders Review target for women on a FTSE 100 Board. With regard to the Parker Review, which looks at the ethnic diversity of UK boards and senior management in FTSE 350 companies, IHG continues to exceed the original target set by the Review of at least one director from an ethnically diverse background, with three ethnically diverse directors. IHG has also set targets for ethnic diversity in relation to senior management. Further detail and reporting on these targets can be found on pages 56 and 57.

Committee activities

The Board delegates certain responsibilities to its Committees to assist in ensuring effective corporate governance across the business. During 2024:

- the Audit Committee focused on assessing the Group's financial governance and monitoring its risk management and internal controls systems (see its report on pages 128 to 133);
- the Remuneration Committee focused on incentive plan measures and the approach to performance management and reward (see its report on pages 138 to 175);
- the Responsible Business Committee focused on progress against the 2024 responsible business priorities, which support the Group's Journey to Tomorrow responsible business plan (see its report on pages 134 and 135); and
- the Nomination Committee focused on Board composition, the execution of Executive Committee succession plans and the internal evaluation (see its report on pages 136 and 137).

Further detail on the Group's governance structure is given on page 122.

Board performance review

During the year, an internal review of the effectiveness of the Board and its Committees was undertaken. I am pleased to report that, overall, the review supported the positive conclusions of the Board and its Committees as to their effectiveness. Further details of the internal evaluation can be found on page 127. Individual director feedback assessments were also conducted, details of which can be found on page 127.

Compliance and our dual listing

IHG continues to operate as a dual-listed company with a premium listing on the London Stock Exchange (LSE) and a secondary listing on the New York Stock Exchange (NYSE). Under the UK listing rules, we are obliged to make a statement as to how we have applied the principles of the UK Corporate Governance Code (the Code). Under the NYSE listing rules, as a foreign private issuer, we are required to disclose any significant ways in which our corporate governance practices differ from those of US companies. To ensure consistency of information provided to both UK and US investors, we produce a combined Annual Report and Form 20-F.

Our Statement of compliance with the Code is on pages 176 and 177. A summary outlining the differences between the Group's UK corporate governance practices and those followed by US companies can be found on page 300.

Looking forward

In 2025, the Board will focus on the continued delivery of the Group's strategic objectives, while ensuring that a robust governance framework is maintained.



Deanna Oppenheimer
Chair of the Board
17 February 2025

Our Board of Directors

At 17 February 2025,
our Board of Directors
comprises:

Board Committee membership

A	Audit Committee member
R	Remuneration Committee member
RB	Responsible Business Committee member
N	Nomination Committee member
Chair	Chair of a Board Committee



Deanna Oppenheimer
Non-Executive Chair

Appointed to the Board: 1 June 2022

Committee membership:



Skills and experience

Deanna is founder of CameoWorks, LLC, an advisory firm to C-Suite executives and BoardReady.io, a non-profit. She previously held several leadership roles at Barclays plc and she has also held a number of Non-Executive board positions, including with Tesco PLC (as Senior Independent Director), Hargreaves Lansdown (Board Chair), and Whitbread PLC (Remuneration Committee Chair), among others.

Board contribution

As Chair, Deanna is responsible for leading the Board and ensuring it operates in an effective manner, promoting constructive relations with IHG's shareholders and with other stakeholders.

Other appointments

Deanna is a Non-Executive Director of Thomson Reuters Corporation. She also sits on the private board of Slalom Corp. and is a Council Member of the King's Trust.



Elie Maalouf
Chief Executive Officer (CEO)

Appointed to the Board: 1 January 2018

Skills and experience

Elie was appointed Chief Executive Officer at IHG in July 2023. Prior to this, Elie served as Chief Executive Officer, Americas since February 2015. He joined the Group in 2015 having spent six years as President and Chief Executive Officer of HMSHost Corporation, where he was also a member of the board of directors. Elie brings a broad global experience spanning hotel development, branding, finance, real estate and operations management as well as food and beverage expertise. Prior to joining IHG, Elie was Senior Adviser with McKinsey & Company from 2012 to 2014.

Board contribution

Elie is responsible for the executive management of the Group and ensuring the implementation of Board strategy and policy.

Other appointments

Elie is a member of the Executive Committee of the World Travel & Tourism Council and the U.S. Travel Association CEO Roundtable.

Board skills matrix

	Financial ^a	Strategy ^b	Risk	Hotels/ Hospitality	Brands/ Consumer ^c	Real Estate	International ^d	Tech/ Digital	Sustainability	Franchising	US/UK Corporate Governance ^e	CEO ^f
Deanna Oppenheimer	●	●	●	●	●		●	●			●	
Graham Allan		●			●		●			●		●
Arthur De Haast			●	●		●	●		●			
Duriya Farooqui	●	●	●				●		●		●	
Byron Grote	●	●	●				●				●	
Ron Kalifa	●	●	●				●	●			●	●
Angie Risley				●	●						●	
Sharon Rothstein		●		●	●		●	●		●	●	
Michael Glover	●		●	●			●	●		●		
Elie Maalouf		●		●	●	●	●			●		●
Total	5	7	6	6	5	2	9	4	2	4	6	3

a. Experience in a CFO/senior finance role and/or investment banking sector.

b. Experience in a role leading corporate strategy, a management consulting role and/or a divisional CEO role.

c. Experience in consumer/brands organisation or a role as marketing executive with multibrand background.

d. Experience in a multinational organisation holding responsibility globally/across several regions.

e. Experience in a UK and US listed organisation.

f. Experience in a global CEO role.



Michael Glover
Chief Financial Officer (CFO)

Appointed to the Board: 20 March 2023

Skills and experience

Michael is an Accounting and Finance graduate of Baylor University and a certified public accountant. He was previously Chief Financial Officer of the Americas and Group Head of Commercial Finance, where he had group-wide responsibility for commercial finance operations, including the global procurement, sales and marketing and technology finance functions, as well as IHG's System Fund. During his tenure with the business, Michael has held several roles at Group and regional levels, including CFO of IHG's China region from February 2013 to September 2015, at which time Michael became Group Financial Controller, where he oversaw Tax, Treasury and Financial Reporting group-wide, and delivered a finance transformation programme that enabled significant simplification, automation and the transfer of work to IHG's service centre.

Before joining IHG in 2004, Michael worked with several large Fortune 250 companies in a wide range of roles, beginning his career at Halliburton Energy Services in 1995.

Board contribution

Michael is responsible, together with the Board, for overseeing the financial operations of the Group.

Other appointments

N/A.



Graham Allan
**Senior Independent
Non-Executive Director (SID)**

Appointed to the Board:
1 September 2020^a

Committee membership:



Skills and experience

Graham was Group Chief Executive of Dairy Farm International Holdings Ltd from 2012 to 2017, a leading Asian retailer headquartered in Hong Kong. He previously served in several senior positions at Pepsico/Yum! Brands from 1992 to 2012. He assumed the role of President of Yum! Restaurants International in 2003 and for 9 years led the growth of global brands KFC, Pizza Hut and Taco Bell across 120 international markets. Prior to his tenure at Yum! Restaurants, Graham was a consultant at McKinsey & Company.

Board contribution

Graham brings to the Board more than 40 years of strategic, commercial and operations experience within consumer-focused businesses across multiple geographies. Graham was appointed as Senior Independent Non-Executive Director from 1 January 2022 and became Chair of the Responsible Business Committee from 1 March 2023.

Other appointments

Graham is Senior Independent Non-Executive Director at Intertek plc, Independent Non-Executive Director of Associated British Foods plc and Independent Non-Executive Director of Americana Restaurants International plc. He also serves as Chairman of Bata Footwear, a private company.



Arthur de Haast
Independent Non-Executive Director

Appointed to the Board: 1 January 2020

Committee membership:



Skills and experience

Arthur has held several senior roles in the Jones Lang LaSalle (JLL) group, including Chair of JLL's Capital Markets Advisory Council and Chair and Global CEO of JLL's Hotels and Hospitality Group. Arthur is also a former Chair of the Institute of Hospitality.

Board contribution

Arthur has more than 30 years' experience in the capital markets, hotels and hospitality sectors, along with significant board-level knowledge around sustainability.

Other appointments

Arthur is Chair of JLL's Capital Markets Advisory Council, an Independent Non-Executive Director of Chalet Hotels Limited and Chair of its Risk Management Committee, and a member of the Advisory Board of the Scottish Business School, University of Strathclyde, Glasgow.

a. Graham was a member of the Board from 1 January 2010 to 15 June 2012 prior to being appointed as Chief Operating Officer of Dairy Farm International Holdings Limited.

Our Board of Directors continued



Duriya Farooqui Independent Non-Executive Director

Appointed to the Board:
7 December 2020

Committee membership:



Skills and experience

Duriya is an Independent Director at Intercontinental Exchange, Inc. (ICE), a leading operator of global exchanges and clearing houses, and provider of mortgage technology, data and listings services. She is also an executive coach and mentor with The Exco Group, focused on helping Fortune 500 companies develop high-performing leadership teams. Duriya was previously President of Supply Chain Innovation at Georgia-Pacific, leading an organisation responsible for supply chain transformation. Prior to this, she was Executive Director of Atlanta Committee for Progress, a coalition of more than 30 CEOs providing leadership on economic growth and inclusion opportunities in Atlanta. Duriya has also been a principal at Bain & Company and Chief Operating Officer of the City of Atlanta.

Board contribution

Duriya's diverse board and executive-level experience brings valuable insights and perspectives to IHG. She combines more than two decades of relevant expertise in business strategy, transformation and innovation, with a clear commitment to driving responsible operations and diversity.

Other appointments

Duriya is an Independent Director of Intercontinental Exchange, Inc. She serves on the boards of NYSE and ICE NGX, both subsidiaries of ICE, and co-chairs the NYSE Board Advisory Council. She is also a Trustee of Agnes Scott College, a member of the Board of Councilors of The Carter Center and a Board Commissioner of Atlanta Housing.



Byron Grote Independent Non-Executive Director

Appointed to the Board: 1 July 2022

Committee membership:



Skills and experience

Byron's career spanned over 30 years in the international oil and gas sector, including Standard Oil of Ohio and subsequently BP p.l.c, where he held management positions in retail marketing, trading, mining, exploration and production, renewables, petrochemicals, and finance. He served as an Executive Director on the Board of BP p.l.c. for 13 years and was the Chief Financial Officer from 2002 until 2011. He previously served as the Senior Independent Director and Audit Committee Chair at Anglo American plc and Tesco PLC, as a Non-Executive Director and Audit Committee Chair at Unilever PLC and Unilever N.V., and Non-Executive Director at Standard Chartered PLC.

Board contribution

Byron has extensive experience across a range of leading international businesses, both at board level and in senior management positions, particularly in finance and chairing audit committees. He is a participant in the European Audit Committee Leadership Network and a member of the Audit Committee Chairs' Independent Forum. Byron has been Chair of the IHG Audit Committee since March 2023.

Other appointments

Byron is a Non-Executive Director at Inchcape PLC and on the Supervisory Board of Akzo Nobel N.V., where he is the Deputy Chair and Audit Committee Chair.



Sir Ron Kalifa Independent Non-Executive Director

Appointed to the Board: 1 January 2024

Committee membership:



Skills and experience

Ron is a recognised leader in financial services and technology-related businesses. He was formerly Chief Executive Officer of Worldpay for more than 10 years, serving as Vice Chairman thereafter and an Executive Director until February 2020. Ron authored a government-commissioned report 'Review of UK Fintech', recommending a new strategy for the UK in financial services. Ron was also Chairman of Network International Holdings Plc until September 2024.

Board contribution

Ron brings to the IHG Board in-depth knowledge of high-growth sectors of financial markets, including payments and fintech strategy. He also has a wealth of experience through his tenure on various boards, including not-for-profit boards.

Other appointments

Ron is Vice Chair and Head of Financial Infrastructure at Brookfield Asset Management. He is a Non-Executive Director and the Senior Independent Director on the Court of Directors of the Bank of England, a Non-Executive Director for the England & Wales Cricket Board and a member of the Council at Imperial College London.

Ron is a Trustee of the Royal Foundation of the Prince and Princess of Wales and Chair of the Sports Honours Committee.



Angie Risley

Independent Non-Executive Director

Appointed to the Board:
1 September 2023

Committee membership:

N R RB

Skills and experience

Angie's career in human resources has spanned executive roles across a number of sectors, including at United Biscuits; Whitbread as an Executive Director, Group HR Director; and Lloyds Banking Group as a member of the Executive Committee as Group HR Director. She recently retired from Sainsbury's where she was Group HR Director for 10 years and a member of the Operating Board.

Angie previously served as Non-Executive Director of Serco Group plc (and was Chair of the Remuneration Committee) as well as Sainsbury's Bank plc, Arriva and Biffa, and she has been a member of the Low Pay Commission.

Board contribution

Angie brings to the IHG Board a wide range of experience from a variety of sectors and a strong background in human resources. Angie became Chair of the Remuneration Committee from 1 January 2024.

Other appointments

Angie is currently the Senior Independent Non-Executive Director, Chair of the Remuneration Committee and a member of the Nomination and Governance Committee at Smith & Nephew plc.



Sharon Rothstein

Independent Non-Executive Director

Appointed to the Board: 1 June 2020

Committee membership:

A RB

Skills and experience

Sharon currently serves as Operating Partner of Stripes Group, a growth equity firm investing in high-growth consumer and SaaS (Software as a Service) companies. She previously served as Executive Vice President, Global Chief Marketing Officer and, subsequently, as Executive Vice President, Global Chief Product Officer for Starbucks Corporation. In addition, Sharon has held senior marketing and brand management positions at Sephora LLC, Godiva Chocolatier, Inc., Starwood Hotels & Resorts Worldwide, Inc., Nabisco Biscuit Company and Procter & Gamble Company.

Board contribution

Sharon brings extensive brands, marketing and digital expertise, having worked in senior positions for more than 25 years at iconic global companies. In addition to her knowledge of the hospitality industry, Sharon has wide-ranging board-level experience in a number of consumer-focused businesses.

Other appointments

Sharon serves on the boards of Yelp, Inc. and private companies Califia Farms, LLC, Levain Bakery, Inc., and Pop Up Bagels, Inc.

Board Committee membership

A	Audit Committee member
R	Remuneration Committee member
RB	Responsible Business Committee member
N	Nomination Committee member
	Chair of a Board Committee

Our Board of Directors continued

Changes to the Board, and its Committees, and Executive Committee

Daniela Barone Soares	Daniela stood down from the Board on 31 December 2024
Daniel Aylmer	Daniel was appointed to the Executive Committee as Chief Executive Officer, Greater China in April 2024
Jolie Fleming	Jolie was appointed to the Executive Committee as Chief Product & Technology Officer in April 2024
Ron Kalifa	Ron was appointed to the Board as a Non-Executive Director with effect from 1 January 2024
George Turner	George stood down from the Executive Committee and his role as Chief Commercial and Technology Officer in April 2024

Board and Committee membership and attendance in 2024

	Appointment date	Additional/ Committee appointments	Board	Audit Committee ^a	Responsible Business Committee	Nomination Committee	Remuneration Committee
Total meetings held			8	5	4	5	6
Chair							
Deanna Oppenheimer ^b	01/06/22	N R	8/8	–	–	5/5	6/6
Chief Executive Officer							
Elie Maalouf	01/01/18		8/8	–	–	–	–
Executive Directors							
Michael Glover	20/03/23		8/8	–	–	–	–
Senior Independent Non-Executive Director							
Graham Allan ^c	01/09/20	A N RB SID	8/8	4/5	4/4	5/5	–
Non-Executive Directors							
Daniela Barone Soares ^d	01/03/21	R RB	7/8	–	3/4	–	4/6
Arthur de Haast	01/01/20	A RB	8/8	5/5	4/4	–	–
Duriya Farooqui	07/12/20	VoE A RB	8/8	5/5	4/4	–	–
Byron Grote	01/07/22	A N R	8/8	5/5	–	5/5	6/6
Sir Ron Kalifa ^e	01/01/24	A R	7/8	4/5	–	–	5/6
Angie Risley ^f	01/09/23	N R RB	8/8	–	3/4	4/5	6/6
Sharon Rothstein	01/06/20	A RB	8/8	5/5	4/4	–	–

a. In principle, the full Board attends the relevant sections of the Audit Committee meetings when financial results are considered.

b. In principle, the Chair attends all Committee meetings.

c. Graham Allan was unable to attend an Audit Committee meeting due to a prior commitment.

d. Daniela Barone Soares was unable to attend a Board meeting, a Responsible Business Committee meeting and two Remuneration Committee meetings due to prior commitments. Daniela stood down from the Board on 31 December 2024.

e. Ron Kalifa was unable to attend a Board meeting, an Audit Committee meeting and a Remuneration Committee meeting due to a prior commitment.

f. Angie Risley was unable to attend a Responsible Business Committee meeting and a Nomination Committee meeting due to a prior commitment.

Board Committee membership and additional appointments key

A	Audit Committee member
R	Remuneration Committee member
RB	Responsible Business Committee member
N	Nomination Committee member
	Chair of a Board Committee
SID	Senior Independent Non-Executive Director
VoE	Non-Executive Director responsible for workforce engagement – Voice of the Employee

Our Executive Committee

In addition to Elie Maalouf and Michael Glover, the Executive Committee comprises:



Daniel Aylmer
Chief Executive Officer, Greater China

Appointed to the Executive Committee:
April 2024 (joined the Group: 2016)

Skills and experience

Daniel's expertise in hotel operations and deep understanding of the Chinese market has enabled him to lead IHG's Greater China region with continued success. Previously, Daniel held the position of Managing Director for the region from 2021 to 2024, where he played a pivotal role in steering the region's growth by executing strategic priorities, enhancing performance, and fostering an excellent reputation.

Before this, Daniel served as Chief Operating Officer for IHG Greater China, where he provided strategic direction for all managed and franchised full-service hotel operations, contributing significantly to the region's rapid expansion.

Daniel's background in hospitality spans Europe, the US, and Asia. With more than 20 years previously at Starwood, he brings invaluable expertise to IHG. Daniel also serves on the executive committee of the British Chamber of Commerce in Shanghai, actively promoting the economic and trade exchanges between China and the UK.

Key responsibilities

Daniel oversees the Greater China market based in Shanghai and is responsible for driving the management, growth, and profitability of the region.



Heather Balsley
Chief Commercial & Marketing Officer

Appointed to the Executive Committee:
November 2023 (joined the Group: 2007)

Skills and experience

Heather was appointed as IHG's Global Chief Customer Officer in November 2023 later becoming Chief Commercial & Marketing Officer in April 2024.

Previously, Heather held several senior positions in the Group, including SVP, Global Loyalty & Partnerships, where she was responsible for the Company's loyalty and partnerships business, including the re-launch of IHG One Rewards and co-brand credit card business. She also served as SVP, Global Marketing, Mainstream Brands and SVP, Americas Brands and Marketing.

Prior to joining IHG, Heather spent seven years as a consultant with Marakon Associates in New York, where she advised Fortune 500 companies on performance-enhancing strategies.

She holds an MBA from Harvard Business School and a bachelor's degree in Economics and Sociology from Duke University.

Key responsibilities

Heather leads all aspects of IHG's brand strategy, positioning, marketing, commercial performance, customer data & analytics and the end-to-end customer experience across IHG's portfolio of 19 brands, including our award-winning IHG One Rewards loyalty programme.

Our Executive Committee continued



Jolyon Bulley

Chief Executive Officer, Americas and Group Transformation Lead, Luxury & Lifestyle

Appointed to the Executive Committee: November 2017 (joined the Group: 2001)

Skills and experience

A career hotelier, Jolyon has held a number of significant roles at IHG and, before being appointed as CEO, Americas in 2023, was CEO for Greater China from 2018. In 2021, in addition to his role as CEO for Greater China, Jolyon was appointed to lead the Luxury & Lifestyle Transformation Team.

Prior to that, he was Chief Operating Officer (COO) for the Americas from 2014 to 2017, leading the region's operations for franchised and managed hotels, in addition to cultivating franchisee relationships and enhancing hotel operating performance. Jolyon also served as COO for Greater China for almost four years, with oversight of the region's hotel portfolio and brand performance, new hotel openings and owner relations.

Jolyon graduated from William Angliss Institute in Melbourne with a concentration in Tourism and Hospitality.

Key responsibilities

Jolyon is responsible for the management, growth and profitability of the Americas region and the development and defining of a strategy for our Luxury & Lifestyle brands' performance and growth.



Yasmin Diamond, CB

Executive Vice President, Global Corporate Affairs

Appointed to the Executive Committee: April 2016 (joined the Group: 2012)

Skills and experience:

Before joining IHG in 2012, Yasmin was Director of Communications at the Home Office, where she advised the Home Secretary, ministers and senior officials on the strategic development and daily management of all the Home Office's external and internal communications. She was previously Director of Communications at the Department for Environment, Food and Rural Affairs; Head of Communications for Welfare to Work and New Deal; and Head of Marketing at the Department for Education and Skills.

In 2011, Yasmin was awarded a Companion of the Order of the Bath (CB) in the New Year's Honours List in recognition of her career in government communications. In addition, Yasmin is an Independent Non-Executive Director of the Rugby Football Union and is a Board Trustee member of the Sustainable Hospitality Alliance.

Key responsibilities

Yasmin is responsible for all global corporate affairs activity, focused on supporting and enabling IHG's broader strategic priorities. This includes all external, internal, hotel and owner communications; global government affairs work; and leading IHG's Corporate Responsibility strategy.



Jolie Fleming

Executive Vice President, Chief Product & Technology Officer

Appointed to the Executive Committee: April 2024 (joined the Group: 2021)

Skills and experience

Jolie joined IHG in 2021 as Senior Vice President, Guest Products and Platforms (GPP) for IHG's Commercial and Technology team. In that role, she led the development and launch of technology solutions for the new IHG One Rewards programme and supporting mobile app, new hotel websites and the integration of new partners, including Iberostar.

Jolie's career has spanned both large corporate environments and start-ups but has focused on a common goal of leading transformative growth through product management, technology, relentless delivery and high-performance teams. Prior to IHG, Jolie spent more than 25 years in technology-first businesses spanning multiple industries. Most recently, Jolie served as the Managing Director of Digital and Customer Experience at E*TRADE by Morgan Stanley where she led its award-winning digital channels.

Key responsibilities

Jolie is responsible for driving the development of all guest, enterprise and owner-facing products and technology, while working across the Group's regions with marketing, brands, loyalty and operations.

Gender of Board and Executive Committee

	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in Executive Committee	Percentage of Executive Committee
Men	6	60%	3	6	60%
Women	4	40%	1	4	40%
Not specified/prefer not to say	–	–	–	–	–



Nicolette Henfrey

Executive Vice President, General Counsel and Company Secretary

Appointed to the Executive Committee: February 2019 (joined the Group: 2001)

Skills and experience

Nicolette joined IHG in 2001. Prior to leading the Business Reputation and Responsibility function, she held a number of senior legal roles, including Deputy Company Secretary. During that time, she worked with the Board, Executive Committee and wider organisation to ensure best-in-class delivery and compliance across legal, governance and regulatory areas. Nicolette is a solicitor qualified in England and South Africa and previously worked as a corporate lawyer at Linklaters in London and Findlay & Tait (now Bowmans) in South Africa.

Key responsibilities

Nicolette has global responsibility for all areas of corporate governance, legal, risk management, insurance, regulatory compliance, internal audit and hotel standards.



Wayne Hoare

Chief Human Resources Officer

Appointed to the Executive Committee: September 2020 (joined the Group: 2020)

Skills and experience

Wayne has more than 30 years of experience in HR and joined IHG from RCL FOODS, where he spent seven years as the company's Chief Human Resources Officer, leading the culture-building and talent strategy for 25,000 employees. Prior to joining RCL FOODS, Wayne spent 26 years at Unilever, where he worked across a broad range of roles in mature and developing markets across Europe, North America, Asia, Africa and the Middle East.

Wayne's most recent role at Unilever was as SVP, HR – Global Centres of Expertise, where he held responsibility for the Global Talent, Leadership Development and Reward teams. He led the development of the company's HR strategy to enable a performance culture focused on growth.

Key responsibilities

Wayne has global responsibility for talent management, learning and capability building, inclusion and impact, organisation development, reward and benefit programmes, employee relations and all aspects of the people and organisation strategy for the Group.



Kenneth Macpherson

Chief Executive Officer, EMEAA

Appointed to the Executive Committee: April 2013 (joined the Group: 2013)

Skills and experience

Kenneth became CEO, EMEAA in January 2018. He was previously IHG's CEO for Greater China, a role he held from 2013 to 2017. He has extensive experience across sales, marketing strategy, business development and operations. In addition to 12 years living and working in China, Kenneth's career includes experience in Asia, the UK, France and South Africa. Before IHG, he worked for 20 years at Diageo, one of the UK's leading branded companies. His senior management positions included serving as Managing Director of Diageo Greater China, where he helped to build the company's presence and led the landmark deal to acquire ShuiJingFang, a leading manufacturer of China's national drink, and one of the first foreign acquisitions of a Chinese listed company.

Key responsibilities

Kenneth is responsible for the management, growth and profitability of the EMEAA region. He also manages a portfolio of hotels in some of the world's most exciting destinations, in both mature and emerging markets.

Ethnic background of Board and Executive Committee

	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in Executive Committee	Percentage of Executive Committee
White British or other White (including minority-white groups)	7	70%	3	8	80%
Mixed/Multiple Ethnic Groups	–	–	–	–	–
Asian/Asian British	2	20%	–	1	10%
Black/African/Caribbean/Black British	–	–	–	–	–
Other ethnic group	1	10%	1	1	10%
Not specified/prefer not to say	–	–	–	–	–

The information in the tables above is compiled from self-reported data from the relevant individuals.

As at 17 February 2025, the Company complies with the following targets on board diversity in accordance with Listing Rule 6.6.6R(9): (i) at least 40% of the individuals on the Board are women; (ii) at least one senior position, namely the Chair of the Board, is held by a woman; and (iii) at least one individual on the Board is from a minority ethnic background.

Governance structure

Governance framework

Our governance framework is headed by the Board, which delegates certain management and oversight responsibilities to various Committees to further IHG’s purpose, values and strategy, while conducting business in a responsible manner. Executive management is responsible for the implementation of strategy that is delivered by the Group’s workforce.

The Board

The Board is responsible for promoting the long-term sustainable success of the Group and establishes its purpose, values and strategy.

Operational matters, routine business and information disclosure procedures are delegated by the Board to Management Committees, with the exception of a number of key decisions and matters that are reserved for the Board. The schedule of matters reserved for the Board was reviewed and approved at the December 2024 Board meeting and is available on our website.

The Board is supported by its four Principal Committees (Audit, Nomination, Remuneration, and Responsible Business), all of which consist of Non-Executive Directors. These committees assist the Board in carrying out its functions and in overseeing the delivery of the strategic objectives it sets for management.

 See pages 123 to 125 for information.

Board Committees

Nomination Committee

Leads on and examines nominations and appointments to the Board and its Committees and makes recommendations to the Board.

Responsible for reviewing the Group’s leadership needs.

 See pages 136 and 137.

Remuneration Committee

Leads on and reviews all aspects of remuneration of the Executive Directors and Executive Committee members and remuneration policy for senior executives.

 See pages 138 to 175.

Responsible Business Committee

Leads on responsible business objectives and strategy, including our approach to social, community and human rights matters.

Reviews our impact on the environment and communities.

Reviews the Board’s engagement with the workforce and the Group’s culture of inclusivity.

 See pages 134 and 135.

Audit Committee

Leads on internal controls and risk management; financial reporting; internal audit; fraud and external audit and compliance.

Maintains working relationships with management; Global Internal Audit; Disclosure Committee; and the external Auditor.

 See pages 128 to 133.

Management Committees

Operational matters, routine business and information disclosure procedures are delegated by the Board to Management Committees. The Management Committees are comprised of senior executives, including, where relevant, the Executive Directors.

Executive Committee

Chaired by the CEO, it considers and manages the day-to-day strategic and operational issues facing the Group.

Its remit includes executing the strategic plan once agreed upon by the Board, monitoring the Group’s performance and providing assurance to the Board in relation to overall performance and risk management.

General Purposes Committee

Chaired by an Executive Committee member, it attends to items of a routine nature and to the administration of matters, the principles of which have been agreed previously by the Board or an appropriate Committee.

Disclosure Committee

Chaired by the Group’s Financial Controller, it ensures that proper procedures are in place for statutory and listing disclosure requirements. This Committee reports to the Chief Executive Officer, the Chief Financial Officer and the Audit Committee.

Board activities

Key areas of focus during the year

Board meetings

This page gives an overview of some of the regular and standing items discussed and decisions made at Board meetings during the year.

The table on pages 124 and 125 sets out information on the key matters discussed by the Board in 2024 and our Section 172 statement, which includes information about how stakeholders were considered and impacted outcomes.

In several areas, much of the substantive preparation work took place within the Board's Committees and was later confirmed by the Board, or the whole Board attended certain sections of Committee meetings. Where this was the case, the discussions are treated as having taken place at Board level.

Performance

The Board receives regular updates from the CEO and CFO on recent and current trading, including RevPAR, operating profit, net system size growth and cash flow performance. These were also compared to the results of competitors and budget. Internal projections were compared with the consensus of forecasts by analysts to ensure that the Company's prospects were appropriately reflected in market expectations. The Board also monitors the progress of the share buyback programme.

Throughout the year, the Board also receives regional performance updates from each of the regional Chief Executive Officers, covering regional market and competitive landscapes, financial performance, regional strategy and progress on regional initiatives, and risks and mitigation measures.

Governance and assurance

The Board receives regular updates on principal and emerging risks, internal controls, risk management systems, the Group's risk appetite, litigation, cybersecurity, compliance programmes and the global insurance programme. Committee Chairs also deliver reports on risk topics in relation to the areas of remit for their respective Committees.

The Board receives regulatory development updates from the General Counsel and Company Secretary, covering regulatory changes in areas such as corporate reporting and governance, executive remuneration, shareholder body voting guidelines and other social and environmental matters. The Board also reviewed and approved the Group's Code of Conduct.

Stakeholders

The Board receives a regular report outlining share register movements, relative share price performance, investor relations activities and engagement with shareholders. The Board also considers views shared from the regular investor and analyst perception studies and feedback surveys, as well as individual meetings with investors.

The Board receives a regular report outlining various geopolitical and social issues pertaining to IHG and its business; corporate affairs activity supporting IHG's corporate reputation, brands and responsible business agenda; owner and colleague engagement; government and advocacy programmes; and industry-body engagement.

Board activities continued

Key areas of focus during the year continued

Key matters discussed in 2024 and Section 172 statement

Section 172 of the Companies Act 2006 requires a director of a company to promote the success of that company, and in doing so, the director must have regard to six factors. These are: the long-term consequences of a decision; the interests of its employees; business relationships with suppliers, customers and others; its impact on the community and environment; the desirability of maintaining high standards of business conduct; and the need to act fairly between members of the company. The table below summarises some of the main matters dealt with by the Board during the year and how it took the Section 172 factors into account. The relevant Section 172 factors are identified in the table.

Finance and performance		
Shareholder returns The Board considered and approved a final dividend for 2023, an interim dividend for 2024 and a \$800m share buyback programme.	In considering the dividends paid during the year and the share buyback programme, the Board took into account the creation of value for shareholders, the expectations of analysts in the context of the Company's trading and viability assessments and capacity to pay, as well as the external environment, including the geopolitical situation and macro-economic developments, while having regard to the Group's dividend policy.	Considerations <ul style="list-style-type: none"> – Long term – High standards – Act fairly between members
Group finance The Board approved the update of the Group's Euro Medium Term Note (EMTN) bond programme and the issuance of a €750m bond.	In approving the EMTN programme update and the €750m bond issuance, the Board considered in particular the Group's longer-term debt maturity and liquidity profiles as well as the benefits of prudent financial management to the Group's employees and shareholders.	Considerations <ul style="list-style-type: none"> – Long term – Employees – High standards – Act fairly between members
Financial statements The Board considered and approved the full and half-year financial results statements, including the going concern and viability statements, and whether the Annual Report was fair, balanced and understandable.	In reviewing and approving for publication the Group Financial Statements, the Board ensured that the Group had met its regulatory requirements in relation to providing shareholders and other stakeholders with accurate information regarding the Group and further maintained the Group's reputation for operating with high standards.	Considerations <ul style="list-style-type: none"> – High standards – Act fairly between members
Strategic and operational matters		
Brand portfolio The Board considered and approved the Group's execution of a long-term franchise and development agreement with NOVUM Hospitality.	The Board considered in particular the transaction's financial and strategic benefits and how the transaction supports the Group's strategy to grow mainstream brands, focus on priority markets and maintain an asset-light model. The Board also noted the beneficial outcome for hotel owners, through higher brand awareness and loyalty programme engagement.	Considerations <ul style="list-style-type: none"> – Long term – Suppliers and customers – Community and environment
Ancillary business The Board approved the new US co-brand credit card arrangements between the Group, JPMorgan Chase Bank and Mastercard.	The Board recognised the extensive benefits of the new arrangements for IHG, its shareholders, hotel owners and guests, noting how they will create more opportunities for guests to engage with IHG and its loyalty programme; further strengthen IHG's enterprise and the System Fund for the benefit of hotel owners; and drive significant shareholder value through additional revenues. The Board and the Audit Committee considered the accounting and reporting implications of the agreements.	Considerations <ul style="list-style-type: none"> – Long term – Suppliers and customers – High standards – Act fairly between members
Ancillary business The Board approved changes to System Fund arrangements involving changes to fees paid by hotel owners into the System Fund and the sharing arrangements for ancillary fee streams.	The Board carefully considered the impact of the changes on hotel owners and noted the close engagement with the IHG Owners Association. The Board also took into account the beneficial outcome for the Company's shareholders in terms of the increased revenues being recognised by IHG within its results from reportable segments. The Board and the Audit Committee also considered the accounting and reporting implications of the changes.	Considerations <ul style="list-style-type: none"> – Long term – Suppliers and customers – High standards – Act fairly between members
Growth strategy in regions – Americas, EMEAA and Greater China The Board received in-depth regional updates from the CEOs of each of the Group's three regions, and provided oversight with regard to the Group's growth strategy and strategic priorities.	The Board received regular updates from the Group's operating regions, covering the Group's relative brand positioning across the brand segments; enterprise capabilities across key markets and the priorities for driving growth in the national markets, and further focused on actions to accelerate the Group's growth. In its discussions, the Board paid particular attention to critical owner considerations in relation to optimising owner returns as well as initiatives to reduce energy consumption and food waste.	Considerations <ul style="list-style-type: none"> – Long term – Suppliers and customers – Community and environment

Strategic and operational matters continued

Regional operating model

The Board endorsed changes to the EMEAA region operating model.

In considering the changes to the EMEAA regional operating model, the Board noted in particular the potential to increase awareness and preference for the Group's brands across a wider geography, enabling further revenue and profit delivery for hotel owners. The Board also took into account how the evolved structure supported talent and succession plans.

Considerations

- Long term
- Suppliers and customers
- Employees

Technology

The Board received regular updates during the year on key technology initiatives.

The Board received regular updates on key technology initiatives, including the Group's new revenue management and property management systems; work to optimise technology across the Group's channels, particularly call centres; and projects to leverage generative AI and enhance reporting platforms. The Board noted in particular the benefits of an enhanced technology offering to hotel owners as well as the Group's employees.

Considerations

- Long term
- Suppliers and customers
- Employees

Governance

Executive Committee appointments

The Board endorsed the changes and appointments to the Executive Committee during the year.

In considering the talent and succession planning at the Executive Committee level, the Board focused on the skills, experience and profile required to optimise the Executive Committee, including relevant regional and functional leadership, to facilitate the delivery of the Group's strategic objectives.

Considerations

- Long term
- Employees
- High standards

People

Our people and culture

The Board participated in and received regular updates from the Voice of the Employee workforce engagement programme.

The Board participated in employee feedback sessions, and received and considered regular updates from the Voice of the Employee workforce engagement programme, noting continued positive feedback from engagement sessions. A summary of the Voice of the Employee engagement programme activities carried out during 2024 is included on page 135.

Considerations

- Employees
- High standards

Annual Board strategy meeting

The 2024 Annual Board strategy meeting was held in Atlanta, the location of the Group's main corporate office in the USA. The Board undertook a detailed review in respect of the following areas:

- the Group's performance and achievements in the context of the broader industry and macro-economic considerations;
- the Group's strategy and key strategic choices to guide future priorities;
- key components of the Group's commercial, marketing and technology strategies; and

- the Group's financial and value creation strategy, long-term financial considerations and how the Group's risk appetite informs the strategic choices.

The sessions provided the Board with a deeper understanding of the strategic choices the Group faces to continue to drive growth and performance and also allowed the Board to focus on the impact of the strategic choices on the Group's culture of high performance and continuous improvement.

The Board also reflected on the overall effect of the strategic choices on the Group's risk appetite, risk tolerances and approach to programme and operational risk management.

Outcomes and action items were also addressed at subsequent Board meetings.

Board members were also able to engage informally with colleagues at several leadership functions and at a visit to the Group's Design Centre.

Board activities continued

Our shareholders and investors

During 2024, IHG continued its open dialogue with shareholders and investors and conducted its annual programme of investor relations activities with support from its brokers and advisers. The Board received regular updates and considered feedback as outlined on page 123.

The Chair of the Board also held a series of governance meetings with investors during the year. Meetings were held both in-person and virtually and focused on Board and leadership changes, executive remuneration and sustainability. The feedback from investors was positive and investors expressed their support for the Group's strategy and management.

In addition, our Registrar and American Depositary Receipts (ADR) programme custodians have supported shareholders and ADR holders with their queries.

Committee Chairs and the Senior Independent Director are available for shareholders if they have concerns they wish to discuss.

+ Further information on the Board's engagement with shareholders and investors is included on page 42.

Annual General Meeting (AGM)

The Board was pleased to meet shareholders in person at the 2024 AGM.

Our 2025 AGM will be held on Thursday 8 May 2025. The notice of meeting will be sent to shareholders and made available on our website in due course.

+ Visit ihgplc.com/investors under Shareholder centre.

Director appointments and induction

Director appointments

Other than Sir Ron Kalifa's appointment to the Board from 1 January 2024, details of which were included in our Annual Report and Form 20-F 2023, no new appointments to the Board were made during 2024.

New Director inductions

When appointed, all new Directors undergo a comprehensive and formal induction programme that is tailored to meet their individual needs and respective roles on the Board. We believe this is crucial to ensure that our Directors have a full understanding of all aspects of our business and familiarity with the Group's purpose, culture and values so that they can contribute effectively to the Board.

Tailored induction plans are prepared for new Board members in advance of their appointment to the Board. The plans broadly cover the following topics, while being tailored to their Committee appointments and roles, with a particular emphasis on understanding IHG's business, long-term strategy, risks and opportunities within the business and governance processes and controls:

- information on the Group's purpose, culture, values and strategy, including its business model, brands and the markets in which it operates;
- key strategic initiatives;
- our approach to internal controls and our risk management strategy;
- information on the Board, its Committees and IHG's governance processes;
- a reminder of the rules relating to maintaining the confidentiality of inside information and restrictions in dealing in IHG shares, together with a briefing on the policies and procedures IHG has in place to ensure compliance with such rules; and
- meetings with members of the Board and the Executive Committee, senior management from functions across the Group, the external Auditor and other key external advisers.

Additional appointments

During 2024, the Board considered and endorsed the following additional appointments of Directors:

- Graham Allan as Chair of the Remuneration Committee of Intertek plc.
- Ron Kalifa as Chair of the Sports Honours Committee.
- Daniela Barone Soares as Non-Executive Director of Bunzl plc.
- Sharon Rothstein to the board of Pop Up Bagels, Inc.
- Deanna Oppenheimer as a UK Council Member of the King's Trust.

In each case, the Board took into account other appointments, the time commitment required for each role and the context of the UK Corporate Governance Code, including institutional investor and proxy adviser guidelines concerning over-boarding. It was concluded that the additional appointments should not adversely impact their performance but should enhance their ability to provide constructive challenge and strategic guidance.

Ongoing Director training and development

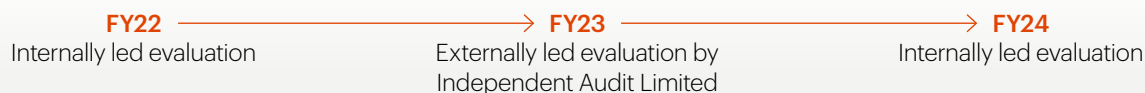
We understand the importance of an ongoing training programme for Directors to enable them to fully understand the Group's business and operations in the context of the rapidly developing environment in which it operates. The Chair and the Committee chairs regularly review the training and development needs of the Board in setting the agendas.

Board and Committee meetings are regularly used to update Directors on developments in the environment in which the business operates and in-depth presentations are provided on key topical areas. In 2024, these sessions included updates on cybersecurity, franchising, privacy, remuneration, and responsible procurement.

In addition, the Company Secretary as well as the Company's external Auditor provide regular updates on regulatory, corporate governance and legal matters as relevant, and Directors are able to meet individually with senior management if necessary.

Board effectiveness evaluation

In line with best practice, the performance and effectiveness of the Board and its Committees are carefully reviewed each year through a formal evaluation process, which is traditionally facilitated externally every three years. An external evaluation was completed in 2023. In 2024, an internal evaluation was undertaken.



Evaluation process

Board members were asked to consider the Board's overall effectiveness by completing an internal questionnaire, which focused on the following areas:

- progress in implementing agreed action items from the 2023 effectiveness review;
- Board composition, including knowledge, experience and competencies, and succession planning;
- Board dynamics and information flow from management to the Board;
- engagement between the Board and management; and
- Board leadership and strategic focus.

Results of Governance Review

Strengths:

1. The responses of Board members to the questionnaire were largely favourable in relation to all areas of the Board's operation.
2. The Board's engagement with management continues to be robust and effective, with the right level of support and challenge being brought by the Board.
3. Board members commented positively on overall Board dynamics and discussion, indicating that reporting from Management continues to be well prepared and transparent and that the Board has kept sufficient focus on IHG's long-term strategy.
4. The Board continues to be effective in safeguarding the governance, reputation, viability and future value of IHG.



Areas of focus for the year ahead:

1. Continued focus on long-term strategy: need to continue balancing short-term and long-term objectives, in particular in the context of an increasingly competitive landscape, complex geopolitical and economic factors, technology opportunities and challenges, and evolving environmental, social and governance trends.
2. Evolving Customer Needs and Industry Trends: maintain its focus on industry trends, whilst further focusing on consumer trends and brand performance and employee culture to remain competitive.
3. Board Composition & Succession Planning: good progress had been made in relation to executive succession planning, which should continue to be a focus for 2025.

Board Committees

Each of the Board's Committees were evaluated as part of the broader evaluation process. The internal evaluation process also assessed the effectiveness and support provided by and to the Board Committees.

Through the process, it was confirmed that the Committees have the necessary attributes to support their effective operation and that they are well integrated into the Board decision-making processes.

Each of the Committees reviewed the findings and agreed the respective actions with consideration of the overall Board findings where they were deemed relevant to the Committee's work. Further details are set out in each Committee Report on pages 129, 134, 137 and 154.

Performance evaluation of Directors

In addition to the internal Board evaluation process outlined above, the SID led the individual performance of the Non-Executive Directors and carried out one-to-one meetings with each of them, focusing on their contribution to the Board and Principal Committees and engagement with fellow Directors, taking into account their relevant skills, knowledge and experience. Particular points of note were shared with the individual Directors and, following a final discussion and feedback session between the Chair and the SID, it was concluded that the Directors perform their duties independently and effectively and that they dedicate sufficient time to discharge their Board responsibilities.

The performance assessment of the Chair was also led by the SID. The evaluation focused on:

- overall leadership of the Board;
- the Board's culture and the Chair's ability to facilitate constructive Board relations; and
- managing the Board in accordance with high standards of corporate governance.

The CEO evaluation was led by the Chair, who collected feedback to a series of questions from the Non-Executive Directors.

Key areas of focus included:

- the Group's performance and impact of the CEO;
- the relationship and ability to work collaboratively and transparently with the Board;
- delivery of the Group's growth agenda;
- regard for community and the environment;
- building talent and organisational capabilities; and
- progress in relation to IHG's 2024 plan and future strategic priorities.

Audit Committee Report



“Effective oversight of the Group’s financial control and risk management operations is foundational to the Group’s long-term success.”

Byron Grote
Chair of the Audit Committee

Highlights

- Detailed assessment of the changes made during the year regarding fees paid by owners into the System Fund and the sharing arrangements for ancillary fee streams such as those related to the sale of IHG One Rewards loyalty points.
- Analysis and evaluation of the financial reporting implications of the new US co-brand credit card arrangements entered into during the year, including accounting estimates, the control environment and financial statement disclosures.
- Expansion of deep dives relating to key risk and control topics correlated to our principal and emerging risks from experts across the business.

Key duties and role of the Committee

Key objectives and summary of responsibilities

The Audit Committee is responsible for ensuring that IHG maintains a strong control environment. It monitors the integrity of IHG’s financial reporting, including significant financial reporting judgements; maintains oversight and reviews our systems of internal control and risk management; monitors and reviews the effectiveness and performance of internal and external audit functions; and reviews the behaviours expected of IHG’s employees through the Code of Conduct and related policies.

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.

+ The ToR are available at ihgplc.com/investors under Corporate governance.

As noted, the Committee focused its attention on reviewing and obtaining assurance in relation to emerging and evolving risks as well as the Group Financial Statements and controls. Other areas of focus over the year have been:

- the Group’s global financial governance compliance plans, with particular focus on system and process transitions;
- consideration of an indicative roadmap to ensure compliance with the revised Corporate Governance Code’s requirement of a declaration from Directors regarding the effectiveness of material controls;
- the Group’s approach to compliance with the EU Corporate Sustainability Reporting Directive and the governance structure implemented to provide oversight across the project;
- the evolution of the Group’s brand safety standards framework to address existing and emerging hotel operational safety and security risks, with a continued focus on delivering globally consistent outcomes to manage safety and security risks across the Group’s brands and business models; and
- the Group’s approach to insurance coverage, including the annual renewal of the global property and liability insurance programme.

Membership and attendance at meetings

Details of the Committee’s membership and attendance at meetings are set out on page 118. The Chair of the Board, CEO, CFO, Group Financial Controller, Head of Risk and Assurance, General Counsel and Company Secretary, Deputy Company Secretary and our external Auditor attended the Committee’s meetings in 2024. Other attendees are invited to meetings as appropriate and the CEO and all other Directors were invited to Committee meetings where the approval of financial reporting was considered and discussed. The Committee continues to hold private sessions with the internal and external Auditors without the presence of management to ensure that a culture of transparency is maintained.

The Committee Chair continues to have recent and relevant financial experience and all members of the Committee are Independent Non-Executive Directors. In accordance with the Code, the Board also considers that the Committee as a whole possesses competence relevant to the Company’s sector, having a range of financial and commercial experience in the hospitality industry and the broader commercial environment in which the Group operates. Further details of the skills and experience of the Committee members can be found on pages 114 to 117.

Reporting to the Board

Following each Committee meeting, the Committee Chair updates the Board on key issues discussed. The papers and minutes for each meeting are circulated to all Board members, who are invited to request further information if required and to provide any challenge where necessary.

Effectiveness of the Committee

During the year, the Committee's effectiveness was reviewed as part of the internal Board evaluation process. The evaluation responses positively highlighted the quality of leadership and external reporting and the Committee concluded that it remains effective.

Focus areas and activities

Financial and narrative reporting

During the year, the Committee reviewed and recommended approval of the interim and annual Financial Statements (considering the relevant accounting and reporting matters such as key judgement areas, going concern and viability statements, the financial reporting impacts of commercial litigation and disputes, exceptional items and impairment reviews) and the Group's quarterly trading updates. All members of the Board are asked to attend these meetings.

As well as receiving input and guidance from the external Auditor on the areas outlined above, the Committee also received regular reports from the Chair of the Disclosure Committee, which liaised closely with other external advisers of the Group to ensure that disclosure and regulatory requirements were being appropriately considered and met. Copies of the Disclosure Committee's minutes were also provided to the Committee.

The Committee received early drafts of the Annual Report and Form 20-F 2024 (Annual Report), and when providing comments considered: (i) the process for preparing and verifying the Annual Report, which included review by the Executive Committee and input from senior employees in the Company Secretariat, Legal, Operations, Strategy, Human Resources, Finance, Risk and Assurance teams; (ii) a report from the Chair of the Disclosure Committee; and (iii) a checklist prepared by the Annual Report team confirming compliance with the relevant regulatory requirements.

The Committee also considered management's analysis of how the content, taken as a whole, was 'fair, balanced and understandable', and whether it contained the necessary information for shareholders to assess the Group's position, performance, business model and strategy. In order to reach this conclusion, a dedicated project team worked on the contents of the Annual Report and a detailed verification process to confirm the accuracy of the information contained within the Annual Report was undertaken by the Financial Planning and Analysis department. The Committee then considered both the structure and content of the Annual Report to ensure that the key messages were effectively and consistently communicated and that meaningful links between the business model, strategy, KPIs, principal risks and remuneration were clearly identified throughout the Annual Report. The Committee also reviewed the proportionate and consistent consideration of climate matters across the Annual Report, including the Task Force on Climate-Related Financial Disclosures (TCFD) statement and an asset-by-asset review for impairment purposes, and considered that the disclosures were appropriate.

Alongside this review, the Committee considered guidance provided by the Financial Reporting Council (FRC) throughout the year and took into account the updated Corporate Governance Code 2024.

Following a review of the contents of the Annual Report alongside the aforementioned criteria, the Committee reported its recommendation to approve the Annual Report to the Board.

Significant matters in the 2024 Financial Statements

Throughout 2024, the Committee provided ongoing challenge to management's accounting, reporting and internal controls. The Committee discussed with management and the external Auditor the significant areas of complexity, management judgement and estimation in relation to the Financial Statements, and the impact of any accounting developments or legislative changes. The Committee has satisfied itself that management had adequately identified and considered all potentially significant accounting and disclosure matters. The key items discussed are outlined on pages 132 and 133.

Internal control and risk management

The Board is responsible for establishing procedures to manage risk, overseeing the internal control framework and determining the nature and extent of the principal risks the Company is willing to take to achieve its long-term objectives. The Committee supports the Board by reviewing the effectiveness of the Group's internal control and risk management systems and assessing emerging and principal risks, and undertook such a review in respect of 2024.

In order to effectively review the internal control and risk management systems, the Committee:

- receives regular reports from management, the Risk and Assurance team and the external Auditor on the effectiveness of the systems for risk management and internal controls, including financial, operational and compliance controls;
- reviews the process by which risks are identified (including procedures in place to identify emerging risks and linkage to wider consideration of strategy and resilience) and assesses the timeliness and effectiveness of action taken by management, including regular reports on the Company's overall risk management and internal controls systems and principal risks; and
- receives regular reports relevant to risk management and internal controls, both financial and non-financial, to ensure that current and emerging risks are identified and assessed and that there is an appropriate management response (see pages 44 to 51 for further detail on our risks and initiatives to manage them).

Audit Committee Report continued

As part of the Committee's review of the internal control and risk management systems, key financial, operational and compliance controls across the business continue to be monitored and tested throughout the year. The Committee assesses the approach to Sarbanes-Oxley Act 2002 (SOX) compliance in accordance with our US obligations and reviews reports on the progress of the SOX programme at each meeting. During the year, the Committee received updates on the automation of SOX controls and the ongoing programme to streamline the overall control count in line with continued best practice and advances in automation.

During 2024, the Committee considered the activity undertaken by the Risk and Assurance team to enhance the Board's oversight of risk management and internal controls. The Committee also received presentations on:

- cybersecurity and fraud trends and increased areas of focus (including AI and automation);
- regulatory developments relating to franchise law, privacy, ethics and compliance and non-financial reporting;
- litigation risks for franchisees, including risks of vicarious liability for human trafficking and operational safety and security; and
- the impact of IHG's growth strategy, including evolving geographic and ownership profiles, on operational standards such as brand safety standards.

Having reviewed the internal controls and risk management systems throughout the year, the Committee concluded that the Group continues to have an effective system of risk management and internal controls, and that there are no material weaknesses in the control environment.

Tax risks, policies and governance

The Group's CFO has responsibility for tax and tax policies at Board level. These policies and procedures are subject to regular review and update and are approved by the Audit Committee. Procedures to minimise risk include the preparation of thorough tax risk assessments for all transactions carrying material tax risk and, where appropriate, material tax uncertainties are discussed and resolved with tax authorities in advance.

 Our Approach to Tax document is available at ihgplc.com/en/responsible-business/policies-and-position-statements

Principal risk areas

During the year, the Committee discussed and assessed the range and aggregate impact of dynamic risks that the Group faced in the context of the ongoing volatility in the geopolitical and macro-economic environment. Factors noted in the Committee's discussions included:

- the pace of digitalisation (for example, rapidly evolving technology ecosystems and cloud capabilities);
- intensifying expectations of growth and scale, including in new markets and with evolving deal structures; and
- growing opportunities for operational efficiency and effectiveness involving organisational models and automation.

Further details of our principal risks, uncertainties and review process can be found on pages 46 to 51.

Non-audit services

IHG's Audit and Non-Audit Services Pre-Approval Policy helps to ensure that the external Auditor's independence and objectivity are not impacted by non-audit services provided by the external Auditor. The policy is reviewed by the Audit Committee annually.

The policy requires that pre-approval is obtained from the Audit Committee for all services provided by the external Auditor before any work can commence, without any de minimis threshold in line with US Securities and Exchange (SEC) requirements and UK ethical standards.

The Committee reviewed the audit and non-audit fees incurred with the external Auditor and noted that there had been no prohibited services (as defined by SOX or under UK ethical standards)

provided to the Group during the year. The Committee is prohibited from delegating non-audit services approval to management and compliance with the policy is actively managed.

IHG is committed to maintaining non-audit fees at a low level and the Committee remains cognisant of the guidelines of investor advisory bodies on non-audit fees. During 2024, 12% of services provided to the Group were non-audit services (2023: 10%), primarily related to System and Organisation Controls Reports. These services are typically performed by external auditors as knowledge of the Company or Group is necessary for the provision of the non-audit services. Details of the fees paid to PwC for non-audit and statutory audit work during 2024 can be found on page 214. The Committee is satisfied that the Company was compliant during the year with the FRC's Ethical and Auditing Standards in respect of the scope and maximum permitted level of fees incurred for non-audit services provided by PwC. Where non-audit work is performed by PwC, both the Company and PwC ensure adherence to robust processes to prevent the objectivity and independence of the external Auditor being compromised.

Risk and assurance – Internal Audit

The Committee discusses and approves the Internal Audit annual plan, which aims to provide objective and insightful assurance that appropriate controls are in place to support our strategy and growth ambitions. Progress against the Internal Audit plan is reported at each meeting and, during 2024, the Committee reviewed several areas set out in the plan relating to dynamic risk trends, particularly in areas with less mature controls, including data and information usage, operational resilience, and technology and/or digital performance innovations. The plan also adapted during the year to respond to the evolving ESG regulatory landscape and to consider the impact of ongoing organisational changes on risk management and internal control arrangements.

The Committee also received updates on the arrangements for confidential reporting and on certain investigations supported by Internal Audit during the year.

The 2025 plan presented to the Committee in December 2024 maintains focus on the integrity of the risk management and internal control system, providing independent assurance to complement management's own activities where these are relatively mature, well governed and/or regulated. Areas of focus in 2025 include the delivery of key owner and growth-focused initiatives; procurement and technology vendor risk management; and the ability of the Group's data governance frameworks to meet evolving regulatory requirements.

Following consideration, the Committee confirmed its agreement to the 2025 Internal Audit plan, including the assurance objectives identified. The Committee reviews the results of completed audits and observations from other ongoing assurance and control improvement support, as well as actions taken by management in response to Internal Audit's work.

The functional effectiveness of Internal Audit is assessed on an ongoing basis and reported to the Committee throughout the year. During 2024, this has involved feedback from auditees and self-assessment of execution against methodology. This has highlighted conformance to recently revised recognised standards for internal auditing and enhanced utilisation of audit technology tools, while identifying opportunities for ongoing improvement, for example, deepening audit team knowledge of key business initiatives and sharing of audit recommendations with regional management. An independent quality evaluation of the function was last conducted in 2023.

Governance and compliance

The Committee is also responsible for reviewing the Group's Code of Conduct and related policies.

Looking forward

During 2025, the Committee will remain focused on the Group's internal control and risk management environment and approach to financial reporting. In doing so, the Committee will take into account developments in reporting responsibilities, including those relating to changes in the UK Corporate Governance Code and other regulatory requirements.

External Auditor – reappointment of PwC

The Committee reviewed and assessed PwC's performance during the year and considered its reappointment as the Group's external Auditor. PwC has been the Group's Auditor since its appointment in March 2021, following a tender process in 2019. During 2024, Andrew Hammond succeeded Giles Hannam as PwC's lead audit partner.

The Committee regularly reviewed and assessed the progress of the audit throughout the year and also undertook a detailed effectiveness assessment through two surveys; one for Committee members and the other for senior management.

The surveys focused on the following areas:

- the quality and service of the audit team;
- audit planning and execution;
- communication with the Committee and senior management;
- the Auditors' assessment of process controls and financial reporting; and
- the independence and objectivity of the Auditors.

The responses to the surveys were positive and noted in particular that the PwC audit team had developed a clear audit plan that was effectively communicated, demonstrated strong technical expertise and provided constructive challenge.

During 2024, the Committee also agreed with PwC that reporting would be provided against a series of audit quality indicators to support the Committee's assessment of audit quality. This reporting was provided for the first time in February 2024.

Accordingly, the Committee concluded that the PwC audit team was providing the required quality in its provision of audit services and maintained appropriate levels of independence and objectivity. The Committee therefore recommended to the Board the continued appointment of PwC as external Auditor.

The Group has complied with the requirements of the Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Tender Processes and Audit Committee Responsibilities) Order 2014, which relates to the frequency and governance of tenders for the appointment of the external Auditor and the setting of a policy on the provision of non-audit services.

Correspondence with UK regulator

The Group received a letter dated 13 November 2024 from the FRC in respect of the Group's Annual Report 2023. The FRC did not raise any substantive questions or queries but noted a small number of matters for consideration for the Annual Report 2024. The Group addressed the FRC's comments and took them into account in the preparation of the Annual Report and Form 20-F 2024.

The FRC's review was based solely on the annual report and accounts and did not benefit from detailed knowledge of the Group's business or an understanding of the underlying transactions entered into. It was, however, conducted by staff of the FRC who have an understanding of the relevant legal and accounting framework. The FRC's letter provided no assurance that the annual report and accounts were correct in all material respects; the FRC's role was not to verify the information provided to it, but to consider compliance with reporting requirements. The FRC's letter was written on the basis that the FRC (which includes its officers, employees and agents) accepts no liability for reliance on it by the Company or any third party, including but not limited to investors and shareholders.

Audit Committee Report continued

Significant matters in the 2024 Financial Statements

Area for focus	Issue/Role of the Committee	Conclusions/Actions taken
Accounting for IHG One Rewards	Accounting for IHG One Rewards requires significant use of estimation techniques and represents a material deferred revenue balance. The Committee reviews the controls, judgements and estimates related to accounting for IHG One Rewards.	<p>The Committee reviewed the deferred revenue balance, the valuation approach, the results of the external actuarial review and procedures completed to determine the breakage assumption for outstanding IHG One Rewards points. The Committee concluded that the deferred revenue balance is appropriately stated.</p> <p>The Committee met with senior finance management to review the new US co-brand credit card agreements, the services provided by the Group and the allocation of revenue to each of those services which was supported by a third-party valuation. The Committee concluded that the accounting treatment is appropriate and that the allocation of revenues is not a significant estimate as a material change in estimate is not expected in the next 12 months.</p>
Accounting for the System Fund	Given the unique nature of the System Fund, the Committee reviews the controls and processes related to System Fund accounting.	<p>The Committee met with senior finance management to review and evaluate the risk areas associated with the System Fund. The Committee reviewed a paper from management summarising the principles determining the allocation of revenues and expenses to the System Fund and the related governance and internal control environment.</p> <p>The Committee also reviewed management papers concerning changes to System Fund arrangements including the lowering of assessment fees and the treatment of ancillary revenues.</p> <p>The Committee concluded that the accounting treatment of the System Fund and related disclosures are appropriate. The Committee was satisfied that the changes to the System Fund aligned with terms agreed with owners and that appropriate controls had operated around those changes.</p>
Exceptional items	The Group exercises judgement in presenting exceptional items. The Committee reviews and challenges the classification of items as exceptional based on their size, nature or incidence, with consideration given to consistency of treatment with prior years and between gains and losses.	The Committee discussed with management and reviewed papers outlining the significance, timing and nature of items classified as exceptional (see pages 215 to 216). The Committee reviewed and challenged reversals of prior year items to ensure consistency of treatment. The Committee also considered the sufficiency of disclosure and whether such disclosure explained the rationale for why each item is considered to be exceptional. The Committee concluded that the disclosures and the treatment of the items shown as exceptional are appropriate.
Litigation and contingencies	From time to time, the Group is subject to legal proceedings, the ultimate outcome of each being subject to many uncertainties. The Committee reviews and evaluates the need for provisioning and considers the adequacy of the disclosure.	At each meeting during the year, the Committee discussed with the Group's General Counsel and senior finance management reports detailing all material litigation matters including commercial disputes. The Committee discussed and agreed any provisioning requirements based on underlying factors. Disclosures were assessed, with particular emphasis on the completeness of uncertainties disclosed.
Impairment testing	Judgement is applied in assessing whether triggering events for impairment testing of assets or cash-generating units have occurred. The Committee scrutinises the methodologies applied and the potential for asset impairment or impairment reversal.	The Committee discussed with management and reviewed reports outlining the approach taken on impairment testing and key assumptions and sensitivities supporting the conclusion on the various asset categories. The Committee examined in detail whether triggering events for impairment testing had occurred. The Committee also considered whether proposed reversals represented real improvements in assets' potential cash generation or arose only due to passage of time. The Committee agreed with the determinations reached on impairment.

Significant matters in the 2024 Financial Statements

Area for focus	Issue/Role of the Committee	Conclusions/Actions taken
Regulatory reporting requirements	The Committee reviews the need for reports and communications required by regulations including the Listing Rules, Market Abuse Regulations, the Companies Act and SEC rules.	<p>The Committee reviewed major events during 2024, including changes to System Fund arrangements and new co-brand credit card agreements, and confirmed appropriateness of market announcements.</p> <p>The Committee reviewed management's assessment of the requirement to include an additional Schedule to the Annual Report and Form 20-F comprising condensed parent company financial information presented under IFRS and in US dollars. The Committee concluded that it was appropriate to include the additional Schedule to support compliance with SEC rules and that the Schedule is properly prepared and presented.</p>
Going concern and viability	The Committee reviews management's financial modelling to conclude on the appropriateness of the going concern and viability statement.	The Committee reviewed and challenged the scenarios considered by management, the detailed cash flow forecasts and the mitigating actions available to management considered in its going concern assessment to June 2026 and the three-year viability assessment and concluded that these were appropriate. The Committee also reviewed and challenged the reverse stress test assumptions to confirm the viability of the Group. The Committee reviewed going concern disclosures (page 197) and the viability statement (pages 109 and 110) and is satisfied that these are appropriate.
Climate risk	In preparing the Group Financial Statements, the potential impacts of climate change have been considered.	The Committee reviewed an analysis from management summarising the approach taken to consider climate risk in the Group Financial Statements and concluded that the disclosures were appropriate. The Committee agreed that the disclosures made in respect of the TCFD were appropriate. The Committee satisfied itself that the approach across the Annual Report has been proportionate and consistent.
Disclosures and accounting policies	The Committee considers the appropriateness of accounting treatment and disclosures in the Group Financial Statements.	<p>The Committee reviewed management summaries of the accounting treatment of certain contracts executed in the year. The Committee reviewed new financial statement disclosures concerning changes to the System Fund and co-brand credit card agreements. The Committee also reviewed correspondence from the FRC and management proposals to refine other disclosures in certain areas of the Financial Statements.</p> <p>The Committee concluded that the accounting treatments applied and the disclosures to the Group Financial Statements are appropriate and proportionate.</p>
Impact of IFRS 18	IFRS 18 'Presentation and Disclosure in Financial Statements' will be adopted from 1 January 2027. In advance of major new accounting standards, the Committee assesses management's plan for adoption.	The Committee reviewed a management paper summarising the requirements of IFRS 18 and management's progress to date in assessing the impacts of the new standard. The Committee concluded that management's plan for continuing assessment and eventual adoption is appropriate.

Responsible Business Committee Report



“We are committed to ensuring that IHG’s people, communities, and planet priorities align with the Group’s strategic and responsible business objectives.”

Graham Allan
Chair of the Responsible
Business Committee

Highlights

- Review of the Group’s strategy, workstreams and metrics in relation to each of its Journey to Tomorrow pillars.
- Worked together with the Remuneration Committee on the inclusion of carbon and people measures in the LTIP.
- Expanded engagement with the Group’s workforce through the Voice of the Employee programme.

Key duties and role of the Committee

Key objectives and summary of responsibilities

The Committee reviews and advises the Board on the Group’s responsible business objectives and strategy, including its impact on the environment and climate change; social, community and human rights issues; its approach to sustainable development and responsible procurement; and stakeholder engagement in relation to the Group’s approach to responsible business. The Committee is also responsible for assessing the Board’s engagement with the workforce and reviewing the Group’s culture and inclusivity.

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.

+ The ToR are available at ihgplc.com/investors under Corporate governance.

Membership and attendance at meetings

The Committee’s membership and attendance at meetings are set out on page 118. The Chair of the Board, CEO, General Counsel and Company Secretary, Executive Vice President, Global Corporate Affairs, Chief Sustainability Officer and Deputy Company Secretary attended all meetings held during the year.

Reporting to the Board

The Committee Chair updates the Board on all key issues raised at Committee meetings. Papers and minutes for each meeting are also circulated to all Board members, who are invited to request further information where necessary.

Effectiveness of the Committee

In 2024, the Committee’s effectiveness was reviewed as part of the internal Board evaluation process.

The Committee concluded that it remains effective and meets its responsibilities well. Focus areas identified include consideration of the potential change in market sentiment on environmental and social matters and the impact on the Group’s overall responsible business strategy.

Focus areas and activities

Responsible business commitments

The Committee’s key responsibilities and focus areas over the year have been:

- assessing the 2024 strategic priorities that support the Group’s 2030 responsible business commitments and monitoring the progress against them;
- reviewing the status of the Group’s carbon target and the work undertaken by management in respect of the target. This included the integration of energy conservation measures into brand standards, the development of new-build hotels that operate with very low carbon emissions, launch of the Low Carbon Pioneer programme, and the exploration of future options for renewable energy initiatives;
- assessing the Group’s culture and inclusivity, including building talent pipelines for a global business at both the corporate and hotel level;
- working with the Remuneration Committee to consider current and future measures included in the LTIP for Executive Directors and senior leaders, relating to people and the environment;
- reviewing the Group’s human rights programme and Modern Slavery Statement, with particular focus on the Group’s Responsible Labour requirements;

- monitoring the progress of key workstreams in relation to the Group's responsible procurement strategy, including its alignment with the Group's responsible business commitments. Particular attention was given to expanding IHG's supplier base, supplier due diligence and certification processes, and industry collaboration and regulatory developments relating to the supply chain; and
- assessing the Group's approach to meeting its commitment to improve the lives of people in our communities around the world and its strategic collaboration with Action Against Hunger.

+ Further information on our 10-year responsible business plan can be found on pages 52 to 63.

Looking forward

During 2025, the Committee will continue to focus on monitoring the progress of the Group's responsible business commitments.

+ Our Responsible Business Report is available at ihgplc.com/responsible-business

Voice of the Employee

As IHG's designated Non-Executive Director (NED) with responsibility for workforce engagement (Voice of the Employee), Duriya Farooqui, supported by the Board and the Group's Global HR team, held a series of employee interface sessions throughout the year to engage directly with members of IHG's corporate and hotel workforces, with the aim of sharing feedback with the Board for consideration in its decision-making.

Role and responsibilities

The role and responsibilities of the designated Voice of the Employee NED are to:

- support the design of the structure and content of Board discussions on employee engagement and culture;
- evaluate employee engagement approaches and their effectiveness;
- ensure that employee feedback and interests are factored into the Board's decisions and KPI setting;
- ensure that the Board, through the Executive Committee, has effective methods of receiving feedback from employees and communicating Board and executive decisions and priorities throughout the organisation;
- ensure that all significant business and budget proposals include a management assessment of the impact on employees; and
- ensure that executives share employee feedback openly, transparently and in a balanced way, including reviewing employee engagement surveys and other employee reports, including whistleblowing.

2024 engagement

Throughout 2024, Duriya, with the participation of several other NEDs and Chair Deanna Oppenheimer, hosted 14 employee interface meetings to engage with a cross-section of employees, and received detailed feedback. These feedback sessions, which were a mix of in-person and virtual meetings/forums, included leader groups within the hotel, reservations and corporate populations, and employee resource groups (ERGs), across the UK, US, India, China and various EMEA countries, as well as colleagues who have recently joined the organisation.

Discussion topics and themes in relation to the feedback received from employees included: workplace culture; leader communications; strategy, prioritisation and collaboration; talent attraction; onboarding and retention; and career development.

Angie Risley, the Chair of the Remuneration Committee, also joined sessions to obtain feedback in relation to IHG's remuneration policies.

Additional engagement and activities undertaken by Duriya, the Chair of the Board, and other NEDs during the year included:

- monitoring and reviewing the content and feedback from global 'all employee' CEO calls;
- reviewing employee engagement survey results;
- engaging with the Global HR Leadership team to receive broader cultural insights; and
- engaging directly with senior leaders at Board and Committee meetings and the Board strategy event.

Insights and learnings

Duriya provided regular feedback to the Responsible Business Committee and the Board throughout the year, with key Board discussions taking place around the insights as well as action planning arising from employee engagement survey results.

Plans for 2025

Duriya will remain as the Board member with responsibility for workforce engagement in 2025, assisted by additional NEDs.

A schedule of discussions and feedback sessions has been arranged for 2025 and will continue to encompass a wide group of employees and leaders from across all regions, including ERGs and Lean In Circles. The discussion topics will be tailored to specifically focus on those areas that support the strategy and the evolving culture. Additionally, the Board will continue to keep the functioning of the Voice of the Employee programme under review to ensure it meets best practice and complies with regulatory developments.

Nomination Committee Report



“Disciplined planning helps to ensure the development of a broad pipeline for succession at Board and Executive Committee levels.”

Deanna Oppenheimer

Chair of the Nomination Committee

Key duties and role of the Committee

Key objectives and summary of responsibilities

In line with UK corporate governance principles, the Committee reviews the composition of the Board and its Principal Committees, evaluating the balance of skills, experience, independence, knowledge and diversity before making appropriate recommendations to the Board as to any changes. It also ensures that plans are in place for orderly succession both for 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, including processes in relation to appointments, are set out in its Terms of Reference (ToR), which are reviewed annually and approved by the Board. The ToR state that the Committee is responsible for considering and proposing potential candidates for appointment to the Board and maintaining oversight of Board and individual Director performance.

+ The ToR are available at ihgplc.com/investors under Corporate governance.

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

- assessing the composition of the Board and the Principal Committees and succession planning, in accordance with the ToR and consistent with applicable policies;
- overseeing the internal performance evaluation of the Board and its Principal Committees as well as the evaluation of individual Non-Executive Directors; and
- monitoring the Executive Committee and senior leadership talent and succession planning.

Membership and attendance at meetings

The Committee’s membership and attendance at meetings are available on page 118. All members of the Committee are Non-Executive Directors. When the Committee considers matters relating to the Chair of the Board, the Senior Independent Non-Executive Director (SID) acts as Committee Chair.

Reporting to the Board

The Committee makes recommendations to the Board for all Board appointments. Minutes are circulated to and reviewed by Committee members, and the Committee Chair reports back to the Board on the activities of the Committee following each meeting.

Highlights

- Continued assessment of Board and Committee composition and succession plans.
- Successful execution of Executive Committee succession planning.
- Oversaw the completion of the internal Board and Committee evaluation process.

Effectiveness of the Committee and External Evaluation

During 2024, the Committee was reviewed as part of the internal Board evaluation process. Details of the internal evaluation, including how it was conducted and the actions arising from the evaluation, are set out on page 127. The Committee concluded that it remains effective and noted the continued focus on Board composition and executive and senior talent succession.

Focus areas and activities

Board and Principal Committee composition and succession planning

The Committee regularly reviewed and considered Board refreshment and succession plans. The Committee discussed the balance of skills and competencies across the Board and the Board Committees and, to further inform its analysis, the Committee maintained a Board refreshment schedule, which sets out an overview of the Board's tenure, gender, ethnicity and Committee assignment considerations.

In its consideration of Board composition and succession plans, the Committee, in line with UK corporate governance requirements, also took into account the external metrics used to measure progress within FTSE 100 companies in relation to gender and ethnic diversity for the Board and senior leadership, noting IHG's performance against the external benchmarks.

Other than Sir Ron Kalifa's appointment to the Board from 1 January 2024, details of which were included in our Annual Report and Form 20-F 2023, no new appointments to the Board were made during the year.

Executive Committee appointments

The Committee discussed and considered the changes to the Executive Committee during the year, including the promotion of Daniel Aylmer as CEO Greater China; the promotion of Jolie Fleming as Chief Product and Technology Officer; and the creation of a new Global Commercial and Marketing function, led by Heather Balsley.

The Committee considered the search processes which had been followed to consider candidates for these positions, including the assessment of external and internal candidates as relevant, and concluded it should recommend the appointments to the Board.

Internal evaluation

The Committee oversaw the internal Board and Board Committee evaluation process. The Committee approved the development of questionnaires by Committee Chairs with the support of the Company Secretary, which focused on overall performance and effectiveness as well as matters specific to the Board and respective Committees, before being circulated to Board members.

The Committee also considered and endorsed the approach to individual Non-Executive Director evaluation, with the Senior Independent Non-Executive Director conducting individual Non-Executive Director evaluations as well as the Chair evaluation, to allow for continued independent assessment of Directors' performance.

Further information on the Board and Committee internal evaluation process as well as the individual Non-Executive Director evaluations can be found on page 127.

Executive Committee talent and succession

Throughout the year, the Committee also received updates on talent and succession planning at Executive Committee and senior leadership levels, noting in particular progress in relation to building depth of internal talent and a performance culture.

In compliance with the UK Listing Rules, information on the gender and ethnicity balance of the Board and the Executive Committee is included on pages 120 and 121. Information on the gender and ethnicity balance of senior management is included on pages 56 and 57.

The Group's Global Diversity, Equity, Inclusion and Equal Opportunities Policy reflects the global nature of our business and our desire to create a culture of inclusion across all of the 100 countries we operate in. The policy applies in respect of the Board and its Principal Committees, and when assessing and considering succession planning at Board and Executive Committee levels, the Committee takes diversity considerations into account consistent with the policy. The policy further aligns to the Group's responsible business commitments and a description of progress against these commitments is included in the 2024 Responsible Business Report, available at [ihgplc.com/Responsible Business](https://ihgplc.com/ResponsibleBusiness) under Reporting.

Looking forward

In 2025, 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 we attract top talent that reflects the owners, guests and communities with whom we do business.

Directors' Remuneration Report



"I am delighted to present the 2024 Directors' Remuneration Report which highlights the link between business strategy, performance and pay."

Angie Risley

Chair of the Remuneration Committee

Table of contents

At a glance

Pages 140 to 141

A snapshot of remuneration earned for 2024 and alignment of pay with strategy.

Remuneration at IHG – the wider context

Pages 142 to 143

Details of the remuneration arrangements across IHG.

Annual Report on Remuneration

Pages 144 to 158

Details on the individual elements of remuneration for 2024 and other remuneration disclosures relating to the year.

Introduction to 2025 Directors' Remuneration Policy

Pages 159 to 166

The background to a review of our remuneration arrangements for Executive Directors.

2025 Directors' Remuneration Policy

Pages 167 to 175

The full Directors' Remuneration Policy proposed to apply from the 2025 AGM.

On behalf of the Board, I am delighted to present the Directors' Remuneration Report for the financial year ended 31 December 2024. In this report, I set out how we are incorporating the expectations of our employees, our shareholders and our wider stakeholders into our approach to executive pay, both for the year in review and as we look ahead to 2025 and beyond.

2024 business performance context

Driven by our ambitious growth algorithm, business performance was excellent across all KPIs during 2024. We grew Global RevPAR by 3.0% and net system size by 4.3%, while operating profit from reportable segments^a increased by 10.3% to \$1,124m.

From an investor perspective, we have seen substantial growth in shareholder value. A total proposed dividend for the year of 167.6c and the completion of a share buyback programme during 2024 of \$800m will result in \$1bn being returned to shareholders in respect of 2024. A further \$900m buyback programme has been approved for 2025.

Overview of 2024 remuneration outcomes

The incentive plan outcomes for 2024 reflect our strong business performance over the short and long term:

- The achievement on Annual Performance Plan (APP) metrics (operating profit from reportable segments, room openings and room signings) resulted in awards for Executive Directors of 63% of maximum, reflecting the above target performance of the business.
- The vesting outcome of the 2022–24 Long Term Incentive Plan (LTIP) award was 85% of maximum. The business continued to deliver against ambitious absolute cash flow targets, generated net system size growth (NSSG) above the median of our most direct peers and achieved upper quartile relative Total Shareholder Return (TSR).
- The Remuneration Committee (Committee) reviewed the formulaic performance outcomes in line with the framework for assessing discretion. The Room openings and Room signings targets for the APP were

increased during the year, and, as last year, a minor adjustment was made to the LTIP to reflect IHG's decision to cease operations in Russia. For more information see pages 145 and 146.

The increase in the CEO's total single figure of remuneration between 2023 and 2024 is primarily due to a higher LTIP value for 2024 relative to 2023. This is the result of higher share price appreciation and stronger performance, with a higher associated vesting outcome.

The Committee agreed a 4% salary increase for Michael Glover for 2024 in line with that for the global corporate workforce. While originally it was intended that Elie Maalouf would not receive a salary increase for 2024, his performance was identified as being particularly strong. It also became apparent during the review carried out during the year that our CEO's total pay was substantially behind peers. The Committee therefore approved a 4% salary increase with effect from 1 July 2024, which is aligned with the increase for the broader corporate employee base for 2024. This decision was discussed with some of our major shareholders.

Review of remuneration

We have undertaken a significant review of remuneration arrangements for the Executive Directors and other key senior roles during the last year, as well as reviewing pay for the wider workforce, focusing on further strengthening the link between pay and performance (see pages 159 to 166 for further detail). This review has culminated in the development of the first Directors' Remuneration Policy during my tenure as Chair of the Committee.

The Board's view is that performance of the Executive Directors has been very strong over the last year, as reflected in corporate performance. In this context, an early review of remuneration ahead of the scheduled timing in 2026 was considered a priority to help secure the talent that has proven to be highly effective in evolving and delivering strategic priorities and in the creation of shareholder value. In addition, a new policy will ensure the long term succession imperative.

We have undertaken a detailed process during which we have analysed our inflows and outflows of senior talent,

a. Definitions for Non-GAAP revenue and operating profit measures can be found on pages 103 to 108. Reconciliations of these measures to the most directly comparable line items within the Group Financial Statements can be found on pages 266 to 272.

carried out a full assessment of this market from which we attract talent from and lose talent to, and sought to more closely align Executive Director pay elements with our strategy, the competitive market for talent and the structure for the wider workforce.

We have undertaken several rounds of shareholder consultation, and listened carefully to the feedback. I would like to thank all the shareholders and the proxy bodies I have met for their time, their support and for their valuable insights which have directly shaped our proposals.

Remuneration review timing

While the triennial review of the Directors' Remuneration Policy is not due until 2026, we are keen to secure support for a revised policy at the 2025 AGM for the following reasons:

- We are increasingly experiencing senior talent retention issues and want to secure the retention and incentivisation of Elie Maalouf and Michael Glover at the earliest opportunity as the leaders who have driven the success of the business to date, and whose performance has been exceptional. The Board is confident that Elie and Michael are the right people to deliver on our ambitious growth strategy.
- Putting in place a revised policy now provides a robust framework for retention of senior talent and the succession pipeline for these Executive Director roles.
- With a new policy being put in place in 2025, it will be at least 2030 before the Executive Directors receive any value from new share awards granted in 2025 given a five-year term to release, subject to performance.

Board changes

As previously reported, Sir Ron Kalifa joined the Board on 1 January 2024. Daniela Barone Soares stepped down from the Board on 31 December 2024. Fees and benefits were payable to Daniela up to the date of stepping down with no further payments being made, in line with the approved policy.

Wider workforce remuneration and employee engagement

In 2024, the average budget for salary increases was 4% for our UK and US corporate workforce. The overall average budget for 2025 increases will be 3% for our UK and US corporate workforce.

For the UK leased hotel estate, in agreement with the owner, budgeted 2024 salary increases ranged from 3% to 13% with higher increases applicable for frontline workers. Budgeted 2025 salary increases range from 2% to 9%.

The Real Living Wage will be applied for 12 months from April 2025, as a minimum, for all staff in line with the Real Living Wage Foundation level; zero-hour contracts are not utilised in the UK leased estate. Between 2023 and 2025, entry level salaries in our UK leased hotel estate increased by 15% relative to 7% budgeted increases for our corporate population including senior management.

An additional £8m was made available to the budgeted amount for the personal performance element of our 2024 Annual Performance Plan to increase bonus amounts for our strongest performers below Executive Committee level.

For corporate colleagues, in 2024 we enhanced employee benefits for IHG hotel stays, as well as providing three additional days of leave.

We were pleased to see our overall employee engagement scores remain resilient at 87%, which once again saw IHG accredited as a Mercer Global Best Employer.

IHG was named in the Fortune 100 Best Companies to Work For 2024. We are also pleased to see that our Gender Pay Gap continues to improve, with our median Gender Pay gap in the UK decreasing by 22 percentage points since 2017.

I have had the opportunity to participate in an employee engagement session in 2024 alongside Duriya Farooqui and other Non-Executive Directors as part of our Voice of the Employee sessions (further details of which can be found on page 135). I would like to thank all colleagues involved in these sessions for their time and feedback.

Remuneration for 2025

Executive Directors' salaries will increase by 3% with effect from 1 April 2025, aligned with the UK and US corporate workforce. The CEO's salary was reviewed as part of the policy review. Conditional upon approval of the revised policy at the 2025 AGM, the CEO's base salary will instead be increased by 6.8% rather than 3%. The Committee believes that the proposed increase is fair, necessary in the wider market and business context which has been exceptionally strong, and consistent with practice for corporate employees below Board level.

The APP measures for 2025 will be the same as those for 2024, namely operating profit from reportable segments (70%), room signings and room openings (15% each).

Measures for the 2025–27 LTIP cycle are relative Total Shareholder Return (20%); relative net system size growth (25%); cash flow (20%); adjusted earnings per share (EPS) (25%); and carbon and people metrics (10%). These are the same categories used for the 2024–26 cycle, with increased weighting on EPS and relative net system size growth by 5% each and reduced weighting on carbon and people metrics by 10%. We also increased the level of stretch in the EPS targets (see page 157 for further detail). This is the outcome of a review of LTIP measures in the context of our strategic priorities including our growth algorithm. It was concluded that the weightings of the EPS and relative net system size growth measures should be increased to support the achievement of this.

Subject to approval of the policy, Restricted Stock Unit (RSU) awards will be granted to Executive Directors which will vest subject to meeting an underpin. Further details are set out on page 156.

About this report

This report is longer in length to recognise the important narrative regarding the policy proposals. The Directors' Remuneration Report (pages 138 to 166) will be put to an advisory vote and the Directors' Remuneration Policy (pages 167 to 175) will be put to a binding vote by shareholders at the May 2025 AGM.

Angie Risley

Chair of the Remuneration Committee
17 February 2025

Directors' Remuneration Report continued

Remuneration at a glance

Key

Within the Directors' Remuneration Report, we have used colour coding to denote different elements of remuneration as follows:

- Salary

■ Benefits

■ Pension benefit

■ Long Term Incentive Plan (LTIP) – performance-based shares

■ Annual Performance Plan (APP) (up to 70% paid in cash with a minimum of 30% deferred into shares)

■ Long Term Incentive Plan (LTIP) – restricted stock units

☑ Shareholding

Audited information

Content contained within a tinted panel highlighted with an 'Audited' tab indicates that all the information within the panel is audited.

Executive Director remuneration in 2024

Elie Maalouf Chief Executive Officer
Value (£000)



Michael Glover Chief Financial Officer
Value (£000)

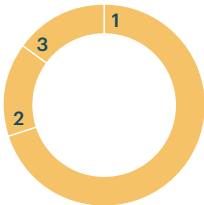


How we performed in 2024

APP

63.0%

2024 APP achievement (% of maximum)



- 1 Operating profit from reportable segments: 70%
- 2 Room signings: 15%
- 3 Room openings: 15%

- Overall achievement between target and maximum.
- Very strong signings performance towards the maximum.

Operating profit from reportable segments^a (\$m)

Actual 1,135 (59.4% of maximum)		
Threshold	Target	Maximum
1,042	1,120	1,198

Room signings (k rooms)

Actual 106.2 (82.7% of maximum)		
Threshold	Target	Maximum
89.8	99.7	109.7

Room openings (k rooms)

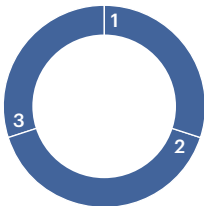
Actual 59.1 (60.2% of maximum)		
Threshold	Target	Maximum
52.1	57.9	63.7

a. Definitions for Non-GAAP revenue and operating profit measures can be found on pages 103 to 108. Reconciliations of these measures to the most directly comparable line items within the Group Financial Statements can be found on pages 266 to 272.

LTIP

84.7%

2022/24 LTIP achievement (% of maximum)



- 1 Total Shareholder Return: 30%
- 2 Net system size growth: 40%
- 3 Absolute cash flow: 30%

- Overall achievement between target and maximum.
- Exceptional cash flow and relative TSR performance above maximum targets set.
- Strong relative NSSG above median.

Relative Total Shareholder Return (%)

Actual 101.9% (100% of maximum)		
Threshold	Maximum	
46.5%	86.5%	

Relative net system size growth (%)

Actual 4.2% (61.7% of maximum)		
Threshold	Maximum	
3.1%	5.2%	

Absolute cash flow (\$bn)

Actual 3.02 (100% of maximum)		
Threshold	Maximum	
1.58	2.11	

Aligning variable elements of remuneration to strategy in 2024

What we do

Provide True Hospitality for Good

Why we do it

To be the hotel company of choice for guests and owners

How we make it happen



**Relentless focus
on growth**

























**Brands guests
and owners love**



**Leading
commercial engine**



**Care for our people,
communities and planet**

Element	Measures and weightings	Link to strategy	Explanation
Annual Performance Plan (APP)	Operating profit from reportable segments (70%)	  	<ul style="list-style-type: none"> – The strength and breadth of our portfolio, tailored services and solutions, as well as our technology and platforms drive consumer preference, owner returns and rooms growth; all contributing to our revenues and profit. – Openings and signings are two of our key drivers of system size and central to our strategy of accelerating the growth of our brands in high-value markets. – The underlying performance of the business will be reviewed in considering the potential application of discretion to formulaic outcomes of the APP measures.
	Room signings (15%)	 	
	Room openings (15%)	  	
Long Term Incentive Plan (LTIP)	Relative Total Shareholder Return (20%)	  	<ul style="list-style-type: none"> – Our strategy is intended to deliver unmatched guest experiences and unrivalled owner returns for our stakeholders, including competitive total shareholder returns. – Our strategy is to accelerate the growth of our brands in high-value markets by using our global scale and expertise so it is important that this forms a key element of our management team's LTIP. – Enhancing our customer and owner offer and accelerating the growth of our brands in high-value markets drives sustained growth in cash flows and profits over the long term, which can be reinvested in our business and returned to shareholders. – Measures aligned to our people and planet business priorities are included in our LTIP targets. – EPS provides a measure of the efficiency of the capital structure, as well as promoting further alignment with shareholder experience and value.
	Relative net system size growth (20%)		
	Absolute cash flow (20%)	  	
	Carbon and people (20%)	   	
	Adjusted earnings per share (20%)	  	

Directors' Remuneration Report continued

Remuneration at IHG – the wider context

How our reward practices are aligned across all levels of the organisation

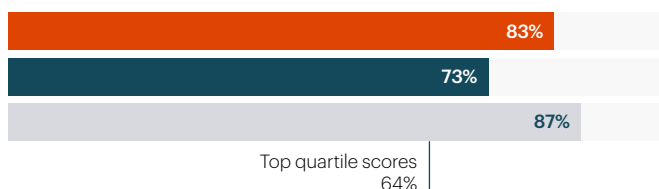
Our approach to fairness in reward is an important aspect of our overall reward philosophy and is designed to attract, retain, motivate and engage talent at all levels of the business. It is supported by a robust governance approach that ensures our reward and recognition practices are fair and consistent across our employee population, as well as an alignment between the wider direct workforce and executive remuneration. We regularly review our approach externally, ensuring we are competitive in the different markets in which we operate and meet the needs of employees by offering market-driven reward packages.

Element	Executive Directors	Senior management	All employees	Details
Fixed				
Salary	●	●	●	<ul style="list-style-type: none"> Managers put at the heart of the salary review process, allowing them to use discretion. Managers reminded of importance of making fair reward decisions consistent with our Code of Conduct to ensure employees are fairly rewarded according to their contribution, skills and experience.
Benefits	●	●	●	<ul style="list-style-type: none"> Corporate colleagues allocated IHG One Rewards Gold Elite Status. Employee Room Rate programme enhanced – increasing booking window, and number and type of rooms. Alignment of healthcare across the UK corporate population. All UK corporate colleagues are covered for Life Insurance, Income Protection and Critical Illness. We offer US colleagues a streamlined selection of health and welfare plan designs and providers. We provide both financial and protection benefits to our colleagues through a life and Accidental Death & Dismemberment insurance coverage.
Pension	●	●	●	<ul style="list-style-type: none"> UK and US pension benefits competitive against the market. Contribution rate for UK corporate, and eligible UK hotel employees, is aligned with 2:1 matching ratio up to 6% of salary from employees and 12% from the Company. Salary sacrifice available and life cover of 4x base salary for UK pension plan participants.
Variable				
APP	●	●	●	<ul style="list-style-type: none"> Corporate performance metrics are aligned across corporate colleagues, Executive Directors and Executive Committee (EC). Bonus deferral for three years in operation for senior management. Weightings of metrics for all corporate colleagues below EC level are aligned and higher awards can be earned through an employee's individual performance and contribution to the Company. £8m funding was made available in addition to the budgeted amount for the personal performance element of our 2024 Annual Performance Plan to increase bonus amounts for our strongest performers.
LTIP	●	●		<ul style="list-style-type: none"> Certain senior/mid-management and specialist roles are eligible to participate in the Long Term Incentive Plan, under which performance-based awards vest after three years.
RSU		●		<ul style="list-style-type: none"> Certain senior/mid-management and specialist roles are eligible to receive an RSU award, which vests after three years. 659 colleagues were in receipt of an RSU award for the 2024–26 cycle. At certain job levels, we run an annual nomination process whereby 30% of the population can be nominated to receive an RSU award based on their performance. Executive Directors do not currently receive RSU awards, but it is proposed that they will from 2025 onwards under the new Directors' Remuneration Policy. RSU awards are not subject to performance conditions but still align employee interests with those of shareholders.
Long Service Awards	●	●	●	<ul style="list-style-type: none"> All of the corporate workforce, including Executive Directors, are eligible to receive a Long Term Service Award, of varying value, once the employee reaches certain service milestones. In 2024, 870 corporate colleagues and 814 hotel colleagues globally received cash long-term service awards.
Colleague Share Plan			●	<ul style="list-style-type: none"> Available to around 99% of our corporate colleagues below the senior/mid-management level, with eligibility opened to colleagues in Spain and Portugal for the first time in 2025. IHG matches the shares purchased by colleagues on a one-for-one basis. The registration for the 2025 plan was open to eligible colleagues in Q4 2024 and the take-up rate is 39.6%. The 2023 plan's matching shares vested in January 2025 with more than 28,300 shares vesting between 2,296 employees, worth almost £3m. Colleagues receive dividends and voting rights on purchased shares.
Bravo Recognition plan			●	<ul style="list-style-type: none"> Colleagues below senior/mid-management level can be nominated for a cash award through our Bravo recognition scheme for going above and beyond in their roles whilst displaying exceptional IHG behaviours. 12,579 one-off cash awards were made to corporate colleagues and 16,268 cash awards were made to hotel colleagues globally during 2024.

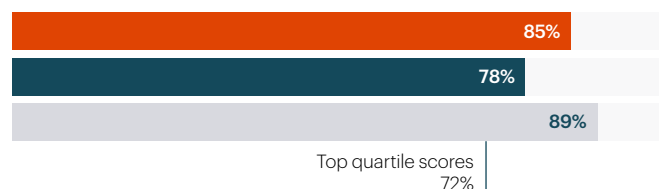
Employee engagement on pay

We have several forums for employees to express their opinions on pay. These include employee resource groups (ERGs) and direct engagement with Non-Executive Directors. In 2024, the Chair of the Remuneration Committee met colleagues to understand their views on Executive Director and their own pay. Our employee engagement survey, Colleague HeartBeat, allows employees to give their views on working at IHG. The 2024 employee engagement scores for participating managed and leased hotel and reservations employees and general managers on the questions relating to reward and recognition exceeded our survey provider's top quartile benchmark.

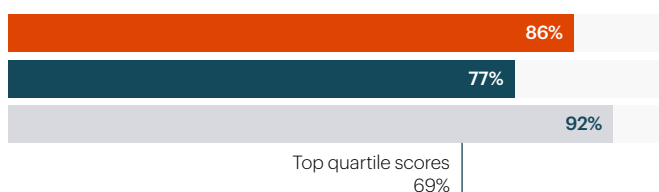
Paid fairly



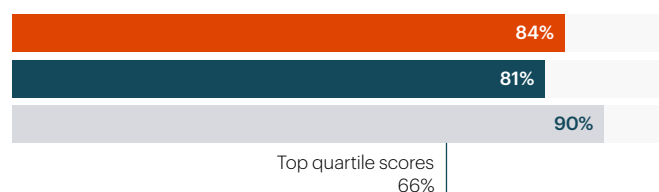
Benefit plan meets needs



Appropriate recognition



Performance impacts pay



■ Hotels ■ Reservations ■ General Managers

Wellbeing

We continue to promote myWellbeing – a framework to support employees across their health, lifestyle and workplace. The myWellbeing suite of resources, which includes an employee Wellbeing Handbook and guidelines for people managers, has been designed to provide a holistic wellbeing offering. Employees also have access to a global Employee Assistance Programme, which offers counselling, practical guidance on topics such as legal, financial and work matters, and additional health and wellbeing resources.

We have also continued to champion initiatives such as Focused Fridays, where we limit scheduling meetings, and recharge days, where corporate colleagues can spend the day doing whatever they need to unwind. In 2024, all corporate colleagues were given three recharge days to spend as they please, on top of any contracted annual leave they are eligible to receive.

Leased hotel employees

As previously reported, following the acquisition of a number of UK hotels in 2019, employing entities for the estate's hotels were transferred to IHG. Employment terms, including remuneration and benefits, largely remained in place on their pre-acquisition basis.

As with the model for leased hotels generally, IHG provides hotel management support to the owners of leased hotels in the UK and globally, and makes recommendations on matters, including pay, based on market insight, third-party surveys and experience. Decisions on implementing pay changes are ultimately determined by the hotel estate owner in the context of their own commercial position and equities across the wider portfolio.

- Salary increases for 2024 ranged from 3% to 13% and for 2025 range from 2% to 9%, with higher increases applicable for frontline employees.
- The Real Living Wage will continue to be applied as a minimum for all staff in line with the Real Living Wage Foundation level. Zero-hour contracts are not utilised in the UK leased estate.
- Hotel colleagues receive similar benefits to corporate employees, including enrolment into a workplace pension, employee room rates, Employee Assistance Programme, Bravo recognition programme, retail discount vouchers, the myWellbeing programme and refer-a-friend bonus. Frontline colleagues can also receive incentives and performance-driven bonuses, and eligible managers receive an annual performance bonus.

- Between 2023 and 2025, entry level salaries in our UK leased hotel estate increased by 15% relative to 7% budgeted increases for our corporate population including senior management.

Championing a culture where everyone can thrive

One of our 2030 commitments is to drive gender balance and a doubling of under-represented groups across our leadership, and we are building on the significant progress we have made over the past decade towards achieving gender balance, with 36% of our leaders (VP and above) being female compared to our ambition of 39% by 2025, and a gender-balanced employee population, of which 52% is female. We are delighted to be rated second on the Financial Times Diversity Leaders list in 2024. We have reduced our median Gender Pay Gap in the UK by 22 percentage points since 2017, our first year of reporting.

Our latest Gender Pay report is available on IHG's website at ihgplc.com/en/responsible-business/reporting under Reporting.

Directors' Remuneration Report continued

Annual Report on Remuneration

The Annual Report on Remuneration explains how the Directors' Remuneration Policy was implemented in 2024, the remuneration earned by the Executive Directors and how the Directors' Remuneration Policy will be implemented in 2025.

Audited

Single total figure of remuneration – Executive Directors

Executive Director	Year	Fixed pay				Variable				Total £000
		Salary £000	Benefits £000	Pension benefit £000	Subtotal £000	APP £000	LTIP £000 ^a	Subtotal £000	Other £000	
Elie Maalouf	2024	1,010	427	121	1,557	1,298	4,670	5,968	–	7,525
	2023	849	203	133	1,185	1,403	1,570	2,973	84	4,242
Michael Glover ^b	2024	639	86	77	801	813	1,614	2,426	150	3,377
	2023	487	47	58	592	797	391	1,188	150	1,930

a. LTIP figures for 2023 relate to the 2021–23 LTIP cycle and have been restated using the actual share price of £83.52 on the date of vesting. Figures for 2024 relate to the value of shares for the 2022–24 cycle using the Q4 2024 average closing share price of £92.31.

b. Michael Glover's 2024 LTIP figure, inclusive of RSU awards, is for the full 2022–24 LTIP cycle. His 2022–24 RSU award and a portion of his 2022–24 LTIP award were granted in May 2022 prior to becoming an Executive Director. The same performance conditions applied to the LTIP award as they did for Executive Directors. The RSU awards for 2022–24 were not subject to any performance conditions.

Notes to the single total figure table

Fixed pay

Salary: salary paid for the year. Salary increases of 4% for 2024 were in line with those for the wider corporate workforce, with Elie Maalouf's salary increasing from £990,000 to £1,029,600 with effect from 1 July 2024 and Michael Glover's salary increasing from £620,000 to £644,800 with effect from 1 April 2024.

Benefits: for Executive Directors, this includes, but is not limited to, taxable benefits such as company car allowance and healthcare.

Elie Maalouf receives an RPI-linked monthly net housing allowance of £11,200 as at September 2024 (increased by RPI of 3.4%; gross value for reporting purposes of £20,400 per month) towards UK housing costs to facilitate him to carry out his UK-based role whilst maintaining his US home and IHG's significant US business, government and industry interests.

Other benefits provided include travel costs and allowances (£61,000 for Elie Maalouf; £17,000 for Michael Glover), tax return assistance (£39,000 for Elie

Maalouf; £30,000 for Michael Glover) and healthcare provision (£59,000 for Elie Maalouf; £32,000 for Michael Glover). It has been agreed that Elie Maalouf would settle any employee tax due in respect of travel within the UK with effect from the beginning of the 2024/25 tax year.

Life assurance at four times base salary, critical illness and income protection cover were provided for all Executive Directors, which is aligned to all other UK corporate colleagues who participate in the UK pension plan.

Pension benefit: for current Executive Directors, in line with the policy, represents cash allowances of 12% of salary paid in lieu of pension contributions. This is in line with the maximum level available to all other participants in the UK pension plan.

Other

Michael Glover received a gross payment of £150,000 in 2023 and in 2024 as time-limited one-off payments to cover relocation and associated costs. A final payment of £100,000 is due to be made in early 2025 on the second anniversary of his appointment as CFO.

Variable pay

APP (maximum 70% cash and minimum 30% deferred shares subject to meeting minimum shareholding requirement).

Operation

Disclosed award levels are determined based on salary as at 31 December 2024 and on a straight-line basis between threshold and target, and target and maximum.

The target award was 100% of salary and the maximum award was 200% of salary.

Any payment made under the APP is subject to minimum levels of performance under the operating profit from reportable segments metric, with the room signings and room opening measures subject to a financial gate:

- if operating profit performance is below 85% of target, there would be no payout under these measures; and
- if operating profit performance is between 85% of target and threshold, payout for these measures would be reduced by 50%.

Audited

APP outcome for 2024

The performance measures and outcomes of the 2024 APP were as follows:

Performance measure	Weighting	Targets (straight-line payout between)			Performance achieved	Achievement
		Threshold (0% payout)	Target (50% payout)	Maximum (100% payout)		
Operating profit from reportable segments ^a	70%	\$1,042m	\$1,120m	\$1,198m	\$1,135m	118.8%
Room signings (k rooms)	15%	89.8	99.7	109.7	106.2	165.3%
Room openings (k rooms)	15%	52.1	57.9	63.7	59.1	120.5%
Total weighted achievement (% of target)						126.0%
Total weighted achievement (% of maximum)						63.0%
Total achievement (% of salary)						126.0%

a. Definitions for Non-GAAP revenue and operating profit measures can be found on pages 103 to 108. Reconciliations of these measures to the most directly comparable line items within the Group Financial Statements can be found on pages 266 to 272.

Adjustments to room openings and room signings targets

The room openings and room signings targets were increased by 5,700 rooms during the year, following levels of in-year deal activity in excess of original expectations at the point that the targets were set. Operating profit performance was above threshold and therefore the financial gate was met for the room signings and room opening measures. The Committee also reviewed the overall performance of the Executive Directors and of the business including relative to peers, and was satisfied that no further adjustments needed to be applied to the formulaic outcomes of the APP measures.

Elie Maalouf and Michael Glover have both met their shareholding requirement and therefore 30% of APP earned for 2024 will be deferred into shares for three years. The only condition attached to deferred shares is continued service.

The resulting amounts earned were as follows:

Executive Director	Total amount earned (£000)	Of which paid in cash (£000)	Of which deferred in shares (£000)
Elie Maalouf	£1,298	£909	£389
Michael Glover	£813	£569	£244

In determining operating profit from reportable segments for APP purposes, budgeted exchange rates for the year are used to ensure like-for-like comparison with the APP target set at the start of the year.

Operating profit from reportable segments (at actual exchange rates) (see page 209)	\$1,124m
Operating profit from reportable segments (at 2024 budget exchange rates)	\$1,135m
Difference due to exchange rates	\$11m

LTIP 2022-24

LTIP outcome for 2022-24 cycle

The following table shows the 2022-24 LTIP performance measures and weightings, the threshold and maximum targets and actual achievement, based on the formulaic outcomes against the three-year targets set in 2022.

Performance measure and weighting	Performance targets			Achievement (% of maximum for measure)	Weighted achievement (% of maximum award)
	Threshold (20% vesting)	Maximum (100% vesting)	Performance result		
Total shareholder return (30%): Three-year growth relative to competitors ^a	46.5% (Median)	86.5% (Upper quartile)	101.9% (Above upper quartile)	100%	30.0%
Relative net system size growth (NSSG) with ROCE underpin (40%): Three-year growth relative to competitors ^b	4th rank (3.1% growth)	1st rank (5.2% growth)	2nd rank (4.2% growth)	61.7%	24.7%
Absolute cash flow (30%):	1.58bn USD	2.11bn USD	3.02bn USD	100%	30.0%
Total % of maximum opportunity vesting					84.7%

a. TSR comparators for the 2022-24 cycle are Accor S.A., Choice Hotels International Inc., Hilton Worldwide Holdings Inc., Hyatt Hotels Corporation, Marriott International Inc., Melia Hotels International S.A., NH Hotels Group, and Wyndham Hotels & Resorts Inc.

b. NSSG comparators for the 2022-24 cycle are Accor S.A., Choice Hotels International Inc., Hilton Worldwide Holdings Inc., Jin Jiang International Holdings Company Limited, Marriott International Inc. and Wyndham Hotels & Resorts Inc.

The Committee considered performance against the Return on Capital Employed (ROCE) underpin attached to the NSSG measure. The underpin level of 20% was met, with the average ROCE over the performance period being 29.8%.

Directors' Remuneration Report continued

Annual Report on Remuneration continued

Audited

Adjustments to absolute cash flow target

Over the performance period of the 2022–24 LTIP award, there have been events that have impacted IHG's cash flow that were unquantified or unforeseen when the original targets were set. The table below shows the reconciliation between reported cash flow and the outcome for the 2022–24 LTIP. This includes adjustments agreed by the Committee to exclude the impact of the exit from Russia, as described on page 128 of the 2022 Directors' Remuneration Report, and which are consistent with those applied for the 2021–23 LTIP award. These adjustments had no effect on the vesting outcome.

Reconciliation	Cash flow \$bn
Reported cash flow from operations	3.33
Net cash from investing activities	(0.31)
Reported outcome per definition	3.02
Other adjustments (including exclusion of Russian operations)	0.00
Adjusted outcome	3.02

Adjustment to NSSG target

As noted above, IHG announced the decision to cease all operations in Russia. Net system size growth performance for IHG and all companies in the peer set for this relative measure has therefore been adjusted to remove the Russia system size from all companies for all years. These events were not budgeted for at the time of setting the 2022–24 targets, and the Committee, in its judgment, considered it was appropriate to adjust for them on the basis that LTIP participants should not be disincentivised from making decisions that are in the long-term interest of shareholders.

No other discretion was applied in determining the vesting level of the 2022–24 LTIP award.

LTIP 2022–24 vesting

The award granted under the 2022–24 cycle will vest on 19 February 2025 based on achievement against targets measured over three years to 31 December 2024. The individual outcomes for this cycle are shown below.

The daily average closing share price over the final quarter of 2024 was 9,231p. This share price was used to calculate the total value of award and the value of award attributable to share price appreciation.

Executive Director	Number of shares granted	% of maximum award vested	Outcome (number of shares vesting)	Total value of award £000	Value of award attributable to share price appreciation £000
Elie Maalouf ^a	59,730	84.7%	50,590	4,670	2,082
Michael Glover – LTIP ^b	16,538	84.7%	14,007	1,293	544
Michael Glover – RSU ^c	3,474	100.0%	3,474	321	152

a. Includes 40,101 shares granted on 13 May 2022 with a grant price of 4,842p and a top up of 19,629 shares granted on 13 May 2024 with a grant price of 5,674p. Shares are subject to a two year holding period.

b. Includes 3,860 shares granted on 13 May 2022 with a grant price of 4,842p and a top up of 12,678 shares granted on 13 May 2024 with a grant price of 5,501p. Vested shares from the 2024 grant are subject to a two year holding period.

c. RSU award for 2022–24 cycle received prior to appointment to the Board with a grant price of 4,842p. This award is subject to continued service only.

Audited

Scheme interests awarded during 2024

Annual Performance Plan (APP) – 2023

Half of the bonus earned in respect of the 2023 APP was deferred into shares, with no further conditions save continued service. An average of the closing mid-market share price for the three days following the publication of 2023 results was used to determine the number of shares to be awarded. Details of the resulting shares granted were as follows:

Executive Director	Type of award	Award date	Number of shares granted	Market price per share at grant £	Face value of award at grant £000	Vesting date
Elie Maalouf	Conditional shares	28 February 2024	8,088	86.27	698	1 March 2027
Michael Glover ^a	Conditional shares	28 February 2024	4,817	86.27	416	1 March 2027

a. 4,619 shares relate to Michael Glover's role as an Executive Director; the other 198 shares relate to the amount received for his previous role.

Long Term Incentive Plan (LTIP) – 2024–26 cycle

During 2024, awards were granted over shares with a maximum value of 500% of salary for the CEO and 300% of salary for the CFO using an average of the closing mid-market share price for the five days prior to grant. These are in the form of conditional awards over Company shares and do not carry the right to dividends or dividend equivalents during the vesting period. The vesting date for the award is the day after the announcement of our financial year 2026 Preliminary Results in February 2027. These awards will vest to the extent that performance targets are met and will then be held in a nominee account for a further two years in accordance with the post-vest holding requirement, transferring to the award holder in February 2029.

Executive Director	Type of award	Award date	Performance period	Basis of award	Maximum shares awarded	Market price per share at grant £	Face value of award at grant £000
Elie Maalouf	Conditional shares	13 May 2024	1 January 2024 to 31 December 2026	500% of salary	63,137	78.40	4,950
Michael Glover	Conditional shares	13 May 2024	1 January 2024 to 31 December 2026	300% of salary	24,673	78.40	1,934

The performance measures for the 2024–26 LTIP cycle are as outlined below. NSSG is a relative measure and is measured to 30 September 2026, rather than 31 December 2026, due to the timing at which competitor data is published.

Measure and weighting	Threshold target (20% vesting)	Maximum target (100% vesting)
Relative TSR (20%) ^a	Median	Upper quartile
Relative NSSG (20%) ^b	Ranked 4th	Ranked 1st
Absolute cash flow (20%)	2.395bn USD	3.421bn USD
Adjusted EPS (20%)	5% absolute CAGR	12% absolute CAGR
Carbon and people (20%) – split between four equally weighted measures		
Adoption of five existing energy conservation measures (ECMs)	80% of hotels	100% of hotels
Low/zero carbon hotels open or under construction	10 hotels	15 hotels
Improvement in 'Inclusion Index' scores for ethnically diverse corporate colleagues compared to all US and UK hotel and corporate colleagues	7% below total population	In line with total population
Talent interventions ^c	30% of talent promoted	50% of talent promoted

Straight-line vesting occurs between threshold and maximum target.

- a. Comparator companies for TSR are Accor S.A., Choice Hotels International Inc., Dalata Hotel Group PLC, H World Group Limited, Hilton Worldwide Holdings Inc., Hyatt Hotels Corporation, Indian Hotels Company Limited, Jin Jiang International Holdings Company Limited, Marriott International Inc., Melia Hotels International S.A., Minor International, Scandic Hotels Group AB, Shangri-La Hotel Public Company Limited, Whitbread PLC and Wyndham Hotels & Resorts Inc.
- b. Comparator companies for NSSG are Marriott International Inc., Hilton Worldwide Holdings Inc., Accor S.A., Jin Jiang International Holdings Company Limited, Wyndham Hotels & Resorts Inc. and Choice Hotels International Inc.
- c. Threshold vesting will occur if 30% of talent who took part in the programmes between 2022 and 2024 have been promoted by 31 December 2026 and maximum vesting will occur if 50% of talent who took part in the programmes have been promoted by 31 December 2026.

Directors' Remuneration Report continued

Annual Report on Remuneration continued

Audited

LTIP – pro-rated awards

During 2024, pro-rated awards were granted to Executive Directors under the 2022–24 LTIP cycle equivalent in value to the quantum of award applying at the time of their respective promotions, pro-rated for the proportion of the performance period served in the promoted role. The share price used to determine the number of shares under award is based on the average of the closing mid-market share price for the five days prior to the point at which the awards would ordinarily have been granted following promotion, which was 10 May 2023 for Michael Glover and 8 August 2023 for Elie Maalouf. These pro-rated awards are consistent with the approved Directors' Remuneration Policy and historical practice for senior executives who join the Company or are promoted during LTIP cycles.

The pro-rated awards are in the form of conditional awards over Company shares and do not carry the right to dividends or dividend equivalents during the vesting period. The vesting date for the awards is the day after the announcement of our financial year 2024 Preliminary Results in February 2025. These awards will vest to the extent that performance targets are met and will then be held in a nominee account for a further two years, transferring to the Executive Directors in February 2027 following the two-year post-vest holding period.

The performance measures for the 2022–24 LTIP cycle are as outlined on page 145.

Executive Director	Type of award	Award date	Performance period	Basis of award	Maximum shares awarded	Share price used to determine award size £	Face value of award at grant £000
Elie Maalouf	Conditional shares	13 May 2024	1 January 2022 to 31 December 2024	Pro-rated top up to 500% of salary	19,629	56.74	1,114
Michael Glover	Conditional shares	13 May 2024	1 January 2022 to 31 December 2024	Pro-rated top up to 275% of salary ^a	12,678	55.01	697

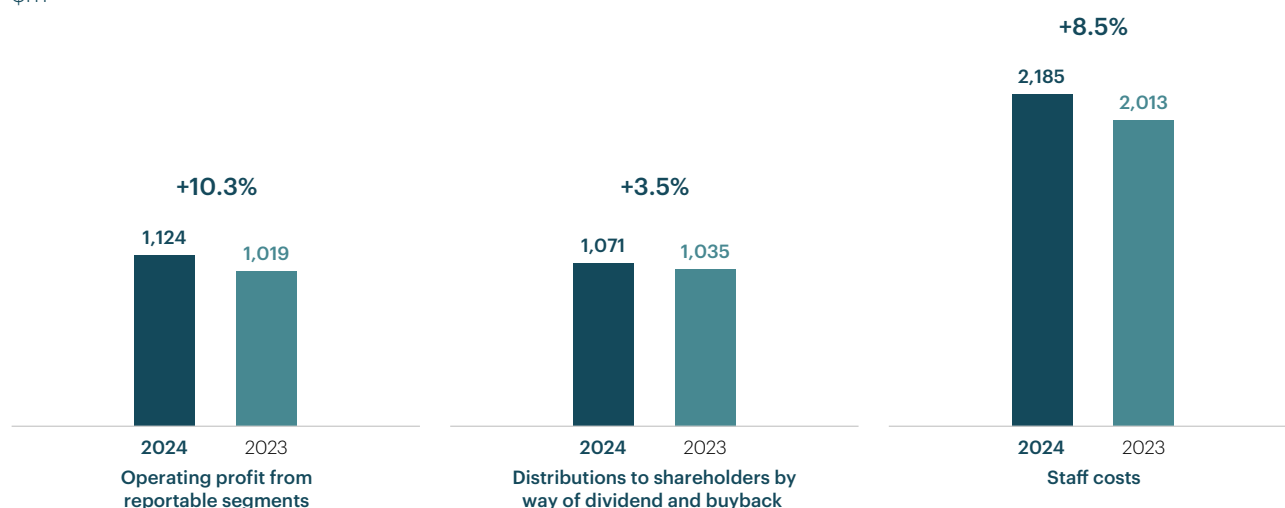
a. Pro-rated award includes shares under entitlement to awards in the 2021–23 cycle, whose performance period had already concluded at the time the pro-rated award was granted.

Relative importance of spend on pay

The chart below sets out the actual expenditure of the Group on remuneration and distributions to shareholders in 2023 and 2024. Operating profit from reportable segments^a is also included as this is a significant constituent of the APP.

Expenditure of the Group on remuneration and distributions to shareholders in 2023 and 2024

\$m



a. Definitions for Non-GAAP revenue and operating profit measures can be found on pages 103 to 108. Reconciliations of these measures to the most directly comparable line items within the Group Financial Statements can be found on pages 266 to 272.

Audited

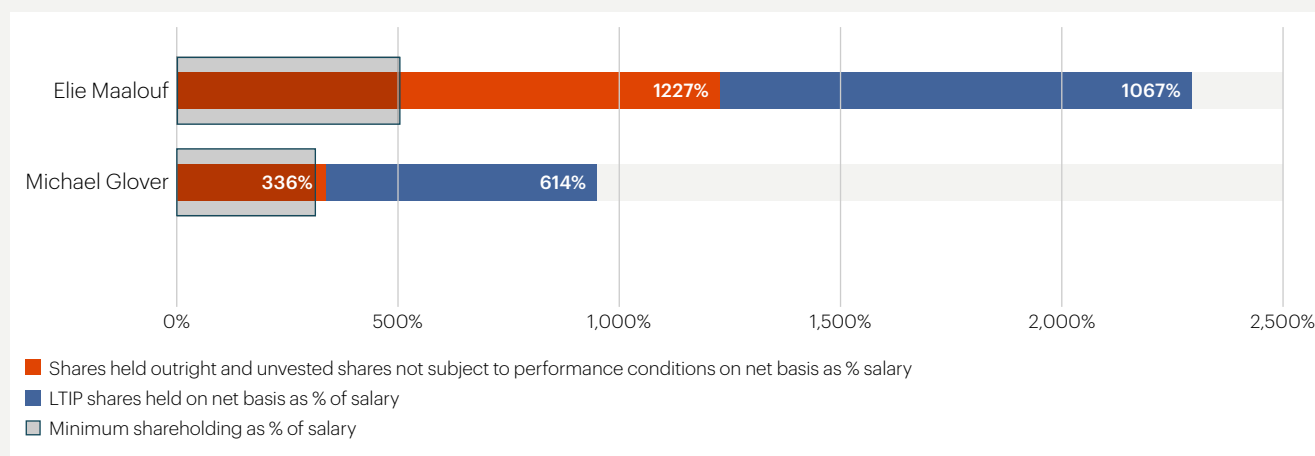
Executive Directors' shareholdings and share interests

■ Executive Director shareholding requirement

The shareholding requirement under the Directors' Remuneration Policy in force at the end of 2024 is 500% of salary for the Chief Executive Officer and any US-based Executive Directors, and 300% for other Executive Directors. Executive Directors are expected to hold all net shares earned until the previous shareholding requirement is achieved (300% for the CEO and any US-based Executive Directors, and 200% for other Executive Directors) and at least 50% of all subsequent net shares earned until the current shareholding requirement is met. The number of shares held outright includes all Directors' beneficial interests and those held by their spouses and other connected persons. It also includes the net value of unvested shares that are not subject to any further performance conditions or underpins.

The minimum shareholding requirement applies for two years post-cessation of employment.

As part of this requirement, shares have been granted and all unvested awards are held in a nominee account, with Executive Directors required to electronically sign an agreement to the terms of the grant, including the post-employment shareholding requirement.



The respective shareholding requirements have been met by Elie Maalouf and Michael Glover as at 31 December 2024.

Shareholdings as a percentage of salary are calculated using the 31 December 2024 closing share price of 9,954p. A combined tax and social security rate of 47% is used for both Michael Glover and Elie Maalouf.

Current Directors' share interests

The APP deferred share awards are subject to continued service only and are not subject to additional performance conditions. Details on the performance conditions to which the unvested LTIP awards are subject can be found on pages 145 and 147 of this report, and on page 132 of the 2023 Directors' Remuneration Report.

There have been no changes in the shareholding interests of the Executive Directors since the end of the financial year up to the publication of this report.

Shares and awards held by Executive Directors at 31 December 2024

Executive Director	Number of shares held outright, including those subject to post-vest holding		APP deferred share awards		LTIP share awards (unvested)		Total number of shares and awards held	
	2024	2023	2024	2023	2024	2023	2024	2023
Elie Maalouf	109,462	99,265	32,921	24,833	208,149	157,908	350,532	282,006
Michael Glover	15,675	13,307	8,064	3,247	78,497 ^a	47,152	102,236	63,706

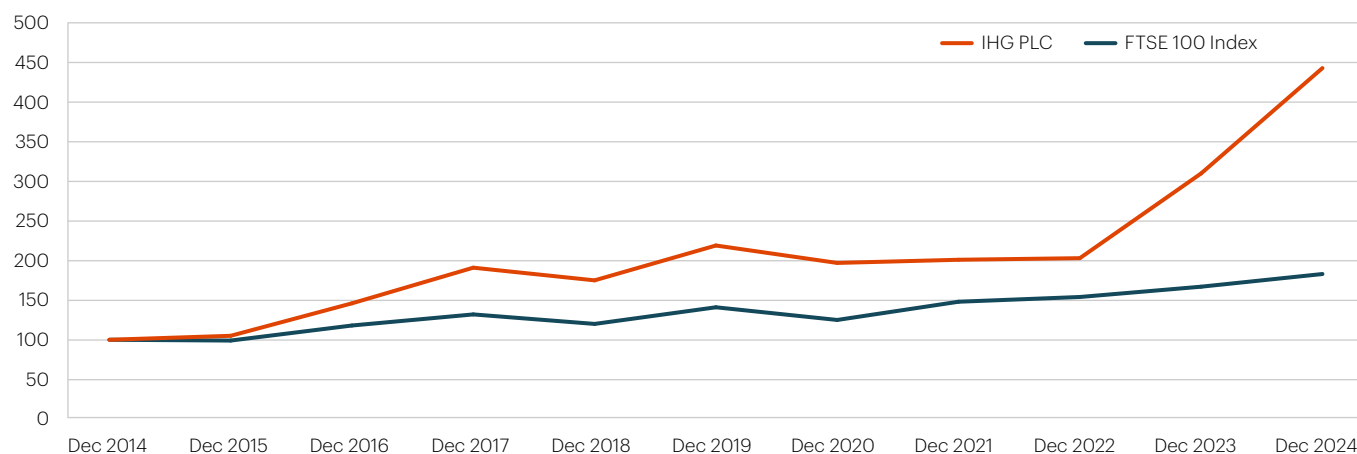
a. Includes 3,474 RSU shares granted prior to appointment to the Board, with the balance of 75,023 shares being LTIP shares subject to performance conditions.

Directors' Remuneration Report continued

Annual Report on Remuneration continued

Relative performance graph

The graph below shows the Company's TSR performance from 31 December 2014 to 31 December 2024, compared with the TSR performance achieved by the FTSE 100 over the same period. The Company is a constituent of the FTSE 100 and therefore this index is considered relevant for comparison purposes.



History of Chief Executive Officer's remuneration

The table below shows the CEO's total remuneration and incentive outcomes for the 10 years to 31 December 2024.

	CEO	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Single figure of remuneration (£000)	Elie Maalouf	-	-	-	-	-	-	-	-	4,242	7,525
	Keith Barr	-	-	2,161	3,143	3,376	1,484	3,199	4,273	4,173	-
	Richard Solomons	3,197	3,662	2,207	-	-	-	-	-	-	-
Annual incentive earned (% of maximum)	Elie Maalouf	-	-	-	-	-	-	-	-	81.8	63.0
	Keith Barr	-	-	69.7	84.1	58.7	0	100.0	95.7	81.8	-
	Richard Solomons	75.0	63.9	66.8	-	-	-	-	-	-	-
LTIP earned (% of maximum)	Elie Maalouf	-	-	-	-	-	-	-	-	57.8	84.7
	Keith Barr	-	-	46.1	45.4	78.9	30.6	20.0	52.1	57.8	-
	Richard Solomons	50.0	49.4	46.1	-	-	-	-	-	-	-

Audited

Payments to past Directors

Sir Ian Prosser, who retired as Director on 31 December 2003, had an ongoing healthcare benefit of £2,312.89 during the year.

Keith Barr stepped down from the Board of IHG on 30 June 2023 with 'good leaver' status. His 2022-24 LTIP award will vest in line with the incumbent Executive Directors at a vesting level of 84.7%, with a value of £3,383,000 based on an award of 43,268 shares after pro-rating for service completed. The amount attributable to share price appreciation is £1,608,000.

Payments for loss of office

No payments for loss of office were made to Executive Directors during the year to 31 December 2024.

Pension entitlements

No Executive Director is entitled to any Defined Benefit pension or related benefit from IHG.

CEO pay ratio

Pay ratios will differ significantly between companies, even within the same industry, depending on demographics and business models. The Group's UK employee demographic, which primarily consisted of largely professional, management and senior corporate roles, changed in 2019 with the addition of a number of hotel employing entities, comprising the UK leased estate, which includes a large proportion of part-time and flexible-working support and service roles. Consistent with past disclosures, we show the ratio both including and excluding the UK hotel employing entities.

Financial year ended 31 December	Method	Full population			Population excluding hotel employing entities		
		25th	Median	75th	25th	Median	75th
2024	Option C	215:1	160:1	90:1	112:1	87:1	56:1
2023	Option C	242:1	156:1	78:1	94:1	71:1	46:1
2022	Option C	193:1	113:1	67:1	71:1	56:1	35:1
2021	Option C	163:1	65:1	41:1	59:1	42:1	27:1
2020	Option C	89:1	44:1	25:1	35:1	26:1	18:1
2019	Option C	180:1	122:1	59:1	71:1	49:1	32:1
2018	Option C	–	–	–	72:1	48:1	29:1

The 2018–2023 figures have been restated to reflect the value of the CEO's LTIP awards on the date of actual vesting rather than the estimated values used in the respective years' reports.

What drives the difference in pay between our CEO and other employees?

Pay ratios reflect how remuneration arrangements differ as responsibility increases for more senior roles within the organisation, for example:

- A greater proportion of performance-related variable pay and share-based incentives apply for the more senior executives, including Executive Directors, who will have a greater degree of influence over performance outcomes.
- Role-specific incentive plans apply in certain areas such as corporate reservations, sales, hotel development and general managers of IHG managed, owned, leased and managed lease hotels. The target and maximum amounts that can be earned under these plans are typically a higher percentage of base salary for more senior employees, which in turn affect the pay ratio.
- Incentive plans for other corporate employees are typically primarily based on a combination of individual performance and the Group's operating profit from reportable segments.

The increase in ratio since 2020, reflects the strong performance of the business and the resulting increases in variable pay outcomes. Overall, on this basis, the Company believes that the median pay ratio for the relevant financial year is consistent with the pay, reward and progression for the Company's UK employees taken as a whole.

Calculation methodology and supporting information

Option C has been selected for the identification of the percentile employees. IHG prefer to use this method as we are able to produce the most accurate total remuneration figure for all UK employees on a basis comparable with the statutory reporting for Executive Directors using the most recently available data at the time of producing the Annual Report. Specifically, this involves:

- compiling all monthly payroll data for all UK employees from 1 January to 31 December 2024 detailing complete variable and fixed remuneration, including pension and taxable benefits such as company car allowance and healthcare; and

- valuing APP for the corporate workforce based on actual 2024 company performance metrics, with target outcome for the personal performance metric, as actual outcomes for this element of the award are not known at the time of writing this report, so that it reflects as much of the same input as for the CEO data as possible at the time of calculation. In practice, personal performance outcomes are subject to manager discretion and can be flexed between 0% and 200% of target.

Option C requires three UK employees to be identified as the equivalent of the 25th, 50th and 75th percentile. Having identified these employees based on the population as at 31 December 2024, the remuneration for 2024 is calculated on the same basis as the CEO single total figure of remuneration.

The pay arrangements for the six employees – three from the full population and three from the population excluding hotel employing entities – were reviewed alongside those for the employees ranked immediately above and below them to confirm that they were representative of pay levels at these quartiles. The 2024 salary and total pay for the individuals identified at the lower, median and upper quartiles are set out below:

Year		25th percentile pay ratio	Median pay ratio	75th percentile pay ratio
Financial year ended 31 December 2024 – Full population	Salary £	32,196	41,524	64,740
	Total remuneration £	34,938	47,116	83,303
Financial year ended 31 December 2024 – Excluding hotel employing entities	Salary £	51,313	67,425	96,444
	Total remuneration £	67,040	86,823	134,117

Directors' Remuneration Report continued

Annual Report on Remuneration continued

Audited

Single total figure of remuneration: Non-Executive Directors

Non-Executive Director	Date of original appointment	Additional/ Committee appointments	Fees £000		Taxable benefits £000		Total Rounded to the nearest £000	
			2024	2023	2024	2023	2024	2023
Deanna Oppenheimer	1 June 2022	N R	494	475	56	33	550	508
Graham Allan	1 September 2020	A N RB SID	140	132	2	4	142	136
Daniela Barone Soares	1 March 2021	R RB	87	84	10	5	97	89
Arthur de Haast	1 January 2020	A RB	87	84	5	6	92	90
Duriya Farooqui	7 December 2020	VoE A RB	93	84	17	15	110	99
Byron Grote	1 July 2022	A N R	116	107	4	5	120	112
Sir Ron Kalifa	1 January 2024		87	–	4	–	91	–
Angie Risley	1 September 2023	R RB	116	28	20	6	136	34
Sharon Rothstein	1 June 2020	A RB	87	84	21	8	108	92

➤ See page 118 for Board and Committee membership key and attendance.

Benefits: For Non-Executive Directors, benefits include taxable travel and accommodation expenses to attend Board meetings away from the designated home location. Under UK income tax legislation, the non-UK based Non-Executive Directors are not subject to tax on some travel expenses; this is reflected in the taxable benefits for Deanna Oppenheimer, Duriya Farooqui and Sharon Rothstein.

Non-Executive Directors' shareholdings at 31 December 2024

Non-Executive Director	2024	2023
Deanna Oppenheimer ^a	7,000	5,000
Graham Allan	600	600
Daniela Barone Soares	150	478
Arthur de Haast	1,000	1,000
Duriya Farooqui ^a	200	200
Byron Grote ^a	6,800	5,300
Sir Ron Kalifa	679	–
Angie Risley	848	848
Sharon Rothstein ^a	2,000	2,000

a. Shares held in the form of American Depositary Receipts (ADRs).

There have been no changes in the shareholdings from the end of the financial year to the publication of this report for Non-Executive Directors who have remained in role.

Non-Executive Director fees for 2025

The fees for Non-Executive Directors are reviewed and agreed annually in line with the policy. Increases for 2025 are in line with those for the wider UK and US corporate workforce budget. The resulting fee levels that will be effective from 1 January 2025 will be as follows, with each element independently rounded to the nearest £1,000:

Role	Increase	Annual fee	
		2025 £000	2024 £000
Chair of the Board	3%	509	494
Non-Executive Director	3%	90	87
Additional fees			
Chair of Audit Committee	3%	30	29
Chair of Remuneration Committee	3%	30	29
Chair of Responsible Business Committee	3%	16	15
Senior Independent Director	3%	39	38
Voice of the Employee role	3%	10	10

Annual percentage change in remuneration of Directors compared to employees

The table below shows the percentage change in each Director's remuneration compared to that of an average employee between the financial years ended 31 December 2019 to 31 December 2024.

The 2024 remuneration figures for the Directors are taken from the data used to compile the single total figure of remuneration tables shown on pages 144 and 152, prior to any rounding. No employees are directly employed by the Group's Parent Company, so the average employee data is based on the same UK corporate employee population as that on which the CEO pay ratio is calculated.

All corporate employees have the same corporate performance metrics for the APP as the Executive Directors; however, for corporate employees below Executive Committee level, the weightings of these metrics differ and measures include an individual performance element, the results of which are not available at the time of reporting. For average employee data, we assume that target performance is achieved. Non-Executive Directors are not eligible to participate in any variable remuneration plans.

	Salary					APP					Taxable benefits				
	2020	2021	2022	2023	2024	2020	2021	2022	2023	2024	2020	2021	2022	2023	2024
Executive Director															
Elie Maalouf	-15%	22%	4%	21%	19%	-100%	100%	-1%	-15%	-8%	-9%	91%	12%	247%	111%
Michael Glover	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-Executive Director															
Deanna Oppenheimer	-	-	-	-	4%	N/A	N/A	N/A	N/A	N/A	-	-	-	-	69%
Graham Allan	-	-	49%	13%	6%	N/A	N/A	N/A	N/A	N/A	-	-	684%	108%	-36%
Daniela Barone Soarees	-	-	-	3%	4%	N/A	N/A	N/A	N/A	N/A	-	-	-	16%	90%
Arthur de Haast	-	18%	4%	3%	4%	N/A	N/A	N/A	N/A	N/A	-	-1%	1706%	28%	-16%
Duriya Farooqui	-	-	4%	3%	11%	N/A	N/A	N/A	N/A	N/A	-	-	100%	10%	15%
Byron Grote	-	-	-	-	9%	N/A	N/A	N/A	N/A	N/A	-	-	-	-	-26%
Sir Ron Kalifa	-	-	-	-	-	N/A	N/A	N/A	N/A	N/A	-	-	-	-	-
Angie Risley	-	-	-	-	-	N/A	N/A	N/A	N/A	N/A	-	-	-	-	-
Sharon Rothstein	-	-	4%	3%	4%	N/A	N/A	N/A	N/A	N/A	-	-	100%	-10%	159%
Average employee	-6%	3%	14%	8%	5%	-100%	100%	-6%	-9%	-5%	-9%	-11%	5%	20%	15%

Notes

- No data has been reported for Michael Glover, Sir Ron Kalifa and Angie Risley as they joined the Board during 2023 or 2024 and therefore only part-year data is available, which does not enable a full year-on-year comparison with 2024.
- The Remuneration Committee approved an additional fee of £10,000 for the Voice of the Employee Non-Executive Director role for Duriya Farooqui with effect from 1 June 2024.
- Byron Grote was appointed Chair of the Audit Committee with effect from 1 March 2023.
- Elie Maalouf took on the role of Group CEO on 1 July 2023 and therefore his percentage change between 2023 and 2024 reflects a period during 2023 in his previous CEO, Americas role.

Directors' Remuneration Report continued

Annual Report on Remuneration continued

Committee areas of focus in 2024

- Approval of the 2023 Directors' Remuneration Report.
- Review and approval of 2023 remuneration outcomes and 2024 incentive plan structures and targets.
- In-year Company and relative performance tracking.
- Wider workforce remuneration matters.
- Review and tender of Remuneration Committee advisers.
- Review of the Directors' Remuneration Policy.
- Shareholder engagement process.
- Review of Committee Terms of Reference.

Key objectives and summary of responsibilities

The Remuneration Committee approves, on behalf of the Board, all aspects of remuneration for the Executive Directors, the Executive Committee and the Chair of the Board, and also approves the strategy, direction and policy for the remuneration of the senior executives who have a significant influence over the Group's ability to meet its strategic objectives. Additionally, the Committee reviews wider workforce pay policies and practice to ensure alignment with strategy, values and behaviours and takes this into account when setting Executive Director remuneration. The Committee's role and responsibilities are set out in its Terms of Reference (ToR), which are reviewed annually and approved by the Board.

 The ToR are available on IHG's website at ihgplc.com/investors under Corporate governance.

Membership and attendance at meetings

The members of the Committee during 2024 were Angie Risley (Chair), Deanna Oppenheimer, Daniela Barone Soares, Bryon Grote and Ron Kalifa. Details of the attendance at Committee meetings are set out on page 118.

During 2024, the Committee was supported internally by the Company Chair, the Group's CEO and CFO, the General Counsel and Company Secretary, and senior members of the Human Resources and Reward teams as necessary. All attend by invitation to provide further background information and context to assist the Committee in its duties. They are not present for any discussions that relate directly to their own remuneration or where their attendance would not otherwise be appropriate.

Reporting to the Board

The Committee Chair updates the Board on all key issues raised at Committee meetings. Papers and minutes for each meeting are also circulated to all Board members for review and comment.

Non-Executive Directors' letters of appointment and notice periods

Non-Executive Directors have letters of appointment, which are available upon request from the Company Secretary's office.

Deanna Oppenheimer, Non-Executive Chair, is subject to 12 months' notice and is in compliance with Provision 19 of the UK Corporate Governance Code. No other Non-Executive Directors are subject to notice periods; all Non-Executive Directors are subject to an annual re-election by shareholders at the AGM.

Effectiveness of the Committee

The effectiveness of the Committee is monitored and assessed regularly by the Chair of the Committee and the Chair of the Board.

Remuneration advisers

IHG appointed Willis Towers Watson (WTW) to act as independent adviser to the Committee in 2024, following a competitive tender process undertaken by the Committee. Deloitte LLP continued to act as independent adviser to the Committee until August 2024, at which point WTW commenced work for the Committee.

Both WTW and Deloitte are members of the Remuneration Consultants Group and, as such, operate under the code of conduct in relation to executive remuneration consulting in the UK. The Committee is therefore satisfied that the advice received from its advisers is objective and independent.

Fees of £163,850 were paid to Deloitte and fees of £164,871 were paid to WTW in respect of the advice provided to the Committee in relation to Director remuneration in 2024. The fees included significant input into the review of the Directors' Remuneration Policy during the year. Fees were charged at a combination of fixed amounts for specific items of work and hourly rates.

Approach to target setting

Targets are set by the Committee, taking into account IHG's growth ambitions and long-range business plan as approved by the Board, market expectations and the circumstances and relative performance at the time. The committee sets stretching targets for senior executives that will reflect successful outcomes for the business based on its strategic and financial objectives for the period.

Absolute targets may be set relative to budget and/or by reference to prior results, generally containing a performance range with additional stretch to incentivise outperformance and minimum performance levels for payout.

Relative targets are set against an appropriate comparator group of companies for the relevant measure, for example, relative NSSG in the LTIP was set against our six largest competitors with more than 500,000 rooms, to reflect our strategy of accelerating the growth of our brands in high-value markets.

Performance will be reviewed throughout the period in which it is applicable for, and, if any amendments are required, this will be disclosed in the Directors' Remuneration Report for the year in which the amendment has been agreed.

Alignment with Provision 40 of the UK Corporate Governance Code

The Committee has considered the remuneration policy and practices in the context of Provision 40 of the 2018 UK Corporate Governance Code:

Principle	IHG's approach
Clarity	<ul style="list-style-type: none"> – Through the combination of short- and long-term incentive plan measures, the Directors' Remuneration Policy is structured to support financial objectives and the strategic priorities of the business that deliver shareholder returns and long-term value creation. – Further alignment with shareholder interests is driven by the significant proportion of share-based incentives and Executive Director shareholding requirements. – Our reward policies are aligned throughout the organisation and include a proportion of performance-related reward, driving engagement for the whole of the workforce. – We always seek to report our Directors' Remuneration Policy and performance-related remuneration measures, targets and outcomes in a clear, transparent and balanced way, with relevant and timely communication with all of our stakeholders, including shareholders.
Simplicity	<ul style="list-style-type: none"> – Our remuneration structure comprises straightforward and well-understood components. – The purpose, structure and strategic alignment of each element is clearly laid out in the Directors' Remuneration Policy.
Predictability	<ul style="list-style-type: none"> – The range of possible values of rewards for Executive Directors is clearly disclosed in graphical form at the time of approving the Directors' Remuneration Policy.
Risk	<ul style="list-style-type: none"> – Our Directors' Remuneration Policy contains a number of elements to ensure that it drives the right behaviours to incentivise the Executive Directors to deliver long-term sustainable growth and shareholder returns and to reward them appropriately: <ul style="list-style-type: none"> – the maximum short- and long-term incentive awards are capped as a percentage of salary; – the Committee has clear policies on discretion, linked to specific measures where necessary, to override formulaic outcomes; – there are clear and comprehensive malus and clawback provisions; and – significant shareholding requirements apply for Executive Directors, including the deferral of at least 30% to 50% of bonus in shares; a two-year post-vest holding period for long-term incentive shares and minimum shareholding requirements both during and after employment.
Proportionality	<ul style="list-style-type: none"> – Individual rewards are aligned to the delivery of strategic business objectives. – The Committee sets robust and stretching targets to ensure that there is a clear link between the performance of the Group and the awards made to Executive Directors and others.
Alignment to culture	<ul style="list-style-type: none"> – IHG has a clear purpose and well-established values and behaviours. The alignment between remuneration incentives and our strategy and the KPIs that underpin the delivery of our strategy, is outlined in the Annual Report on Remuneration. – Other elements of reward align employees with strong performance, our values and our behaviours, including salary reviews and, across the wider workforce, the short-term incentive plan and our global recognition scheme.

Directors' Remuneration Report continued

Annual Report on Remuneration continued

Board changes

Sir Ron Kalifa joined the Board on 1 January 2024. Details of his appointment were previously reported in IHG's Annual Report and Form 20-F 2023.

Daniela Barone Soares stepped down from the Board on 31 December 2024. Fees and benefits were payable to Daniela in respect of her role and responsibilities up to the date of stepping down with no further payments being made, in line with the approved Directors' Remuneration Policy.

Wider workforce remuneration and employee engagement

As outlined on page 142, IHG operates an aligned approach to remuneration throughout the organisation. During the year, the Committee reviewed aspects of the Company's wider workforce remuneration approach as part of its regular meeting agenda.

The Company engaged with the workforce through its employee engagement survey, which covers a number of areas, including pay and benefits competitiveness and wellness. Our overall employee engagement remained at 87% for 2024, placing IHG in the top quartile of employers for engagement and we were named as a Mercer Global Best Employer.

During 2024, the Chair of the Committee joined IHG's designated Non-Executive Director responsible for workforce engagement in a Voice of the Employee session. These sessions are held throughout the year to engage directly with members of IHG's corporate and hotel workforce, with the aim of collating and sharing such feedback with the Board for consideration in its decision-making. No concerns were raised regarding Executive Director remuneration or how it aligns with the wider IHG remuneration principles.

Service contracts and notice periods for Executive Directors

The Committee's policy is for all Executive Directors to have service contracts with a notice period of 12 months from the Company and a notice period of 6 months for the employee. On an exceptional basis to complete an external recruitment successfully, a longer initial notice period reducing to 12 months may be used. This is in accordance with the UK Corporate Governance Code.

All Executive Directors' appointments and subsequent re-appointments to the Board are subject to election and annual re-election by shareholders at the AGM.

Details of current Executive Directors' contracts are available on request from the Company Secretary's office. The respective dates of appointment and notice periods are shown below:

Executive Director	Date of original appointment to the Board	Notice period
Elie Maalouf	1 January 2018	12 months
Michael Glover	20 March 2023	12 months

Voting on remuneration at the Company's AGM

The outcomes of the latest remuneration votes are shown below:

AGM	Votes for	Votes against	Abstentions
Directors' Remuneration Report (advisory vote): 3 May 2024	129,044,097 (94.49%)	7,530,850 (5.51%)	172,918
Directors' Remuneration Policy (binding vote): 5 May 2023	103,155,928 (74.85%)	34,661,408 (25.15%)	2,043,591

Implementation of Directors' Remuneration Policy in 2025

This section explains how certain elements of the policy will be applied in 2025.

Salary: Executive Directors

Directors' salaries are agreed annually in line with the policy. The following salaries are proposed to apply with effect from 1 April 2025:

Executive Director	Increase %	2025 £	2024 £
Elie Maalouf	6.8	1,100,000	1,029,600
Michael Glover	3.0	664,350	644,800

Salaries for both Executive Directors will increase by 3% in line with the budget for the wider UK and US corporate workforce. The higher salary increase of 6.8% for Elie Maalouf has been determined in conjunction with the review of the Directors' Remuneration Policy and is conditional upon receiving shareholder approval for the revised policy at the 2025 AGM.

RSU 2025

Subject to approval of the revised policy, RSU awards will be granted to Executive Directors in 2025. The following underpin will apply:

- Vesting of restricted shares will be contingent on the satisfaction of a discretionary underpin which will be assessed by the Committee prior to vesting. The Committee will consider the extent to which the Executive Directors have effectively delivered IHG's strategy across the vesting period, as well as any factors that have resulted in serious reputational damage or significant financial loss to the Company.
- In making its assessment, the Committee will take into account the experience of stakeholders including our shareholders, owners and guests. Following the vesting date for each award cycle, the Committee will disclose its considerations in assessing the underpin in the relevant Directors' Remuneration Report.

Implementation of Directors' Remuneration Policy in 2025 continued

APP 2025 and LTIP 2025–27 performance measures and targets

APP

The APP measures for 2025 will be operating profit from reportable segments (70%), room signings and room openings (15% each). These measures and weightings are unchanged on those for 2024, and align with our strategic priorities.

The following table sets out the measures, definitions and weightings for the 2025 APP. Details of the targets are sensitive and will be disclosed alongside the performance achieved in the 2025 Directors' Remuneration Report.

Measure	Definition	Weighting
Operating profit from reportable segments	A measure of IHG's operating profit from reportable segments for the year	70%
Room signings	Absolute number of new room signings	15%
Room openings	Absolute number of new room openings	15%

LTIP

Measures for the 2025–27 cycle are relative Total Shareholder Return (20%); relative net system size growth (25%); cash flow (20%); adjusted earnings per share (EPS) (25%); and carbon and people metrics (10%). These are the same categories of metric used for the 2024–26 cycle.

We have undertaken a review of the LTIP measures in the context of our strategic priorities including our growth algorithm. It was concluded that the weightings of the EPS and relative net system size growth measures should be increased to support the achievement of this, with a corresponding reduction to the weighting for carbon and people measures.

The rationale for the inclusion of each of the LTIP metrics is as follows:

- Relative Total Shareholder Return reflects our aim to deliver competitive shareholder returns as well as aligning the interests of Executive Directors with those of shareholders.
- Net system size growth (NSSG) relative to our closest competitors reflects our industry-leading growth in our scale ambition.

- Cash flow as a metric measures our ability to deliver consistent, sustained growth in cash flows and profits over the long-term.
- Carbon and people metrics have been simplified for 2025 with two key measures aligned to our growth strategy: Adoption of Energy Conservation Measures (ECMs) in owned, leased, managed and managed lease hotels, and Talent Interventions. Aligned to our decarbonisation strategy, the carbon measure is focused on supporting owners to reduce energy costs and drive better hotel performance via adoption of ECMs. The people measure relates to our primary hotel leadership programme, Journey to GM, to focus attention on developing high quality talent to fuel our long-term growth.
- EPS is a key business metric, prominent in company results reporting and commonly used for valuation purposes. It provides a measure of the efficiency of the capital structure, in that returns of capital can be captured within EPS performance, as well as promoting further alignment with shareholder experience.

How are performance targets set?

The targets for the 2025–27 LTIP have been set by the Committee, taking into account IHG's long-range business plan, market expectations and the circumstances and relative performance with the aim of setting stretching targets for senior executives which will reflect successful outcomes for the business based on its long-term strategic objectives.

Aligned with the medium to long-term aspirations of our growth algorithm and with EPS consensus forecasts at the time that the Committee set them, the EPS targets for the 2025–27 cycle have been increased relative to the 2024–26 targets. As well as increasing the threshold target by 1% from 5% to 6% per annum, the maximum target has been increased by 2% from 12% to 14% per annum. This reflects our growth ambitions at the maximum end, with a range to allow for cyclicity of the business and with the intention that, in the absence of a substantial change in circumstances, the range should be enduring over time. Alongside the higher LTIP quantum proposed under the revised policy, this revised maximum target requires our earnings to increase by almost 50% over the performance period for full vesting, and is considered by the Committee to be particularly challenging when compared to those of other FTSE businesses.

Adjusted EPS targets incorporate assumed share buybacks as part of our ongoing shareholder return programme, so the Committee would not expect to adjust performance outcomes at the end of the performance period for buybacks made during the cycle.

Threshold performance will result in 20% vesting, maximum performance will result in 100% vesting, with straight-line vesting in between threshold and maximum.

The details of the targets for the 2025–27 LTIP cycle are set out in the table on the following page.

Directors' Remuneration Report continued

Annual Report on Remuneration continued

Measure	Definition	Weighting	Targets
Relative Total Shareholder Return (TSR)	IHG's performance against a comparator group of global hotel companies against which TSR outcomes are measured: Accor S.A., Choice Hotels International Inc., Dalata Hotel Group PLC, H World Group Limited, Hilton Worldwide Holdings Inc., Hyatt Hotels Corporation, Indian Hotels Company Limited, Jin Jiang International Holdings Company Limited, Marriott International Inc., Melia Hotels International S.A., Minor International, Scandic Hotels Group AB, Shangri-La Hotel Public Company Limited, Whitbread PLC and Wyndham Hotels & Resorts Inc.	20%	Threshold: Median of comparator group Maximum: Upper quartile of comparator group
Relative net system size growth	IHG's aggregated compound annual growth rate (CAGR) against our six largest competitors with more than 500,000 rooms: Marriott International Inc., Hilton Worldwide Holdings Inc., Accor S.A., Jin Jiang International Holdings Company Limited, Wyndham Hotels & Resorts Inc. and Choice Hotels International Inc. Targets will be set based on increased room count that is consistent with the relevant company's business plan objectives and practice as at the start of the LTIP cycle.	25%	Threshold: Fourth ranked competitor excluding IHG Maximum: First ranked competitor excluding IHG
Absolute cash flow	Cumulative annual cash generation over the three-year performance period. Absolute cash flow includes reported cash flow from operations and net cash from investing activities.	20%	Threshold: \$2.595bn Maximum: \$3.993bn
Carbon and people	1. Planet Adoption of a set of Energy Conservation Measures (ECMs) across the owned, leased, managed and managed lease (CMH) hotels. 2. Talent interventions Impact of our Journey to GM (J2GM) talent programme.	10% (5% each)	1. Threshold: Weighted average increase in adoption of the five ECMs at CMH hotels of 9% points Maximum: Weighted average increase in adoption of the five ECMs at CMH hotels of 25% points 2. Threshold: 30% of talent who took part in the J2GM programme commencing between 2023 and 2025 have been promoted by 31 December 2027 Maximum: 50% of talent who took part in the J2GM programme commencing between 2023 and 2025 have been promoted by 31 December 2027
Adjusted earnings per share (EPS)	Absolute compound annual growth rate (CAGR).	25%	Threshold: 6% per annum adjusted EPS CAGR Maximum: 14% per annum adjusted EPS CAGR

Angie Risley
 Chair of the Remuneration Committee
 17 February 2025

Introduction to 2025 Directors' Remuneration Policy

Review process

The following section provides a summary of the process that has been carried out to review the Directors' Remuneration Policy, including the business context, principles that we have applied, the findings of the review and the resulting proposals that we are tabling as part of a revised Directors' Remuneration Policy at the 2025 AGM.

We also detail the engagement that we have carried out with our investors, and the changes that we have made to the original proposals as we have listened to shareholders in a two-way engagement process.

Principles

The Committee has followed a data-driven review, underpinned by the following set of principles, to guide the design of a revised approach to senior remuneration that will drive focused execution of strategic priorities and alignment of executive and shareholder interests, at the same time as mitigating retention risks identified by our talent flow analysis:

Principle 1

Reinforce IHG's **pay for performance** culture for the senior executive talent cadre, with reward that is commensurate with the long-term value created for shareholders.

Principle 2

Provide clarity to both internal and external stakeholders on IHG's **desired long-term market positioning** of executive talent pay relative to a stable set of peer organisations.

Principle 3

Establish a pay policy that is **competitive against IHG's primary talent and business performance competitors**, including predominantly US-listed global hotel peers.

Principle 4

Ensure **alignment of approach** to executive remuneration design across the whole executive team where restricted shares are an established lever used to align individuals with shareholders.

Principle 5

Ensure alignment of approach to executive remuneration principles and structure, where relevant, across the wider corporate workforce.

Business and performance context

IHG is a truly global business with an increasingly significant US focus, in terms of geographic spread and investor base. In particular:

- With IHG branded hotels in more than 100 countries; our US presence is significant, with around 50% of our total gross revenues and over 70% of our EBIT from reportable segments being generated by the Americas region.
- From a system size perspective, the US is by far our single largest market, at around half of our system size, compared to the UK comprising around 5%.
- Across our shareholder base, around 42% of IHG's equity ownership is now based in North America compared to 29% in 2018.
- Our key competitors are almost exclusively US-based and listed – Marriott, Hilton, Hyatt, Wyndham and Choice – with Accor being the only major international competitor listed outside the US.

The business performance has been strong, with share price returns beating market indices and peers (see chart below):

- On an absolute basis, the share price has more than doubled since the start of 2023. Over this same period,

our share price increased by 100% above the FTSE 100 index and more than 50% above the S&P 500 index. IHG's share price growth was also in the upper quartile of global peers. Since 30 April 2020, our share price increased by 176%.

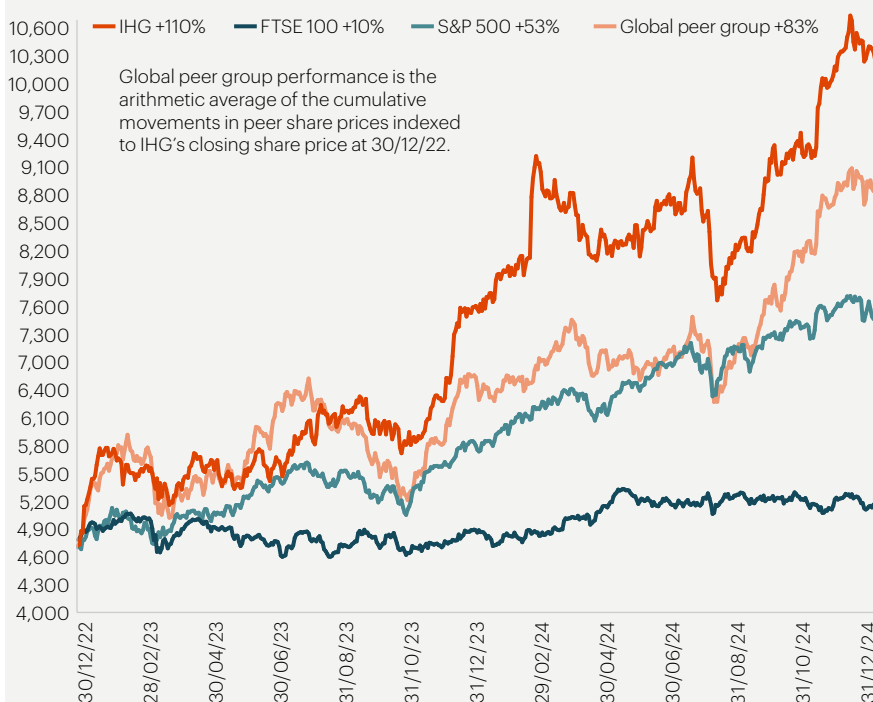
Across a range of financial measures, we have demonstrated a clear track record of performance through to 2019 and a robust recovery following Covid-19 with clear potential to further grow earnings and dividends (see table on the next page).

In terms of performance to date:

- 2024 operating profit from reportable segments^a (\$1,124m) was up 10% on 2023 and 30% ahead of pre-Covid-19 levels.
- Strong growth in revenue combined with a disciplined approach to cost management resulted in an improvement in fee margin^a from 49.5% in 2021 to 61.2% in 2024.
- As a result of strong cash management, a share buyback programme to return \$750m of surplus capital was completed in 2023 with a further \$800m programme completed in 2024.

a. Definitions for Non-GAAP revenue and operating profit measures can be found on pages 103 to 108 of the Annual Report and Form 20-F 2024. Reconciliations of these measures to the most directly comparable line items within the Group Financial Statements can be found on pages 266 to 272.

2023-to-present share price performance of IHG versus market indices
(price, pence)



Directors' Remuneration Report continued

Introduction to 2025 Directors' Remuneration Policy continued

Measure	IHG's strong track record through to 2019	IHG's strong recovery 2023 vs 2019	IHG's strong performance 2024 vs 2023	IHG's strong potential looking ahead over the medium term
RevPAR	+3.9% p.a.	+11% ahead	+3.0%	High single digit % CAGR in fee revenue through combination of RevPAR and system growth
Net system size growth	+3.2% p.a.	System size +7% larger	+4.3%	
Fee margin expansion^a	+130bps p.a.	+520bps higher	+190bps	+100–150bps p.a. from operating leverage, plus potential for additional improvements
Cash conversion	>100%	>100%	94% for year	~100% adjusted earnings into adjusted free cash flow
Ordinary dividends	+11.0% CAGR	+21% higher	+10%	Continue sustainably growing
Total capital returned to shareholders	\$13.7bn	Further \$1.7bn returned	>\$1.0bn in year	Continue returning capital, whilst targeting financial leverage 2.5–3.0x
Adjusted Earnings Per Share growth^a	+11.4% CAGR	+24% higher	+15%	+12–15% CAGR

a. Definitions for Non-GAAP revenue and operating profit measures can be found on pages 103 to 108 of the Annual Report and Form 20-F 2024. Reconciliations of these measures to the most directly comparable line items within the Group Financial Statements can be found on pages 266 to 272.










– **We have key risks to our talent and succession pipeline evidenced by talent flows, and pay challenges from competitive pressure, being primarily derived from US markets:**

- Analysis shows that we primarily recruit senior talent from, and lose talent to, global hotel organisations in North America and Asia. Based on data for the top five job levels at IHG over a five year period, we have a higher talent outflow (543 people) compared to inflow (237 people) which indicates that we have issues with talent attraction and retention at senior levels (see diagram below).
- Packages have needed to be offered to attract senior executives that are higher than those for existing employees in response to a challenging market, with particular pressure for US employees. We have also lost a number of senior executives, in many cases where our remuneration was lower than that being offered. In some cases we have needed to increase salary, bonus, LTIP and provide significant retention awards to key US individuals in response to competitor offers.

- We have a pay compression issue for IHG's senior team being closer to the CEO's remuneration than the market – e.g. the highest paid IHG role below Board is paid 47% of the CEO's remuneration, whereas it is more typical in the market for a wider gap at 32%. The smaller gap for IHG compared to market further highlights the extent of the gap of our CEO's remuneration to the market. The proposed changes to the policy will help to address this structural issue.
- The majority of our talent pool for succession to the Executive Committee (EC) and Board is US-based and we compete for talent at all levels with global US-based hotels and other major US employers. Following the departure of our previous CEO and CFO in 2023, we have hired US-based individuals into these roles. Six of the 10 EC roles have changed in the last 18 months, with five of those new individuals being US-based, and more than 50% of our employees in the two levels below EC being US-based. The Committee believes that it would struggle to recruit talent of the calibre required using the existing remuneration policy.

– **Our executive remuneration levels are below those of our major hotel competitors, and our quantum and structures have been aligned with majority UK practice, which puts our executives at a relative disadvantage compared with international peers:**

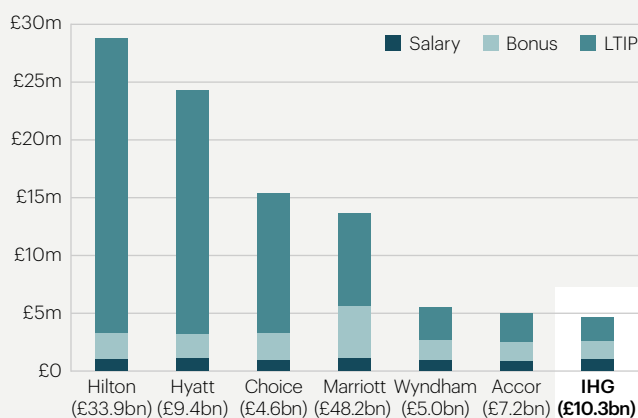
- The actual remuneration of our Executive Directors for 2023 was towards or at the bottom ranking of our most comparable international hotel peers (see charts on page 161).
- Hyatt and Choice granted additional one-off awards to their CEOs in the last two years with fair values of \$6m and \$30m respectively. Many hotel peers, including Choice, Hilton, Hyatt and Wyndham made favourable adjustments to awards during Covid-19, which would not usually be made in a UK environment.
- Our US peers incorporate practices such as time-vesting equity and a lower proportion of long-term incentives being performance-based, no holding periods and cash bonuses without deferral. These features enhance the perceived value of packages in peers, relative to majority and corporate governance best practice in the UK.

	Marriott International	Hilton Hotels & Resorts	Accor	Radisson	Shangri-La Hotels & Resorts	Hyatt	Four Seasons	Jumeirah Hotels & Resorts	Mandarin Oriental Hotel Group
IHG hires from... (237 total)	34	19	11	3	4	–	–	3	–
IHG loses to... (543 total):	50	22	29	15	6	7	5	–	4
									

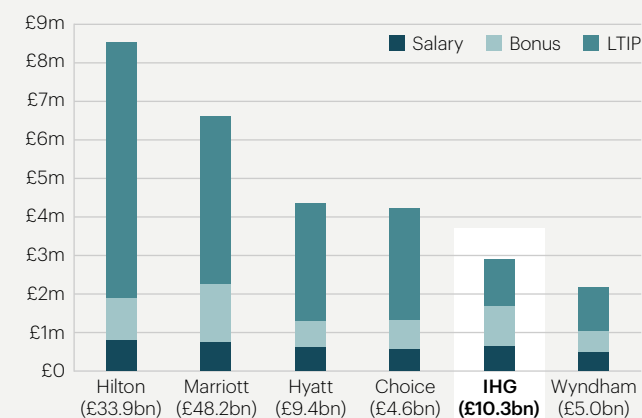
■ TSR peers

CEO – remuneration for latest reported financial year

(three month average market capitalisation to 31 December 2023)

**CFO – remuneration for latest reported financial year**

(three month average market capitalisation to 31 December 2023)

**Development of global peer group**

The Committee went through a lengthy and robust process of considering and formulating an appropriate peer group for Executive Director pay purposes, and held a number of additional meetings in order to test and refine the approach. As a result of this process, we have formed a single global peer group for benchmarking which is data driven and comprised of companies with which we compete for senior talent, in terms of those in the top five levels of the business we attract from and lose to, looking over a five year period.

The peer group that resulted from this process includes our closest hotel peers, and wider travel & leisure sector and adjacent strategic businesses where we have talent flows. In addition to these two sectoral and talent factors, we included companies in the peer group only if they either have a significant consumer element to their business operations or significant presence in Atlanta (or both). This geographic filter reflects our significant operations in Atlanta as well as the US being the most significant talent market for IHG.

We have digital and payment system parallels in our business model with the strategic business peers, the success of which is driven by the booking platform. In the context of these similarities, these hospitality and consumer businesses are also observed to draw on the same talent pool as the hotel peers given the skills required to successfully lead value creation for these companies.

We acknowledge and understand an alternative perspective that the UK market remains the most relevant comparison point. Given the nature of our business and evidence from talent flows, the Board strongly believes that this global peer group is most appropriate for benchmarking.

The median market capitalisation of the resulting group was aligned with our size at the time of developing the peer set. Based on a three-month average to 31 December 2024, eight of the peers are smaller than IHG and eight are larger than IHG by market capitalisation. We excluded some major Atlanta-based businesses identified in the talent flow analysis on the basis that their market capitalisation was significantly higher than IHG's.

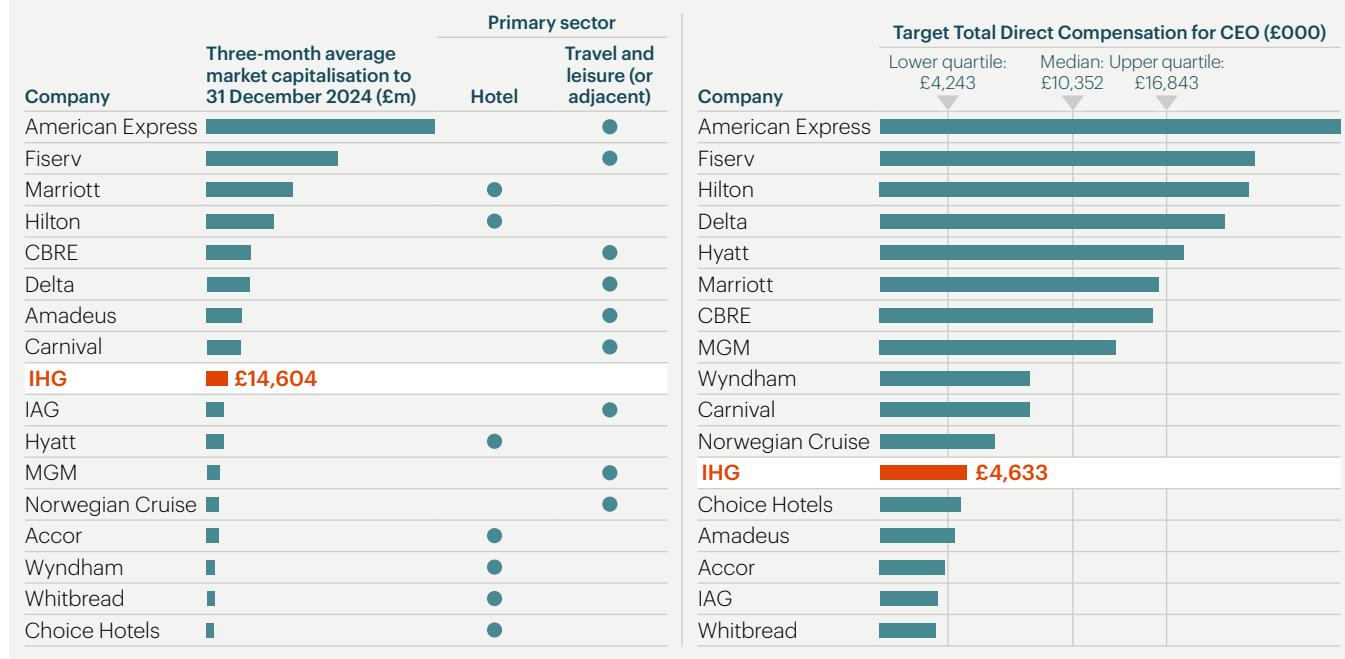
There is overlap between the benchmarking and TSR peer groups as they both include the same group of major hotel industry peers, but they are not identical as they have each been developed for their own purpose. The TSR peer group is derived from a marketable, liquid comparator set based on available global investments in our sector, whereas the benchmarking peer group is reflective of our talent flow analysis. The relative net system size growth measure peer group is also focused on the same core hotel competitor group. The Committee strongly believes each of these peer groups is appropriate for its purpose and all are strategically aligned.

Directors' Remuneration Report continued

Introduction to 2025 Directors' Remuneration Policy continued

Global peer group summary

While IHG's market capitalisation is at the median of the peer group, the CEO's compensation is around the lower quartile.



Name	Base salary (£000)	Target bonus (% of base salary)	Target total cash (£000)	LTI expected value (% of base salary) ^a	LTI maximum value (% of base salary) ^b	Target total direct compensation (£000)	Maximum total direct compensation (£000) ^c
IHG – CEO	1,030	100%	2,060	250%	500%	4,633	8,237
Peer group – Upper quartile	1,110	200%	3,151	1,311%	3,412%	16,843	39,820
Peer group – Median	1,011	177%	2,655	519%	951%	10,352	18,758
Peer group – Lower quartile	905	137%	2,004	223%	540%	4,243	8,583

a. The expected value of long-term incentives (LTI) represents the fair/expected value of an award as at the date of grant, taking into account the specific characteristics of the vehicle awarded (for example, share price volatility, dividend yield) and any applicable performance vesting conditions. The reported expected value represents the sum of the values of all types of LTI award made to an individual in the year, including performance/restricted shares, stock options, deferred bonus matching shares and long-term cash bonuses. For UK organisations, target LTI (Performance Share Plan) is half of the maximum.

b. For organisations that did not disclose their maximum LTI award, it is assumed that: stock option target is 20% of maximum, performance shares/cash target is 50% of maximum, and restricted shares target is 100% of maximum.

c. For organisations that did not disclose their maximum bonus, it is assumed that their target is 60% of maximum.

Results of benchmarking exercise

In the business context and with the talent issues in the previous section identified, a benchmarking analysis was carried out to understand in detail the position of our Executive Director remuneration against the global peer group and to support the review. This highlighted the following:

- A non-performance based share element is prevalent practice for CEOs amongst the peers, with 75% of the group having two or more long-term incentive elements.
- While the base salary of the IHG CEO is broadly aligned with the median of the peer group, the total target direct compensation (base salary, on-target bonus and the expected value of long-term incentives) for the CEO of around £4.6m is just above the lower quartile, or around 45% of the median (£10.4m).
- Overall, there is therefore a significant gap to median, with bonus and long-term incentive quantum being the main factors for this gap.
- For reference, including pensions and benefits in the benchmarking analysis, the CEO's total remuneration (£5.0m) is around 46% of the peer group median (£10.7m).
- For the CFO, there is a similar competitiveness challenge. In this case the CFO's target remuneration (£2.3m) is around 57% of the peer group median (£4.0m).

CEO – Target total direct compensation (TTDC) positioning against global peer group



CFO – Target total direct compensation (TTDC) positioning against global peer group



Directors' Remuneration Report continued

Introduction to 2025 Directors' Remuneration Policy continued

Proposals and rationale

The following changes are proposed to address these findings, in accordance with the agreed principles of the review.

Element	CEO: Current	CEO: Proposed	CFO: Current	CFO: Proposed
Salary (% increase)	£1,029,600	£1,100,000 (6.8%)	£644,800	£664,350 (3%)
Bonus maximum (% of salary)	200%	300%	200%	250%
– Bonus target (% of salary)	100%	150%	100%	125%
LTIP maximum award (% of salary)	500%	800%	300%	500%
– LTIP target award (% of salary)	250%	400%	150%	250%
Restricted stock unit (RSU) award (% of salary)*	n/a	150%	n/a	100%
Target total direct compensation	£4,633,000	£8,800,000	£2,258,000	£3,820,000
Minimum shareholding requirement (% of salary)*	500%	1,000%	300%	400%
Total variable pay (% of salary)	Target: 350% Maximum: 700%	Target: 700% Maximum: 1,250%	Target: 250% Maximum: 500%	Target: 475% Maximum: 850%

*The original proposals have been revised by the Committee in response to investor engagement. The overall result is a reduction in the positioning against the peer group median from 100% to 85% for CEO and from 100% to 96% for the CFO, primarily due to a reduction in the originally proposed quantum of RSU awards. See the section in relation to shareholder consultation on the following page for further details.

The Committee understands and acknowledges that the adjustments proposed together represent a substantial change to remuneration levels, particularly the long-term incentive elements. This reflects the scale of the issue identified and the intent to robustly and directly address this talent retention and succession challenge. The Committee also understands the usual UK market expectation that where restricted shares are introduced, this is by way of substitution for performance-based awards using a discount factor of 50%. Given the aim of addressing the differentials between the CEO's and CFO's pay to the peer group, this approach was judged not to be appropriate.

Pensions and benefits

Other than the adjustments to salary, there are no proposed changes to the other elements of fixed pay. The approach to pensions and benefits will continue to apply, in particular with pension provision being aligned with that for the corporate workforce.

Other features of the policy

Other features of the policy that will apply are set out below. Many of these conditions are not common practice within the global peer group, but have been retained to align with UK corporate governance best practice.

Underpin on RSU awards (3 year vesting period)

Vesting of restricted shares will be contingent on the satisfaction of a discretionary underpin which will be assessed by the Committee prior to vesting. The Committee will consider the extent to which the Executive Directors have effectively delivered IHG's strategy across the vesting period, as well as any factors that have resulted in serious reputational damage or significant financial loss to the Company.

In making its assessment, the Committee will take into account the experience of stakeholders including our shareholders, owners and guests. Following the vesting date for each award cycle, the Committee will disclose its considerations in assessing the underpin in the relevant Directors' Remuneration Report.

This is the underpin that has been discussed with shareholders and which will be applied to RSU awards granted as part of a rigorous decision-making process. Any changes to this underpin for future cycles would only be made after prior consultation with shareholders.

Minimum shareholding requirement (CEO: 1,000% of salary, CFO: 400% of salary)

Ordinarily a shareholding of 700% of salary for CEO and 300% of salary for CFO should be built up over five years. The balance of the total shareholding requirement of 1,000% of salary for CEO and 400% of salary for CFO should be reached over a further period agreed with the Chair of the Board.

Other conditions that continue to apply:

Bonus deferral: At least 30% of bonus earned will be deferred into shares for three years if the minimum shareholding requirement has been met, with at least 50% being deferred otherwise.

Post-vesting holding period: A two year holding period will apply for all LTIP and RSU shares after vesting.

Post-cessation shareholding requirement: The full minimum shareholding requirement continues to remain in force for two years following cessation as an Executive Director.

Malus and clawback: Recovery arrangements will continue to apply.

The rationale for these changes to remuneration is as follows:

- Overall the proposals ensure that remuneration is aligned with the growth aspirations and shareholder value, as the delivery of increased remuneration is primarily through long-term share-based elements in the form of performance shares and restricted shares.
- Positioning of Executive Director total target remuneration will be more closely in alignment with the median of the global peer group than is currently the case.
- The increase to the CEO's salary is a modest adjustment (6.8%), which minimises the impact on our cost base and reflects the current market position. This increase is in line with actual salary increases received by our strongest performing UK and US employees whose pay was below market levels, over the last three years.
- Other increases are to variable elements, thus driving short- and long-term performance.
- A hybrid structure aligns IHG to international market practice and the peer group pay mix. A restricted share element is a 'balancing' element into the total package, acknowledging that key drivers of sustainable business growth have complex co-dependencies under a managed and franchised business model in a cyclical sector.
- The structure is consistent with the long-term incentive structure for senior individuals below Board, as restricted shares are used for the Executive Committee and are the principal or sole tool below this level. Restricted shares have been part of below-Executive Director remuneration packages for nine years and have been effective in aligning interests of senior executives with shareholder value.
- The restricted share underpin ensures that the Committee will allow vesting of RSU awards only if delivery of the strategy is on track. It will assess this in a robust manner prior to approving the vesting of RSU awards by looking at the key growth algorithm metrics, which are already reflected in incentive KPIs, as well as other relevant factors at the time, such as reputation. These factors will be considered by the Committee through the lens of IHG stakeholders including shareholders.

Shareholder consultation

We have carried out an in-depth consultation process, meeting nearly 60% of our shareholder register and proxy bodies between November 2024 and February 2025.

This consultation exercise has been extremely valuable to us in shaping our proposals. The vast majority of shareholders we have spoken to were very supportive of the evidence for change and the rationale for the proposals. Some important questions were raised in relation to specific areas during consultation, mainly related to the long-term incentive elements of the package rather than salary and bonus levels. The Committee has reflected on the feedback and, while overall the original proposals were considered fit for purpose, in order to respond appropriately to shareholders' views, the Committee agreed that it was appropriate to make adjustments. Shareholders were very generous in providing additional comments and advice as we refined and tested these adjustments. This process resulted in the following:

- Reduction in the originally proposed annual quantum of RSU award, from 300% of salary to 150% for the CEO and from 150% of salary to 100% for the CFO, in response to particular questions on the balance between LTIP and RSU, and overall quantum. This change means the proportion of the CEO's total long-term incentive that has performance targets is 84%;
- Strengthening the RSU underpin, in particular to specifically include effective delivery of IHG's strategy over the vesting period; and
- Increase in the size of the shareholding requirement for the CEO from an original proposal of 700% of salary to 1,000%. The resulting requirement exceeds the combined quantum of LTIP and RSU awards and is significant as it doubles the current CEO requirement of 500% of salary.

While the current Executive Directors already meet the revised shareholding requirements, or are expected to during 2025, a new incumbent may require a long time to reach them, and therefore we have included flexibility to achieve the full requirement over a period longer than five years.

I hope that these changes demonstrate our willingness to listen but also to respond to shareholders. While the Committee's view was that median peer group positioning was strategically the right competitive position against the market, taking into account the business case for change, the resulting proposals reflect the feedback from some shareholders by reducing the overall positioning to a lower level of around 85% of median for the CEO and 96% of median for the CFO. This positioning also responds to questions on the inclusion of companies with a range of market capitalisations in the peer group, while the Committee continues to strongly believe that the peer group is appropriate based on the talent context.

Broader workforce considerations

As outlined on page 142 of the Annual Report and Form 20-F 2024, IHG operates an aligned approach to remuneration throughout the organisation.

In line with the UK Corporate Governance Code, the Committee reviews pay and employment conditions beyond those of the Executive Committee and takes this into consideration when establishing and implementing policy for Executive Directors. The Committee reviews aspects of the Company's wider workforce remuneration approach as part of its regular meeting agenda.

We remain committed to paying our employees fairly with respect to their relative responsibilities both internally and externally. Throughout the Group, base salary and benefit levels are set in accordance with prevailing market conditions, policies, practice and relevant regulations in the countries in which employees are based. Differences between Executive Director pay policy and that of other employees reflect the position and responsibilities of the individuals, as well as corporate governance practices in respect of Executive Director remuneration.

Directors' Remuneration Report continued

Introduction to 2025 Directors' Remuneration Policy continued

Our approach to remuneration is structurally consistent across the corporate population. For example, the same APP corporate performance targets apply to Executive Directors and all levels of the corporate population, and the same LTIP performance measures apply to eligible colleagues below Executive Director level. Executive Directors and other senior management receive a greater proportion of total remuneration in the form of long-term incentives. At Executive Committee level, RSU awards are used alongside performance-related LTIP awards, with the balance of RSU awards increasing below Executive Committee level so that RSU awards are the primary long-term incentive vehicle for those eligible colleagues below the Executive Committee.

Some of the key ways in which we invest in the reward arrangements for our employees are:

- **Bonus funding:** We regularly provide additional bonus funding to enable managers to reward the best performers in our business, and did this again for 2024;
- **Peer group:** We use a consistent approach to benchmarking pay across the organisation, including reviewing the global peer group for the most senior population below Board. Given the global peer group has been composed on the basis of our talent flows and succession pipeline, it is also being used as a reference point in assessing the pay of the next levels of senior executives where appropriate. While the analysis illustrates that competitive pay issues exist primarily at the Executive Director level, the pay of other senior executives will be considered in the context of the peer group alongside other factors including role location, market risk and succession;
- **Salary rises:** For the UK leased hotel estate, budgeted salary rises have typically been higher than those for the corporate workforce, with higher increases for frontline workers. The Real Living Wage has been applied as a minimum for all staff in line with the Real Living Wage Foundation level.

Pay ratios

As part of the review of the policy, the Committee also examined an analysis of the ratios of CEO to workforce pay, using the global peer group as a comparison point for consistency. While acknowledging that reporting requirements differ across geographies, and therefore an exact like-for-like comparison is not possible, the Committee believed it to be important to examine the relativity of pay levels across our peers as a context for the changes to the policy.

The analysis showed that the median 50th percentile CEO pay ratio in 2023 was 355:1 within the global peer group, compared to IHG's 50th percentile CEO pay ratio for 2023 of 62:1 (UK corporate employees only) and 136:1 (UK corporate and hotel employees).

Following the proposed policy changes, IHG's projected 50th percentile CEO-to-workforce ratio, based on the new policy and 2024 actual workforce pay, are 101:1 (UK corporate employees only) and 187:1 (UK corporate and hotel employees). These revised ratios remain significantly below the 2023 global peer group median of 355:1. Therefore, the Committee believes the revised policy results in reasonable remuneration levels when viewed from a broader employee perspective.

Target setting

The Committee will continue to ensure that there is significant stretch in targets, requiring upper quartile relative performance for maximum outcomes and with company targets being driven by our growth algorithm. We have increased the stretch in the EPS targets for 2025 to reflect our ambitious plans.

The Committee's continued focus on setting stretching targets is demonstrated by historical outcomes. Despite the outstanding performance achieved, both strategic and financial in terms of outcomes for shareholders, the average incentive outcomes over the last 10 years have been around 50% of maximum for LTIP (varying from 20% to 85%) and around 70% of maximum for bonus (varying from 0% to 100% – with only one occurrence at 0% and one at 100%), or around 60% of maximum overall. See the Directors' Remuneration Reports for details of year by year incentive outcomes.

Next steps

The current policy was approved in 2023, and it was supported by 74.85% of our register, including 22 out of our top 25 shareholders. I have subsequently flagged in follow-up shareholder discussions and in the 2023 Directors' Remuneration Report that further changes would need to be considered in order to help protect our Executive Director retention, succession and talent pipeline. As mentioned above, shareholders have been very supportive in these discussions. Given Executive Director performance has been very strong over the last year, as reflected in our results, a review of remuneration after two years, rather than waiting for the scheduled triennial review in 2026, was considered a priority to help secure the talent that has proven to be highly effective in evolving and delivering strategic priorities and creation of shareholder value.

The Committee is confident that our revised policy will best support the business to address the key risks identified, drive long-term sustainable growth and deliver value for our shareholders. Furthermore, it will strengthen our competitiveness in an increasingly global talent market and allow us to better align remuneration levels and structure with our global peers whilst still reflecting the best practice features expected within the UK environment.

The whole Board is cognisant that the revised remuneration packages required to achieve these goals represent a significant change to the current arrangements, which reflects the scale of the issue we are facing. These proposals have the full support of IHG's Chair and Board. We will continue to monitor remuneration policy over the coming years and engage with shareholders.

The support of shareholders has been incredibly valuable through this process, and I would like to extend a massive thank you for your engagement and support. I am keen to maintain an open dialogue with shareholders and I am grateful for the active engagement of many of our major shareholders to date, in particular those who I met several times in formulating the policy which is now presented for approval.

Angie Risley

Chair of the Remuneration Committee
17 February 2025

Directors' Remuneration Policy

The Committee will consider the Directors' Remuneration Policy ("policy") annually to ensure it remains aligned with strategic objectives. However, subject to approval by shareholders at the 2025 AGM, it is intended that the policy set out below will apply for three years from 2025; if the policy is proposed to be revised within that timeframe, it will first be presented to be voted upon by shareholders. Where there have been changes to elements from the last policy, these are set out for each element in the table below. Subject to shareholder approval, the policy will take effect immediately following the 2025 AGM.

The process used by the Committee to review the policy, and the reasons for changes made, are set out on pages 159 to 166. No Director or employee participates in discussions or decisions relating to their own remuneration in order to manage conflicts of interest.

+ The policy will be available to view at www.ihgplc.com/investors under Corporate Governance.

Future policy table

Salary	100% cash	No change in policy
Link to strategy	To attract and retain the key talent responsible for delivering our strategic objectives. Recognise the value of the role and the individual's skill, performance and experience.	
Operation	<p>Base salary is normally reviewed annually and fixed for 12 months from 1 April. In reviewing salaries, the Committee may consider factors including but not limited to:</p> <ul style="list-style-type: none"> – business performance; – personal performance, skills and expertise; – the average salary increases for the wider IHG workforce; and – current remuneration assessed against comparable opportunities for an individual to ensure competitiveness. 	
Maximum opportunity	<p>There is no maximum salary. Salary increases for current Executive Directors will be subject to the factors including the above and will not normally exceed the range of increases applying to the corporate UK and US employee population, except where there is a change in role or responsibility, or another need arises to reassess the competitiveness of salary which warrants either a lesser or a more significant increase. Any such change will be fully explained.</p> <p>Newly promoted or recruited Executive Directors may, on occasion, have their salaries set below the targeted remuneration level while they become established in role. In such cases, salary increases may be higher than those for the corporate UK and US employee population until the desired positioning is achieved.</p>	
Performance framework	An individual's performance is considered when reviewing salary levels.	
Benefits	No change in policy	
Link to strategy	To attract and retain the key talent responsible for delivering our strategic objectives with competitive benefits which are consistent with an individual's role and location.	
Operation	<p>IHG pays the cost of providing the benefits on a monthly basis or as required for one-off events. Benefits may include the cost of independent financial advice, car allowance/company car, private healthcare for themselves and their immediate family, medical assessments, life insurance, and other benefits provided from time to time. Direct payment or reimbursement of reasonable expenses incurred in performance of duties for IHG will be met, including any tax and social security due on expenses. Benefits would generally reflect typical practice for the role and location of an Executive Director. Benefits may include relocation and expatriate or international assignment and/or international living costs where appropriate, including, for example, cost of living allowance, travel costs, housing and related costs, professional advice, education allowance, tax equalisation, medical expenses and relocation allowance.</p> <p>Executive Directors are eligible to participate in any all-employee share plans that may be introduced, on the same basis as all other employees. These would be operated within the parameters of the applicable legislation. Currently none of the Executive Directors participate in any such plan.</p>	
Maximum opportunity	There is no defined maximum. The Remuneration Committee periodically reviews the cost of benefits to ensure they remain affordable. The value of benefits is dependent on location and market factors. Relocation and expatriate or international assignment costs would generally reflect typical practice for the role and location of an Executive Director.	
Performance framework	None.	

Directors' Remuneration Policy continued

Future policy table continued

Pension	No change in policy
Link to strategy	To attract and retain the key talent responsible for delivering our strategic objectives with appropriate contribution rates to provide funding for retirement.
Operation	<p>UK Executive Directors are eligible to join the IHG UK Defined Contribution Pension Plan (UK Plan). A cash allowance in lieu of pension contributions can be elected by the individual, for example, where pension contributions would be less efficient than cash.</p> <p>Non-UK Executive Directors may be eligible for an alternative local company retirement plan, for example, a DC 401(k) Plan and a DC Deferred Compensation Plan currently operating in the US.</p>
Maximum opportunity	<p>Salary is the only element of remuneration that is pensionable. The maximum employer contribution rate, or cash allowance in lieu of pension contribution, for new and incumbent Executive Directors will not exceed the maximum employer contribution rate available to all other participants in the UK plan, currently 12% of salary.</p> <p>Other contribution rates in excess of this may apply to non-UK Executive Directors in alternative non-UK local retirement plans. The Committee has the discretion to reduce or increase employer contribution rates for Executive Directors in exceptional circumstances where conditions so warrant, or to meet any statutory minimum contribution rate.</p>
Performance framework	None.

Annual Performance Plan (APP)	Part cash and part IHG PLC shares deferred for three years, under the rules of the Deferred Award Plan (DAP)
Link to strategy	<ul style="list-style-type: none"> – Drives and rewards annual performance normally against both financial and non-financial metrics. – Aligns individuals and teams with key strategic priorities. – Aligns short-term annual performance with strategy to generate long-term returns to shareholders. – Deferral into shares reinforces retention and enhances alignment with shareholders.
Operation	<ul style="list-style-type: none"> – Awards are made annually, 50% in cash after the end of the relevant financial year and 50% in the form of share awards which vest after three years subject to leaver provisions. Subject to meeting the minimum shareholding requirement, up to 70% of the award may be paid in cash and at least 30% in deferred shares. – The Committee has discretion to make awards wholly in cash rather than part-cash and part-shares, in exceptional circumstances. – The share awards are made in the form of conditional awards or forfeitable awards of shares. – Malus and clawback apply to awards. See page 174 for details. – The Committee applies judgement and discretion where necessary to ensure approved payout levels are reflective of overall business performance and has the ability to exercise discretion in adjusting the formulaic outcome of the APP to ensure the outcome is reflective of the performance of the Company and the individual over the period. The performance and vesting outcomes and any use of discretion will be fully disclosed and explained in the relevant Directors' Remuneration Report. – The Committee may make adjustments to targets and/or measures if a significant one-off event occurs that makes any of the existing targets and/or measures no longer appropriate. Any amended performance targets will be at least as challenging as the ones originally set.
Maximum opportunity	<ul style="list-style-type: none"> – The maximum annual award is 300% of salary for CEO and 250% of salary for other Executive Directors. – The target award is normally 50% of the maximum award.
Performance framework	<ul style="list-style-type: none"> – Normally, 70% of the award is based on the achievement of an operating profit measure and 30% is based on a mixture of strategic and/or personal measures which are reviewed annually and the weighting, measures and targets are determined by the Committee and set in line with key strategic priorities. – Threshold is up to 50% of target award for each measure.
New for 2025 policy	With effect from the 2025 financial year, the maximum APP award has increased from 200% to 300% for CEO, and from 200% to 250% for other Executive Directors. See pages 164 to 165 for the rationale.

Long-Term Incentive Plan (LTIP)

100% IHG PLC shares under the rules of the DAP

Link to strategy	Drives and rewards delivery of sustained long-term performance on measures that are aligned with the interests of shareholders.
Operation	<ul style="list-style-type: none"> Annual grants of conditional awards or forfeitable awards of shares subject to a performance period normally of at least three years, subject to the achievement of corporate performance targets. The Committee will normally also impose such post-vesting holding periods to ensure at least a total five-year period from grant of the awards to the date they are free from any restrictions. These holding periods normally continue to apply post cessation of employment. The Committee has discretion to make cash awards in exceptional circumstances. Malus and clawback applies to awards. See page 174 for details.
Maximum opportunity	The maximum annual award is up to 800% of salary for the CEO and up to 500% of salary for other Executive Directors.
Performance framework	<ul style="list-style-type: none"> The majority of the LTIP will normally be based on the achievement of financial performance measures. The measures and targets are reviewed and may be changed by the Committee annually to ensure alignment with strategic objectives. Normally 20% of the maximum pays out for threshold performance but the Committee may increase this to up to 25% of maximum if this is considered appropriate. All targets are typically measured over a performance period of at least three years. The Committee may make adjustments to targets and/or measures if a significant one-off event occurs that makes any of the existing targets and/or measures no longer appropriate. Any such adjustments would be disclosed at the first appropriate opportunity. Any amended performance targets will be at least as challenging as the ones originally set. The Committee will review the vesting outcomes under the LTIP measures at the end of each three-year cycle against an assessment of several factors, including, but not limited to Group earnings, the quality of financial performance and growth over the period, including relative growth against the market, and the efficient use of capital. If the Committee determines that the vesting outcomes do not appropriately reflect the performance of the Group (the Company and its subsidiaries), it may exercise reasonable discretion to override award outcomes, in particular to override formulaic outcomes, to increase or reduce the number of shares that vest. The performance and vesting outcomes and any use of discretion will be fully disclosed and explained in the relevant Directors' Remuneration Report.
New for 2025 policy	The maximum opportunity has been increased from 500% to 800% of salary for CEO and from 300% to 500% of salary for other Executive Directors. See pages 164 to 165 for the rationale.

Restricted Stock Units (RSU)

100% IHG PLC shares under the rules of the DAP

Link to strategy	Provides share-based incentivisation aligned with the long-term interests of shareholders, subject to satisfactory underpin performance.
Operation	<ul style="list-style-type: none"> Annual grants of conditional awards or forfeitable awards of shares subject to a vesting period normally of at least three years, subject to the achievement of underpin conditions. The Committee will normally also impose such post-vesting holding periods to ensure at least a total five-year period from grant of the awards to the date they are free from any restrictions. These holding periods normally continue to apply post cessation of employment. The Committee has discretion to make cash awards in exceptional circumstances. Malus and clawback applies to awards. See page 174 for details.
Maximum opportunity	The maximum annual award is up to 150% of salary for the CEO and up to 100% of salary for other Executive Directors.
Performance framework	<ul style="list-style-type: none"> RSU awards will be subject to an underpin, set at the time of grant. The Committee will review the underpin outcomes at the end of each three-year cycle when determining the appropriate level of vesting. The underpin and vesting outcomes and any use of discretion will be fully disclosed and explained in the relevant Directors' Remuneration Report.
New for 2025 policy	RSU is a new element under the 2025 policy, and aligns the incentive structure for Executive Directors with that for the rest of the senior management population.

Directors' Remuneration Policy continued

Shareholding requirements

Minimum shareholding requirement

- The minimum shareholding requirement is 1,000% of salary for the CEO and 400% of salary for other Executive Directors. This shareholding can include the net value of unvested shares that are not subject to any further performance conditions or underpins.
- Ordinarily the shareholding of the CEO should be built up over five years to 700% of salary. The balance of the revised shareholding requirement up to 1,000% of salary should be reached over a further period agreed with the Chair of the Board.
- Ordinarily the shareholding of other Executive Directors should be built up over five years to 300% of salary. The balance of the revised shareholding requirement up to 400% of salary should be reached over a further period agreed with the Chair of the Board.
- The full minimum shareholding requirement will normally remain in force for two years post-cessation of employment.

New for 2025 policy

The requirement has been increased in 2025 from 500% to 1,000% for the CEO and from 300% to 400% for other Executive Directors. See pages 164 to 165 for the rationale.

Performance measures for 2025

APP

The measures for 2025 will be operating profit from reportable segments, room signings and room openings.

Why have we chosen these measures?

Operating profit from reportable segments is a focal measure of business performance for our shareholders and is a function of other critical measures, such as RevPAR, profit margin and fee revenues. The Committee has determined that, for 2025, it continues to be important to the Company's strategic objectives to focus on new room openings and new room signings in the APP. New room openings are critical to driving both short- and long-term profitable growth and is a recognised key performance measure across the industry, while new room signings provide the best gauge of future growth as they create the path for openings in future years, which will in turn drive profit and revenue growth.

The targets are commercially sensitive and will be disclosed in the Directors' Remuneration Report following the year for which the bonus is earned.

The Committee retains the flexibility to change the measures and/or weightings during the life of the policy and will consult with shareholders as appropriate on any proposed changes.

How are performance targets set?

Targets may be set relative to budget and/or by reference to prior results and may contain a performance range to incentivise outperformance and minimum performance levels relative to budget and/or prior experience to ensure that poor performance is not rewarded. The 2025 targets are set by the Committee, taking into account IHG's growth ambitions, market expectations and the circumstances and relative performance at the time, with the aim of setting stretching targets for senior executives, which will reflect successful outcomes for the business based on its strategic objectives for the year.

LTIP

Measures for the 2025–27 cycle are: relative Total Shareholder Return, relative net system size growth, cash flow, adjusted earnings per share (EPS), and carbon and people metrics.

Why have we chosen these measures?

Relative total shareholder return will remain a measure for 2025–27, reflecting our aim to deliver competitive shareholder returns as well as aligning the interests of Executive Directors with those of shareholders.

A net system size growth measure will also remain and, reflecting our industry-leading growth in our scale ambition, will continue to have a relative performance target measured against our closest competitors.

There is no change to the cash flow measure to deliver consistent, sustained growth in cash flows and profits over the long term.

The carbon and people metrics have been simplified for 2025 with two key measures aligned to our growth strategy: Adoption of energy conservation measures (ECMs) in hotels, and Talent Interventions. Aligned to our decarbonisation strategy, the carbon measure is focused on supporting owners to reduce energy costs and drive better hotel performance via adoption of ECMs. The people measure relates to our primary hotel leadership programme, Journey to GM, to focus attention on developing high quality talent to fuel our long-term growth.

An EPS measure will continue to be used for 2025–27. EPS is a key business metric, prominent in company results reporting and commonly used for valuation purposes. It provides a measure of the efficiency of the capital structure, in that returns of capital can be captured within EPS performance, as well as promoting further alignment with shareholder experience.

How are performance targets set?

Targets may be set relative to the expected outcomes of IHG's long-range business plan and other long-term strategic objectives and may contain a performance range to incentivise outperformance and minimum performance levels to ensure that poor performance is not rewarded. The targets for the 2025–27 LTIP are set by the Committee, taking into account IHG's long-range business plan, market expectations and the circumstances and relative performance at the time, with the aim of setting stretching targets for senior executives, which will reflect successful outcomes for the business based on its long-term strategic objectives.

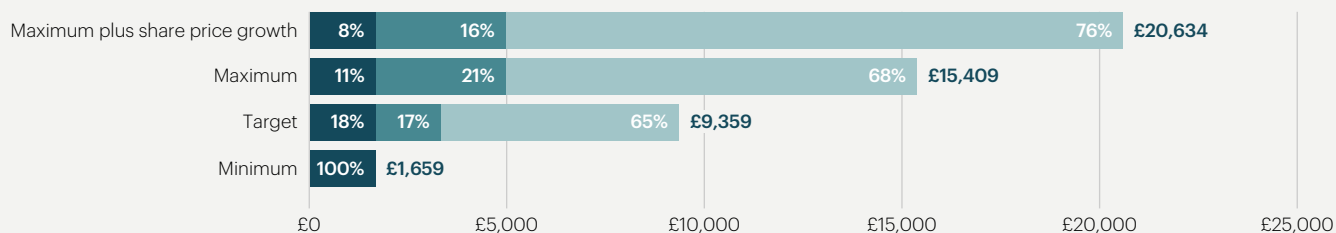
Illustrative scenarios

The graphs below illustrate the value that could be received by Executive Directors under the policy in respect of 2025, showing:

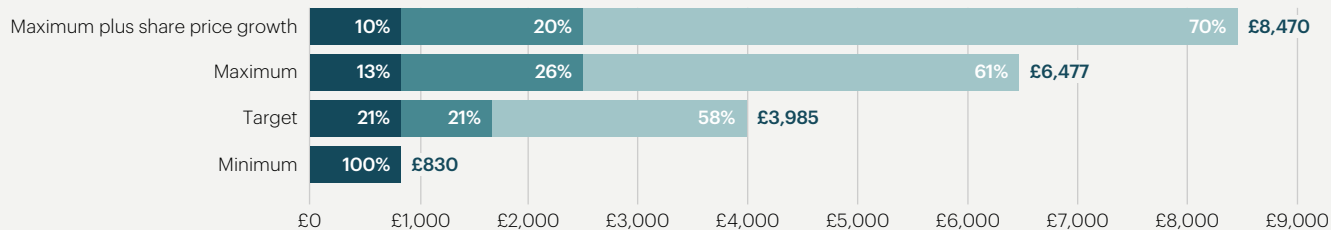
- minimum, which includes salary, benefits and employer pension contributions only (total fixed pay);
- target, which includes total fixed pay (including salary, benefits and pension) and an on-target outcome for the APP (150% of salary for CEO and 125% of salary for CFO), 50% of maximum LTIP vesting and 100% RSU vesting;
- maximum, which includes total fixed pay and a maximum outcome under the APP, LTIP and RSU; and
- maximum plus share price growth, which includes a 50% share price increment for the LTIP and RSU.

Salaries are those proposed to apply from 1 April 2025. The benefit values included are estimates based on the 2024 values.

2025 policy – CEO



2025 policy – CFO



■ Fixed ■ Annual variable ■ Multi-year variable

Consideration of shareholder views

In updating the policy, we undertook a comprehensive review of executive remuneration, including how it could support the Company's strategy and better align with shareholders' interests.

The Committee followed a detailed decision-making process to design the new policy which included discussions on the proposals at six Remuneration Committee meetings. The Committee considered multiple approaches and their appropriateness for IHG, and sought input from management as well as advice from its independent advisers on market practice and shareholder expectations to inform the discussions. An extensive shareholder consultation exercise was also undertaken. To avoid any conflict of interest, no Executive Directors were present for Committee conversations relating to their own pay.

Engagement with our largest shareholders and proxy bodies has been key to this review and the Committee chair has consulted with shareholders to develop the policy, starting in 2024 and continuing into early 2025. In total we have engaged with almost 60% of the shareholder register to date.

This process has allowed the Committee to hear and reflect on shareholder feedback while developing the policy and helped shareholders better understand our business, the competitive environment for talent and the challenges we face. We have valued this engagement with shareholders and the policy has been refined in direct response to the feedback we received.

We remain committed to continuing the dialogue in the run-up to the 2025 AGM and beyond.

Consideration of employment conditions elsewhere in the Group

Whilst decisions on remuneration for employees outside the Executive Committee remain a management responsibility, in line with the UK Corporate Governance Code, the Committee has reviewed pay and employment conditions beyond those of the Executive Committee and takes this into consideration when establishing and implementing policy for Executive Directors.

The Committee also reviews the Company's reward philosophy and alignment of pay with culture, values and behaviours, as well as salary and incentives policies and practice, including how reward practices are aligned across all levels of the organisation. This has shown a consistent approach to reward and has informed the Committee's views on the structure and approach to executive pay.

Directors' Remuneration Policy continued

It is the view of the Committee that Executive Director remuneration should be subject to robust and stretching performance conditions supported by strong shareholding and governance requirements.

We remain committed to paying our employees fairly with respect to their relative responsibilities both internally and externally. Throughout the Group, base salary and benefit levels are set in accordance with prevailing market conditions, policies, practice and relevant regulations in the countries in which employees are based. Differences between Executive Director pay policy and that of other employees reflect the position and responsibilities of the individuals, as well as corporate governance practices in respect of Executive Director remuneration. In particular, a key difference in policy for Executive Directors and other senior management is that a greater proportion of total remuneration is delivered as performance-based incentives.

Some of the key ways in which we invest in the reward arrangements for our employees are:

- We have regularly provided additional bonus funding to enable managers to reward the best performers in our business;
- We have changed our approach to workforce pay to more closely align outcomes with performance;
- We use a consistent approach to benchmarking pay across the organisation, including reviewing the global peer group for the most senior population below Board; and
- For the UK leased hotel estate, budgeted salary rises have typically been higher than those for the corporate workforce, with higher increases for frontline workers. The Real Living Wage has been applied as a minimum for all staff in line with the Real Living Wage Foundation level.

While the Company did not consult directly with employees on the new policy, feedback from employee surveys and through direct engagement provides views on a range of employee matters including pay. The Company's approach to wider workforce engagement is set out in the Directors' Remuneration Report.

Approach to recruitment or promotion remuneration

The remuneration of any newly recruited or promoted Executive Director will be determined in accordance with this policy and relevant maximum limits, and the elements that would normally be considered by the Group for inclusion are:

- salary and benefits, including defined contribution pension participation for a UK Executive Director or cash in lieu of pension, or equivalent local plan for an Executive Director not located in the UK;
- participation (or increased participation) in the APP, typically pro-rated for the year of recruitment or promotion to reflect the proportion of the year remaining after the date of commencement of employment (or promotion); and
- participation in the LTIP and RSU:
 - pro-rated awards (or increased awards in the case of promotions) would normally be made in relation to LTIP and RSU cycles outstanding at the time of recruitment (or promotion); but
 - no pro-rated award (or increased award) would normally be made for an LTIP or RSU cycle that has less than nine months to run at the date of commencement of employment or promotion.

The maximum annual variable pay opportunity for a new or promoted Executive Director is 1,250% of salary.

In addition to this, the Committee may, at its discretion, compensate a newly recruited Executive Director for relevant contractual rights forfeited when leaving their previous employer and/or remuneration forgone as a result of leaving their previous employer. The Committee would seek validation of the value of any potential incentives or contractual rights foregone. Awards would be made on a comparable basis to the extent possible, typically taking account of performance achieved (or likely to be achieved), the proportion of the performance period remaining and the form of the award. Compensation would, as far as possible, be in the form of LTIP and/or RSU awards in order to immediately align a new Executive Director with IHG performance.

Policy on payment for loss of office

Executive Directors normally have a 12-month notice period from both the Group and Executive Director.

However, neither notice nor a payment in lieu of notice will be given in the event of gross misconduct. In the event of an Executive Director terminating employment, any compensation payable will be determined in accordance with the terms of their service contract and the rules of any relevant incentive plan. Where possible, the Group will seek to ensure that, if a leaver mitigates their losses, for example, by finding new employment, there will be a corresponding reduction in compensation payable for loss of office. An Executive Director may have an entitlement to compensation in respect of their statutory rights under employment protection legislation in the UK or other relevant jurisdiction.

The Committee reserves the right to make any other payments in connection with a Director's cessation of office or employment where the payments are made in good faith in discharge of an existing legal obligation (or by way of damages for breach of such an obligation) or by way of settlement of any claim arising in connection with the cessation of a director's office or employment, or otherwise. Any such payments may include, but are not limited to, paying any fees for outplacement assistance and/or the director's legal and/or professional advice fees in connection with their cessation of office or employment.

The following table sets out the basis on which payments for loss of office may be made:

Remuneration component	Circumstances and approach taken (including, but not limited to):
Salary and contractual benefits, including pension	<p>Good leaver: paid up to date of termination or in lieu of notice. Alternatively, the Company may continue to provide benefits that would otherwise have been paid, normally until the end of the notice period.</p> <p>Other leaver: paid up to date of termination or in lieu of notice, if applicable (other than in the case of gross misconduct).</p> <p>Death: paid up to date of death.</p>
APP award for year of termination	<p>Good leaver: award settled on usual date, pro-rated for time and subject to the extent that performance conditions are met, in each case unless the Committee decides otherwise in its discretion or if earlier settlement is required in order to comply with applicable tax legislation. Award settled 50% cash and 50% in shares deferred for three years from grant, or such other proportions as permitted under the policy subject to Committee discretion.</p> <p>Other leaver: no award for year of termination, other than in case of termination after end of performance period but before award settlement, in which case only the cash portion of an award will be settled on the usual date, unless the Committee decides otherwise in its discretion. The share settled portion shall lapse.</p> <p>Death: award settled fully in cash immediately, pro-rated for time and subject to the extent that performance conditions are met, in each case unless the Committee decides otherwise in its discretion.</p>
Unvested APP deferred share awards	<p>Good leaver: award vests on usual date to the extent that any conditions are met, unless the Committee decides otherwise in its discretion or if earlier settlement is required in order to comply with applicable tax legislation.</p> <p>Other leaver: award forfeited.</p> <p>Death: award settled immediately to the extent that any conditions are met, unless the Committee decides otherwise in its discretion.</p>
Unvested LTIP and RSU awards	<p>Good leaver: award vests on usual date, pro-rated for time and subject to the extent that performance conditions, underpins and/or other conditions are met, in each case unless the Committee decides otherwise in its discretion or if earlier settlement is required in order to comply with applicable tax legislation.</p> <p>Other leaver: award forfeited.</p> <p>Death: award vests immediately, pro-rated for time and subject to the extent that performance conditions and/or other conditions are met, unless the Committee decides otherwise in its discretion.</p>

Good leaver status will be applied in accordance with the relevant plan rules, and will normally include death, injury, ill-health or disability, or the individual's employing company or business ceasing to be part of the Group. In addition, the Committee has discretion to apply good leaver status and, in doing so, will consider factors such as personal performance and conduct, overall Group performance and the specific circumstances of the Executive Director's departure including, but not restricted to, whether the Executive Director is leaving by mutual agreement. The Committee would only seek to exercise this and its other discretions under the plan rules in exceptional circumstances and the application of any such discretion would be disclosed in full as required in the relevant announcement and Annual Report on Remuneration. To the extent that unvested share awards do not lapse and are not forfeited on leaving, any holding period will continue to apply unless the Committee decides otherwise, other than on death, where any holding period will cease to apply.

Legacy arrangements

The Committee reserves the right to make any remuneration payments and/or payments for loss of office (including exercising any discretions available to it in connection with such payments) notwithstanding that they are not in line with the policy, where the terms of the payment were agreed: (i) before 2 May 2014 (the date the Company's first shareholder-approved directors' remuneration policy came into effect); (ii) before the policy set out above came into effect, provided that the terms of the payment were consistent with the shareholder-approved Directors' Remuneration Policy in force at the time they were agreed; or (iii) at a time when the relevant individual was not a Director of the Company (or other persons to whom the policy set out above applies) and, in the opinion of the Committee, the payment was not in consideration for the individual becoming a Director of the Company or such other person.

Directors' Remuneration Policy continued

For these purposes, 'payments' include the Committee satisfying awards of variable remuneration and, in relation to an award over shares, the terms of the payment are 'agreed' no later than at the time the award is granted. This policy applies equally to any individual who is required to be treated as a Director under the applicable regulations.

Use of discretion by the Remuneration Committee

Malus and clawback in incentive plans

The APP terms and DAP rules (under which deferred bonus, LTIP and RSU awards are granted) allow the Committee discretion to reduce (including to nil) or recover incentive plan awards if circumstances occur that, in the reasonable opinion of the Committee, justify a reduction (including to nil) or recovery of one or more awards granted to any one or more participants.

Malus provisions relate to unvested awards whilst clawback applies for the three years post-payment or vesting (including the cash element of the APP).

The circumstances in which the Committee may consider it appropriate to exercise its discretion for malus and/or clawback include the following:

- an event or series of events occurs which the Committee consider to constitute corporate failure of the Company or the Group;
- there has been a material misstatement, error, or misrepresentation in the financial statements of the Group, any member of the Group, or any business unit or undertaking for which the participant has significant responsibility (other than as a result of a change in accounting practice);
- an award was granted or vests on the basis of erroneous or misleading information, assumptions or calculations;
- the action or conduct of a participant, in the reasonable opinion of the Committee, amounts to fraud or gross misconduct;
- the participant leaves office or employment by reason of summary dismissal by any member of the Group or where the Committee subsequently determines that, prior to leaving, circumstances had arisen which would have justified the participant's summary dismissal;

- serious reputational damage or significant financial loss to the Company, any member of the Group or a relevant business unit arises as a result of the participant's conduct, misconduct or otherwise; or
- any other triggers or circumstances occur which the Committee determines justifies the application of malus and/or clawback. This may include, where appropriate, negligence on the part of the Executive Directors.

These features help ensure alignment between executive reward and shareholder interests and are in line with the UK Corporate Governance Code. All Executive Directors are required to sign (including electronically) forms of acceptance at the time of grant to indicate their acknowledgement and agreement that awards are subject to malus and clawback.

Other uses of discretion

The Committee reserves certain discretions in relation to the outcomes for Executive Directors under the Group's incentive plans. These operate in two main respects:

- enabling the Committee to ensure that outcomes under these plans are consistent with the underlying performance of the business; the conduct, capability or performance of the individual; any windfall gains; the total value that would otherwise be received compared to the maximum value intended (or any other reason at the discretion of the Committee); and the experience of stakeholders, at the same time as providing a high degree of clarity for shareholders as to remuneration structure and potential quantum; and
- enabling the Committee to treat leavers in a way that is fair and equitable to individuals and shareholders under the incentive plans.

The Committee has discretion to adjust the extent to which an APP award is settled, or LTIP or RSU award vests if it considers such extent would otherwise not be appropriate.

The discretions that can be applied in the case of leavers in respect of the APP, LTIP and RSUs are set out in the section 'Policy on payment for loss of office' on page 172.

The discretions that can be applied in respect of the APP, LTIP and RSUs in the event of corporate transactions, such as a takeover or merger, include the ability to determine:

- the period for which awards may be pro-rated;
- whether awards are payable as cash or shares;
- the vesting date for APP;
- the application of performance conditions and the extent to which those performance conditions have been met;
- in the event that a transaction involves the exchange of IHG PLC shares for shares in another company, whether existing share awards may be replaced by a new award granted on such terms and over such shares or other types of securities as appropriate; and
- any such action as it may think appropriate if other events happen which may have an effect on awards.

In addition, in the event of any variation in the share capital of the Company, a demerger, special dividend or distribution or any other transaction which will materially affect the value of shares, the Committee may make an adjustment to the number or class of shares subject to awards. Any exercises of discretion by the Committee will be fully disclosed and explained in the relevant year's Annual Report on Directors' Remuneration.

Service contracts and notice periods for Executive Directors

The Committee's policy is for all Executive Directors to have service contracts with a notice period of 12 months from the Company and a notice period of six months for the employee, unless, on an exceptional basis to complete an external recruitment successfully, a longer initial notice period reducing to 12 months is used. This is in accordance with the UK Corporate Governance Code.

All Executive Directors' appointments and subsequent re-appointments to the Board are subject to election and annual re-election by shareholders at the AGM.

Details of current Executive Directors' contracts (available upon request from the Company Secretary's office):

Executive Directors	Date of original appointment to the Board	Notice period
Michael Glover	20 March 2023	12 months
Elie Maalouf	1 January 2018	12 months

Dilution of Company shares

Our DAP rules provide that issuance of new shares or re-issued treasury shares, when aggregated with all other share schemes, must not exceed 10% of issued share capital in any rolling 10-year period. The total number of shares issued in connection with this 10% under any discretionary employee share plans (including the DAP) must not exceed 5% of the ordinary share capital, unless shareholder approval is obtained to amend this limit.

Non-executive directorships of other companies

The Group recognises that its Executive Directors may be invited to become Non-Executive Directors of other companies and that such duties can broaden their experience and knowledge and benefit the Group. IHG therefore permits its Executive Directors to accept one non-executive appointment (in addition to any positions where the Director is appointed as the Group's representative), subject to Board approval and as long as this is not, in the reasonable opinion of the Board, likely to lead to a conflict of interest. Any fees from such appointments may be retained by the individual Executive Director.

Remuneration Policy for Non-Executive Directors

The policy for Non-Executive Directors, set out below, will apply for three years from the date of the 2025 AGM.

 The policy for Non-Executive Directors is available to view at www.ihgplc.com/investors under Corporate Governance in the Committees section.

If the policy is proposed to be revised within that time frame, it will be presented to be voted upon by shareholders.

Fees and benefits	100% cash	No change in policy
Link to strategy	<ul style="list-style-type: none"> To attract Non-Executive Directors who have a broad range of skills and experience that add value to our business and help oversee and drive our strategy. Recognises the value of the role and the individual's skills, performance and experience. 	
Operation	<ul style="list-style-type: none"> Non-Executive Directors' fees and benefits are set by the Chair of the Board and Executive Directors; the Chair's fees are set by the Committee. Fees are normally reviewed annually and fixed for 12 months from 1 January. Consideration is given to business performance, current remuneration competitiveness and average salary increases for the wider IHG employee population. Benefits include travel and accommodation in connection with attendance at Board and Committee meetings. The Company may meet any tax liabilities that may arise on such expenses. Non-Executive Directors are not eligible to participate in IHG incentive or pension plans. A base fee is determined for the Non-Executive Director role and additional supplemental amounts applied for additional responsibilities such as Committee membership and Chairing roles. 	
Maximum opportunity	<ul style="list-style-type: none"> While there is no maximum, fee increases will take into account the circumstances of the business, increases in remuneration across the Group and relevant market practice, other than where there is a change in role or responsibility or another need arises to reassess the competitiveness of fee level that warrants either a lesser or a more significant increase. Any such change will be fully explained. IHG pays the cost of providing benefits as required. 	
Performance framework	<ul style="list-style-type: none"> Non-Executive Directors are not eligible to participate in any performance-related incentive plans. 	

Non-Executive Directors have letters of appointment, which are available upon request from the Company Secretary's office.

Deanna Oppenheimer, appointed Non-Executive Chair on 1 September 2022, is subject to 12 months' notice. Other Non-Executive Directors are not subject to notice periods.

All Non-Executive Directors' appointments and subsequent re-appointments are subject to election and annual re-election by shareholders at the AGM.

Statement of compliance

Our Statement of compliance summarises how the Group has applied the principles of the 2018 UK Corporate Governance Code (available at [frc.org.uk/library/standards-codes-policy/corporate-governance/uk-corporate-governance-code/](https://www.frc.org.uk/library/standards-codes-policy/corporate-governance/uk-corporate-governance-code/) under UK Corporate Governance Code) as published in July 2018 (the Code) and comments on compliance with the Code's provisions.

This should be read in conjunction with the Strategic Report on pages 3 to 110, and Governance, including the Directors' Remuneration Report, on pages 138 to 175, as a whole.

The Board considers that the Group has complied in all material respects with the Code's provisions for the year ended 31 December 2024.

1. Board Leadership and Company Purpose

A. The role of the Board

The Board continues to lead the Group's strategic direction and long-term objectives. Further responsibilities of the Board are set out on page 122.

The Board met eight times during 2024 and all Directors continue to act in what they consider to be the best interests of the Company, consistent with their statutory duties. Further details of 2024 Board meetings, including information on matters discussed and decisions taken by the Board, are set out on pages 123 to 125; attendance information is on page 118; and skills and experience and biographical information is on pages 114 to 117.

A description of IHG's business model is set out on pages 22 to 27. An assessment of the principal risks facing the Group is included on pages 46 to 51.

Potential conflicts of interest are reviewed annually and powers of authorisation are exercised in accordance with the Companies Act and the Company's Articles of Association.

During the year, if any Director has unresolved concerns about the operation of the Board or the management of the Company, these would be recorded in the minutes of the meeting.

B. The Company's purpose, values and strategy

Our purpose is to provide True Hospitality for Good. A description of our culture, including an overview of our values and information on how the Board ensures alignment between our purpose, values and strategy and our culture, is included on pages 77 to 80. A summary of the Board's activities in relation to the Voice of the Employee is included on page 135. Information on the Group's approach to rewarding its workforce is contained on pages 53 and 142 and 143.

C. Resources

The Board delegates oversight of the allocation of day-to-day resources to management (principally through the Executive Committee).

Information on the Group's key performance indicators, including the measures used to monitor them, is included on pages 38 to 41.

A summary of the procedures for identifying and discussing emerging risks is set out on pages 44 and 45.

D. Shareholders and stakeholders

The Board engaged actively throughout 2024 with shareholders and other stakeholders. The Chair held a number of meetings with shareholders to discuss the role of the Board and other general governance issues, following which the Chair ensured that their views were communicated to the Board as a whole.

Information on the Board's consideration of and engagement with other stakeholders, including employees, suppliers, hotel owners and guests, is included on pages 42 and 43.

E. Workforce policies and practices

The Board has overarching responsibility for the Group's workforce policies and practices and delegates day-to-day responsibility to the CEO and Chief Human Resources Officer to ensure that they are consistent with the Company's values and support its long-term success.

Employees are able to report matters of concern confidentially through our Confidential Disclosure Channel. The Board routinely reviews reports generated from the disclosures and ensures that arrangements are in place for investigation and follow-up action as appropriate.

2. Division of Responsibilities

F. The Chair

Deanna Oppenheimer leads the operation and governance of the Board and its Committees. The Chair has been in post since September 2022 and was independent on appointment.

G. Board composition

The size and composition of the Board and its Committees are kept under review by the Nomination Committee to ensure the appropriate combination of Executive and Non-Executive Directors. Details of the composition of the Board and Committees are available on pages 114 to 118.

At least half of the Board, excluding the Chair, are Independent Non-Executive Directors.

H. Non-Executives

Non-Executive Director terms of appointment outline IHG's time commitment expectations required to fulfil their role.

The commitments of each Director are included in the Directors' biographical details on pages 114 to 117. Details of Non-Executive Director appointment terms are set out on page 154.

The time each Non-Executive Director dedicates to IHG is reviewed annually as part of the performance evaluation of Directors (see page 127). Graham Allan, the Senior Independent Non-Executive Director (SID), led the evaluations in 2024 and was satisfied that the Non-Executive Directors' other duties and time commitments do not conflict with those as Directors.

The SID provides a sounding board for the Chair and serves as an intermediary for the other Directors and shareholders. Graham also led the annual performance review of the Chair (see page 127).

After each Board meeting, Non-Executive Directors and the Chair meet without Executive Directors being present.

I. Policies, processes, information and resources

The Chair and Company Secretary ensure that the Board and its Committees have the necessary policies and processes in place and that they receive timely, accurate and clear information. The Board and its Committees also have access to the Company Secretary, independent advice and other necessary resources, at the Company's expense. They receive the administrative and logistical support of a full-time executive assistant.

3. Composition, Succession and Evaluation

J. Appointments

Appointments to the Board are led by the Nomination Committee in accordance with its Terms of Reference (available on our website at ihgplc.com/investors under Corporate governance).

The Nomination Committee also supports the Board in succession planning for the Board and senior management. Further details of the role of the Nomination Committee and what it did in 2024 are in the Nomination Committee Report on pages 136 and 137.

The overall process of appointment and removal of Directors is overseen by the Board as a whole.

All of the Directors retire and seek election or re-election at each AGM.

K. Skills

Details of the skills, experience and biographical information of the Board are set out on pages 114 to 117.

The Chair and Company Secretary ensure that new Directors receive a full induction, and that all Directors continually update their skills and have the requisite knowledge and familiarity with the Group to fulfil their role (see page 126).

The length of service of Non-Executive Directors is reviewed regularly.

L. Annual evaluation

The Board undertakes either an internal or external annual Board effectiveness evaluation. In 2024, the Board undertook an internal evaluation. Details of the process and results of the evaluation are included on page 127.

Performance evaluations of Directors, including the Chair, are also carried out on an annual basis. Directors' biographies are set out on pages 114 to 117, and details of performance evaluations carried out in 2024 are on page 127.

4. Audit, Risk and Internal Control

M. Audit functions

The Audit Committee is comprised entirely of Independent Non-Executive Directors (see page 118 for membership details).

Byron Grote, the Audit Committee's Chair, has recent and relevant financial experience, and the Committee as a whole has competence relevant to the sector in which we operate. Details of the Committee's role, responsibilities and activities are set out on pages 128 to 133.

The Audit Committee reviewed the effectiveness of the Group's Internal Audit function and also assessed PricewaterhouseCoopers LLP's performance during 2024, including its independence, effectiveness and objectivity. Details of these reviews are set out in the Audit Committee Report on pages 128 to 131.

N. Assessment of the Company's position and prospects

The Statement of Directors' Responsibilities (including the Board's statement confirming that it considers that the Annual Report and Form 20-F, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position, performance, business model and strategy) is set out on page 179.

The status of IHG as a going concern is set out in the Directors' Report on page 279. An explanation of the Group's performance, business model, strategy and the risks and uncertainties relating to IHG's prospects, including the viability of the Group, is set out in the Strategic Report on pages 3 to 110.

O. Risk management

The Board determines the nature and extent of the principal risks the organisation is willing to take to achieve its strategic objectives. The Board completed an assessment of the principal and emerging risks facing the Group during the year, including those risks that would threaten the Group's business model, future performance, solvency or liquidity and reputation (see pages 46 to 51 for further details of the principal risks). The Board and Audit Committee monitor the Group's risk management and internal controls systems and conduct an annual review of their effectiveness. Throughout the year, the Board has directly, and through delegated authority to the Executive Committee and the Audit Committee, overseen and reviewed all material controls, including financial, operational and compliance controls. See pages 44 to 51 and 128 to 131.

5. Remuneration

P. Remuneration policies and practices

The Remuneration Committee is responsible for developing policy on executive remuneration and determining remuneration packages of Directors and senior management. The Directors' Remuneration Report is set out on pages 138 to 175. Details of the Remuneration Committee's focus areas during 2024 are set out on page 154 and its membership details are on pages 118 and 154.

Q. Procedure for developing policy on executive remuneration

Details of how the Directors' Remuneration Policy (DR Policy) was implemented in 2024 are set out on pages 144 to 156. The DR Policy was reviewed during 2024. Details of how it was developed are set out on pages 159 to 166.

During 2024, no individual Director was involved in deciding his or her own remuneration outcome.

R. Independent judgement and discretion

The Remuneration Committee has formal discretions in place in relation to outcomes under the Deferred Award Plan rules, and these are disclosed as part of the DR Policy. When determining outcomes under incentive plans, the Committee considers whether it is appropriate to adjust outcomes under these discretions, taking account of the Group's performance, relative performance against competitors and other relevant factors. Information on the Remuneration Committee's consideration of the use of discretion during 2024 is set out on pages 144 to 158.