Directors' Remuneration Report

Remuneration Committee Chair's statement

Angie Risley
Chair of the Remuneration Committee

"I am delighted to join the Board and present my first Directors' Remuneration Report as Chair of the Remuneration Committee."

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On behalf of the Board, I am delighted to represent the Remuneration Committee (the Committee) as Chair and present my first Directors' Remuneration Report (DRR) for the year ended 31 December 2023. I joined the IHG Board as a Non-Executive Director in September 2023, and assumed the role of Chair of the Committee on 1 January 2024. I would like to thank my predecessor, Jo Harlow, who has successfully overseen the Committee through periods of significant change and increasing focus on the Executive Remuneration landscape, for her leadership and valuable years of service in the role, and for the robust and thorough handover which ensured a seamless transition. I would also like to thank all of the shareholders I have met so far for their time, insight and support.

2023 business performance context

Guest demand grew again during 2023 as appetite for travel continued to improve. We passed the milestone of 6,300 open hotels in delivering net system size growth of 3.8% for the year. Operating profit from reportable segments, at $1,019 million, was up 23% on 2022. Strong growth in revenue combined with our disciplined approach to cost management resulted in a 3.4%pts improvement in fee margin to 59.3%. From a shareholder perspective, we have seen continued growth in shareholder value with the Board proposing a final dividend of 104.0¢, representing a growth of 10% on 2022, and resulting in a total dividend for the year of 152.3¢. Additionally, as a result of strong cash management, we completed a share buyback programme to return $750 million of surplus capital in December 2023, and a further $800 million programme has been approved for 2024.

Overview of 2023 remuneration outcomes

The key highlights of Executive Director incentive plan awards for 2023 are presented below, and the awards reflect our strong business performance during 2023:

- 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 81.8% of maximum reflecting the strong performance of the business in 2023;
- the outcome of the 2021/23 Long Term Incentive Plan (LTIP) award cycle, covering the three years from 1 January 2021 to 31 December 2023, was 57.8% of maximum. The business continued to deliver exceptional absolute cash flow management and strong growth in relative net system size growth (NSSG). For the first time since the 2018/20 cycle, the business also achieved above threshold performance over three years against our peers in relative Total Shareholder Return (TSR);
- the total average of short- and long-term incentive plan awards for the respective period ending 2023 was therefore 67.9% of maximum for the Chief Executive Officer (CEO), Elie Maalouf; and
- the Committee reviewed the performance outcomes in line with the Directors' Remuneration Policy (DR Policy) and its framework for assessing discretion and found no rationale for applying discretion to the formulaic outcomes of the 2023 APP and 2021/23 LTIP.

Directors' Remuneration Policy – shareholder engagement

We received shareholder approval for our updated DR Policy at the 5 May 2023 AGM. The full DR Policy can be found in our 2023 Notice of AGM and is also summarised on page 121 of this report. Ahead of the vote, we directly engaged with owners of around 60% of the share capital of the Company and we were pleased that the majority of our shareholders supported our new policy. The votes of 74.85% in favour of the DR Policy and 76.94% in favour of the DRR both represented slightly less than 80% support and, as such, Jo Harlow and I met a range of shareholders within a six-month window after the AGM vote, as required by the Corporate Governance Code. We met with holders of more than 25% of share capital, including both those who voted for and against the DR Policy and DRR, as well as Institutional Shareholder Services (ISS) and the Investment Association. The main points of discussion were:

- introducing myself as the incoming Remuneration Committee Chair with effect from 1 January 2024;
- following up on comments and concerns on the 2022 DRR and the 2023 DR Policy; and
- the new CEO pay arrangements, as set out in the notice published following the appointment of Elie Maalouf.

In these meetings, we heard strong levels of support for the 2023 DR Policy and an understanding of the competitive executive pay context, consistent with what we had heard in our pre-AGM meetings. For those shareholders who had voted against the DRR and DR Policy, the rationale commonly related to internal voting guidelines that formed red lines for specific DR Policy features, which were not related to the increase in LTIP quantum for Executive Directors, and which differed by shareholder. The increase in LTIP quantum was thoroughly discussed and explained in the consultations leading up to the approval of the 2023 DR Policy at the 2023 AGM and in our follow up discussions, and was well understood and supported by shareholders, based on the transparent benchmarking of the hotel industry.

In the context of this feedback, and the overall level of support for the DR Policy (at almost 75%), the Committee concluded that the DR Policy changes reflected the supportive views of a significant majority of shareholders, who continue to agree that the commercial rationale for the DR Policy changes is critical to the retention and development of global talent in order to drive the long-term success of the business. Feedback on votes against the DRR indicated that these related either to the use of discretion on the LTIP 2020/22 cash flow outcome or to other shareholder-specific concerns. The Committee considers that the 76.94% voting level demonstrated strong support for their view that the outcome reflected the exceptional performance of the Executive Directors in managing cash flow during the pandemic.

Having met with more shareholders in January 2024, their support of IHG's continuous need to improve the competitiveness of Executive Director pay was evident. The Board is of the view that further changes to Executive Director pay will need to be considered in order to help protect our Executive Director retention and talent pipeline, which are key for successful future business growth.

→ The approved DR Policy is available on IHG's website at **ihgplc.com/investors** under Corporate governance.

Board changes

The business criticality of attracting and retaining high performing Executive Directors and their succession pipeline has been highlighted in the departures of the Chief Financial Officer & Group Head of Strategy and the Group Chief Executive Officer during 2023. It is vital to IHG's continued growth that the quality of talent existing in our current Executive Director team is reflected in our internal and external candidates for succession. The vast majority of our competitors are based in the US, therefore the corresponding talent market is US-based. There remains a significant difference between our CEO pay level and that of our US competitors, as well as differences in the structure and mix of incentives, and the Committee will remain focused and will continue to engage with shareholders going forward on how this can be addressed in the context of retaining existing talent and developing and retaining successor talent.

As announced by the Company on 5 May 2023 and the s430(2B) of the Companies Act 2006 declaration released on 28 June 2023, Keith Barr stepped down from the role of CEO, and from the Board, on 30 June 2023. The Committee exercised its discretion to treat Keith Barr as a 'good leaver', in accordance with the relevant provisions of applicable incentive and share plan rules. Elie Maalouf succeeded Keith Barr as CEO with effect from 1 July 2023. Elie was already a member of IHG's Board and had been leading IHG's Americas business as regional CEO for eight years.

Historically, our succession strategy has generally been to grow executive level successors within the business, particularly in the US. Whilst we remain focused on maintaining our ability to secure a strong executive level internal succession pipeline, this has become more challenging in recent years as those potential successors move to positions outside IHG offering more attractive packages at their level and above, both in terms of structure (for example, restricted stock units) and quantum. The ability to attract Elie Maalouf into the role of CEO has enabled us to secure a leader with significant US market experience and who continues to maintain key government and industry relationships in the US, as well as having an in-depth global knowledge of IHG. We are committed to ensuring that there remains a robust succession plan in place at executive level.

We shared remuneration details for Elie Maalouf upon his appointment in a voluntary published statement in July 2023, as well as in discussions with shareholders in October 2023. In our AGM follow-up meetings, strong support was expressed by shareholders regarding the way in which succession planning had been conducted, as well as for the pay arrangements for Elie, with recognition of the competitive challenges we face operating across UK and US markets, where pay structures vary substantially.

Elie's annual base salary of £990,000 represents a 7% increase on that of his predecessor; the outgoing CEO Keith Barr would have received an estimated 4% increase to his salary in April 2024, reducing the difference to 2.9%. Furthermore, Elie will not be subject to a salary review until April 2025. We estimate that Elie's full year CEO single total figure of remuneration will not exceed that of Keith Barr's until 2025. Elie's remuneration remains proportionate in the context of both the international hotel peer company and FTSE 100, and follows our strategy of growing successor talent in-house. The Board is fully supportive of the salary positioning in this context. External US recruitment would have involved a more significant pay increase and an externally recruited CEO, who would have not yet been tested in the IHG environment, would have represented a greater risk with less proven value. Full details of the remuneration arrangements for Elie Maalouf's changes are in line with the approved DR Policy and can be found on page 126.

As reported in the 2022 Directors' Remuneration Report, Paul Edgecliffe-Johnson stepped down from the role of Chief Financial Officer & Group Head of Strategy, and from the Board, and left IHG on 19 March 2023. Michael Glover succeeded Paul as Chief Financial Officer (CFO), effective 20 March 2023. We were delighted to be able to appoint someone with Michael's expertise and experience. He has held several roles in his 18 years at IHG, including CFO of IHG's China region, Group Financial Controller, and his most recent role as CFO Americas with group-wide responsibility for commercial finance operations.

Jill McDonald and Ian Dyson both stepped down from the Board as Non-Executive Directors on 28 February 2023. Subsequently, Graham Allan was appointed Chair of the Responsible Business Committee and Byron Grote was appointed Chair of the Audit Committee; both appointments took effect on 1 March 2023. I was appointed to the Board with effect from 1 September 2023, with membership of the Remuneration and Responsible Business Committees from that date, and assumed the Remuneration Committee Chair role on 1 January 2024. Sir Ron Kalifa joined the Board, with effect from 1 January 2024, becoming a member of the Remuneration and Audit Committees. The remuneration arrangements in respect of all changes were in line with the approved DR Policy and are covered on pages 126 and 127.

Wider workforce remuneration and employee engagement

The Committee is extremely mindful of ongoing inflationary pressures across many of our markets and its impact on the financial and emotional wellbeing of our employees. In 2023, salary increases for the UK and US corporate populations were above that for the CEO in role at the time. The overall average budget for 2024 increases is 4% for our global corporate workforce, with total budgets in the UK and the US being 4.2% and 3.6% respectively. The CEO is not eligible to receive a merit increase for 2024 following his appointment in July 2023, as explained above. We have also made an additional 15% available to the budgeted amount for the personal performance element of our 2023 Annual Performance Plan to increase bonus amounts for our strongest performers.

For the UK leased hotel estate, in agreement with the owner, budgeted 2023 salary increases ranged from 5% to 8%, with higher increases applicable for frontline employees, and one-off payments made to employees in 2023 for those who had worked for at least the final three months of 2022. Budgeted 2024 salary increases range from 3% to 13% with higher increases applicable for frontline employees.

Directors' Remuneration Report continued
Remuneration Committee Chair's statement

The Real Living Wage will be applied for 12 months from April 2024, as a minimum for all staff, in line with the Real Living Wage Foundation level, and zero-hour contracts are not utilised in the UK leased estate.

In 2023, we also introduced a salary sacrifice electric car scheme for UK corporate colleagues, enhanced maternity and paternity pay for our UK managed hotels, and partnered with Busy Bees to provide both our UK corporate colleagues and our UK managed hotels a 20% discount on childcare fees. Further details of our approach to remuneration across the wider workforce, in general and throughout the year, are outlined on pages 123 to 124.

We were pleased to see overall employee engagement scores remain resilient at 87%, exceeding external benchmarks by 10%. Perceptions of pay also remained strong, exceeding external benchmarks across our hotel, reservations and general manager populations (see page 124). It is also pleasing to see that we have reduced our Gender Pay gap in the UK by 16% since 2017. I look forward to participating in some employee engagement sessions during 2024, as noted on page 127, and hearing views about remuneration more generally.

Implementation of Directors' Remuneration Policy in 2024

As covered in more detail on pages 138 to 140:

- With regards to salary increases for Executive Directors, as mentioned above, the CEO will not receive an increase in 2024; the CFO will receive an increase in line with that of the global corporate workforce following an assessment of 2023 performance.
- The non-financial measures for the 2024 Annual Performance Plan will remain as room openings and room signings, aligned to our key strategic objectives for our future growth priorities, and the financial measure will remain as operating profit from reportable segments, as in 2023.
- LTIP 2024/26 cycle measures will remain as relative TSR, relative net system size growth, absolute cash flow, adjusted earnings per share and ESG. Retaining the same balance of measures for the 2024/26 cycle maintains an overall business performance focus.
  - The TSR comparator group has been expanded from 8 to 15 global hotel companies. Details of the new TSR comparator group can be found on pages 138 and 140.
  - New ESG metrics have been implemented, with environmental metrics based on Energy Conservation Measures (ECMs) and hotels that operate at low/zero carbon, as key areas in management control that support delivery of our carbon and energy goals. New People measures build on our 2023/25 LTIP representation targets. The new measures focus on quantitative targets in relation to driving greater inclusion and growing our next generation of hotel general managers from our talent pipelines. The Committee considers this innovative approach to People measures to be relevant and appropriate for the Company and fully aligned to our priorities in this area. See pages 139 and 140 for more details.
- Retirement benefits for incumbent UK Executive Directors will continue to align with the maximum company contribution available to all other participants in the UK Pension plan.

About this report

As always, we strive to make this report as easy to read as possible. Following this statement, there is a reminder of the approved DR Policy applicable in 2023 and its alignment with the UK Corporate Governance Code principles. There is an 'At a glance' section on pages 119 to 120 providing an illustration of 2023 remuneration outcomes and, over the following pages, there is a summary of how executive remuneration aligns to Company strategy; a summary of remuneration across the wider workforce; and, on pages 125 to 127, further background on the Remuneration Committee.

This Directors' Remuneration Report (pages 116 to 140) will be put to an advisory vote by shareholders at the May 2024 Annual General Meeting.

Angie Risley
Chair of the Remuneration Committee
19 February 2024

Committee members	Position	Member since	Meetings attended
Angie Risley	Remuneration Committee Chair (effective 1 January 2024)	1 September 2023	2/2
Jo Harlow	Remuneration Committee Chair (1 October 2017 to 31 December 2023)	1 September 2014	6/6
Deanna Oppenheimer	Chair of the Board	1 January 2023	6/6
Graham Allan[a]	Senior Independent Non-Executive Director	1 September 2020 to 1 March 2023	3/3
Daniela Barone Soares	Non-Executive Director	1 March 2021	6/6
Ian Dyson[b]	Audit Committee Chair (until 28 February 2023)	1 September 2013 to 28 February 2023	2/3
Byron Grote	Audit Committee Chair (effective 1 March 2023)	1 July 2022	6/6

[a] Graham Allan stood down from the Remuneration Committee from 1 March 2023 when he became Chair of the Responsible Business Committee.
[b] Ian Dyson retired from the Board on 28 February 2023. He did not attend one Remuneration Committee meeting that took place on 27 February 2023, one day prior to his retirement.

→ Certain KPIs and Non-GAAP measures are used throughout the Directors' Remuneration Report. See pages 84 to 88 for additional detail.

Use of Non-GAAP measures: in addition to performance measures directly observable in the Group Financial Statements (IFRS measures), additional financial measures (described as Non-GAAP) are presented that are used internally by management as key measures to assess performance. Non-GAAP measures are either not defined under IFRS or are adjusted IFRS figures. Further explanation in relation to these measures can be found on pages 84 to 88 and reconciliations to IFRS figures, where they have been adjusted, are on pages 226 to 228.

At a glance

How to use this report
Within the Directors' Remuneration Report, we have used colour coding to denote different elements of remuneration. The colours used and the corresponding remuneration elements are:

- Salary
- Benefits
- Pension benefit
- Annual Performance Plan (APP) 50% cash and 50% deferred shares
- Long Term Incentive Plan (LTIP)
- Shareholding

AUDITED

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

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Over the following pages of the report, we give an overview of how our remuneration arrangements are aligned to our purpose, ambition and strategic priorities. We have included a summary of our approved DR Policy on page 121, together with a reminder of how the Committee has addressed Provision 40 of the 2018 UK Corporate Governance Code in respect of remuneration policy and practice throughout 2023. Alignment of pay structures throughout the organisation and the implementation of remuneration policy across the wider workforce is covered on pages 123 to 124. Pages 125 to 127 contain a summary of Committee actions during the year.

Executive Director remuneration

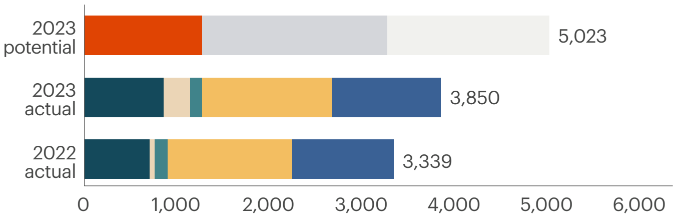
2023 actual remuneration vs potential remuneration
The charts below show the 2023 potential remuneration opportunity and actual achievement compared to the 2022 actual achievement. The relevant figures for each of the elements that make up the single total figure of remuneration, as shown below for the Executive Directors, can be found in the table on page 128. See above for the key to individual elements of actual remuneration for 2022 and 2023.

For the purpose of reading the charts below, please note the following:

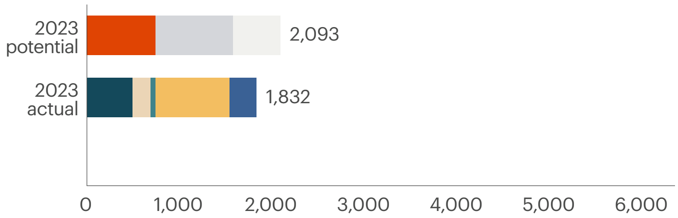
- Elie Maalouf's 2023 figures are a combined total based on his CEO, Americas role for the 1 January to 30 June period and Group CEO role for the 1 July to 31 December period.
- For Michael Glover, we have not shown 2022 figures as he was promoted to the Board on 20 March 2023 and was not an Executive Director for the 2022 period. His 2023 figures are based on fixed pay and APP for the period 20 March to 31 December and LTIP for the full 2021/23 cycle.
- The one-off relocation payments made to Elie Maalouf and Michael Glover in 2023 have been included within their benefits figure for the purpose of the charts below. The respective amounts have been disclosed in the Other column of the single total figure table on page 128.
- For both Keith Barr and Paul Edgecliffe-Johnson, their 2023 actual and potential figures are based on the period in which they were Executive Directors only (1 January-30 June 2023 for Keith Barr; and 1 January-19 March 2023 for Paul Edgecliffe-Johnson).

Key for potential
- Minimum = Fixed pay
- Target = Fixed pay and on-target award for APP (115%) and 50% of maximum LTIP vesting
- Maximum = Fixed pay and maximum award for APP and LTIP

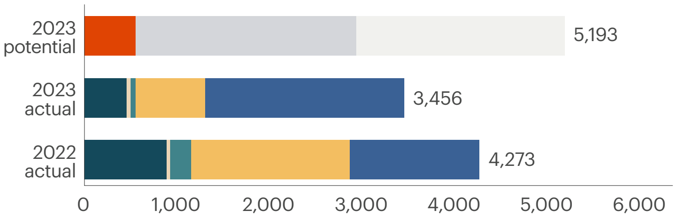
Elie Maalouf, Chief Executive Officer
Value (£000)



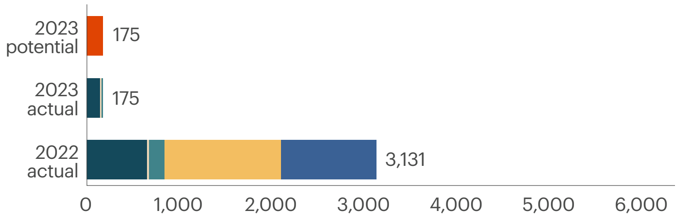
Michael Glover, Chief Financial Officer
Value (£000)



Keith Barr, Former Chief Executive Officer
Value (£000)



Paul Edgecliffe-Johnson, Former Chief Financial Officer
Value (£000)

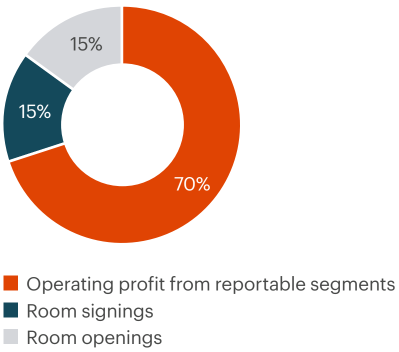


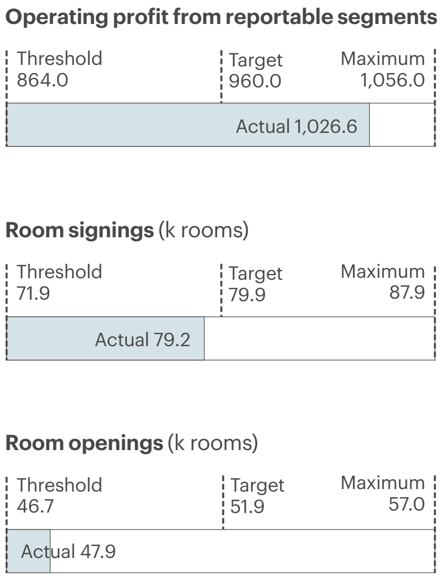
Directors' Remuneration Report continued
At a glance continued

How we performed in 2023

The Company delivered another year of strong performance against target in operating profit from reportable segments. Room openings were below target this year and room signings narrowly missed target, by less than one percent, however, both these measures achieved well above threshold performance. In the round, this meant the formulaic 2023 APP achievement was 142.2% of target, resulting in awards for Executive Directors of 163.5% of salary (81.8% of the capped maximum award). Under the LTIP, improved TSR performance against comparators resulted in the vesting of this element for the first time since the 2018/20 cycle. This, combined with a solid net system size growth performance relative to our largest competitors and an exceptional management of cash flow, resulted in a formulaic outcome of 57.8% of maximum. Further details on the actual achievement for operating profit from reportable segments and absolute cash flow can be found on pages 128 and 129.

Measures used for APP

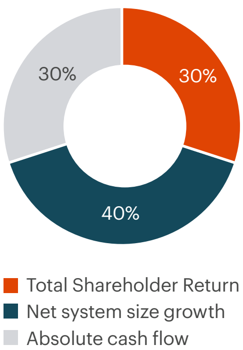


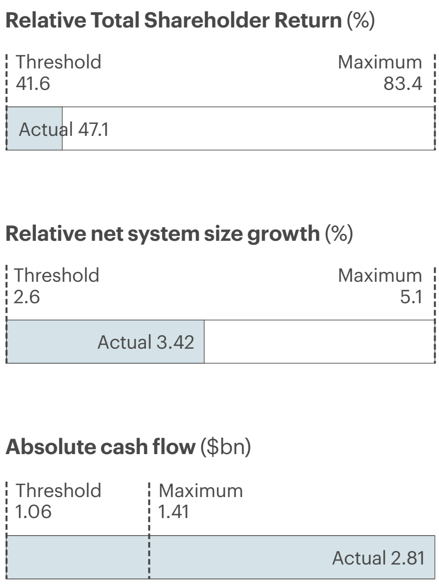


2023 APP achievement
(% of maximum)

81.8%

Measures used for LTIP





2021/23 LTIP achievement
(% of maximum)

57.8%

Our approach to remuneration

Summary of approved Directors' Remuneration Policy (DR Policy)

	Element	2023	2024	2025	2026	2027	Framework	Purpose
Fixed	Base salary						Increases are generally in line with the range applying to the corporate population. Reviewed annually and fixed for 12 months from 1 April.	To attract and retain the key talent responsible for delivering our strategic objectives. Recognises the value of the role and the individual's skill, performance and experience.
	Benefits						Relevant benefits are aligned to the typical level for the role/location.	To attract and retain the key talent responsible for delivering our strategic objectives with competitive benefits that are consistent with an individual's role and location.
	Pension/ retirement benefit						A Defined Contribution or cash in lieu amount for UK Directors. Employee contributions with matching company contributions at a rate in line with the wider UK workforce. Salary is the only part of pay that is pensionable. See page 123 for further details regarding UK and US pension benefits.	To attract and retain the key talent responsible for delivering our strategic objectives with appropriate contribution rates to provide funding for retirement.
Variable	Annual Performance Plan (cash)	Cash					With effect from the 2024 financial year APP, the target award has been reduced from 115% to 100% of salary, maximum opportunity will remain 200% of salary with 70% based on a financial measure and 30% on key strategic measures. Where the minimum shareholding requirement has been met, awards may be made in up to 70% cash and at least 30% in the form of shares deferred for three years. If the minimum shareholding has not been met, then awards will be made in 50% cash and 50% shares deferred for three years.	To reward the achievement of stretching targets that support the Company's annual financial and strategic goals. For 2024, the key strategic objectives are: • room signings (15% weighting); and • room openings (15% weighting).
	Annual Performance Plan (deferred shares)		Deferral					
	Long Term Incentive Plan (LTIP)	Performance			Deferral		The maximum potential LTIP quantum is 500% of salary for the CEO and US Executive Directors, and up to 300% of salary for other Executive Directors; a two-year post-vest holding period applies.	A focus on accelerating the growth of our brands in high-value markets is at the heart of our strategy. Together with TSR, cash flow, adjusted earnings per share and ESG metrics, there is a strong alignment between Executive Director remuneration and shareholder interests.
Other	Minimum shareholding requirements						The guideline shareholding requirement is 500% for the CEO and US Executive Directors and 300% for other Executive Directors. In respect of the post-employment shareholding requirement, the full guideline shareholding requirement will normally continue for two years post-cessation of employment.	To align experience with shareholders and focus on continued growth of shareholder value.

→ A copy of the DR Policy, approved in May 2023, is available on IHG's website at **ihgplc.com/investors** under Corporate Governance.

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

Principle	IHG's approach
Clarity	Through the combination of short- and long-term incentive plan measures, the DR 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 DR 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	Our remuneration structure comprises straightforward and well-understood components. The purpose, structure and strategic alignment of each element is clearly laid out in the remuneration policy summary table: • fixed pay: base salary, pension and benefits that are consistent with role and location and are designed to attract and retain talent; • short-term incentive: annual performance-related bonus which incentivises and rewards the delivery of financial and non-financial strategic objectives. For senior employees, a proportion of this bonus is paid in cash and the remainder deferred in shares for a period of at least three years; and • long-term incentive: a share-based award which incentivises performance over a three-year period based on measures that drive long-term sustainable growth and value creation.

Directors' Remuneration Report continued
Our approach to remuneration continued

Principle	IHG's approach
Predictability	The range of possible values of rewards for Executive Directors is clearly disclosed in graphical form both at the time of approving the policy and in the annual implementation report.
Risk	Our DR 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: • the maximum short- and long-term incentive awards are capped as a % of salary; • the Committee has clear discretion policies, linked to specific measures where necessary, to override formulaic outcomes; • Executive Directors agree to clear and comprehensive malus and clawback provisions; and • significant shareholding requirements apply for Executive Directors, including the deferral of 30% to 50% of bonus in shares; a two-year post-vest holding period for LTIP shares and minimum shareholding requirements both during and after employment.
Proportionality	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	IHG has a clear purpose and well-established values and behaviours. The alignment between remuneration incentives and our strategy for relentless focus on growth, and the KPIs that underpin the delivery of our strategy, is outlined below. Other elements of reward, such as salary reviews and, across the wider workforce, the short-term incentive plan and our global recognition scheme, reward employees for performance and actions that demonstrate our values and behaviours.

Aligning variable elements of remuneration to strategy

Variable elements of remuneration are linked to our strategy, as shown below, in respect of the 2023 APP and 2023/25 LTIP cycle granted in 2023.

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%)		• 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. • Performance on Global Metrics, including key ESG measures (Employee Engagement, Guest Love, Responsible Business), will be reviewed in considering the potential application of discretion to formulaic outcomes on APP strategic objective measures.
	Room signings (15%)		
	Room openings (15%)		
Long Term Incentive Plan (LTIP)	Relative Total Shareholder Return (20%)		• 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 Long Term Incentive Plan. • 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.
	Relative net system size growth (20%)		
	Absolute cash flow (20%)		
	Environmental, social and governance (20%)		• Aligned to our people, communities, and planet strategy, new ESG measures (decarbonisation, and diversity, equity and inclusion) are included in our LTIP targets.
	Adjusted earnings per share (20%)		• EPS provides a measure of the efficiency of the capital structure, as well as promoting further alignment with shareholder experience and value.

Remuneration at IHG – the wider context

Our reward philosophy

Our reward arrangements are competitive, drive creation of value for stakeholders and make us think and act as one team.

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 top talent. It is supported by a robust governance approach that ensures our reward and recognition practices are fair and consistent across our employee and colleague population, regardless of gender and other aspects of diversity, 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.

Examples of alignment and implementation of wider workforce reward strategy in 2023

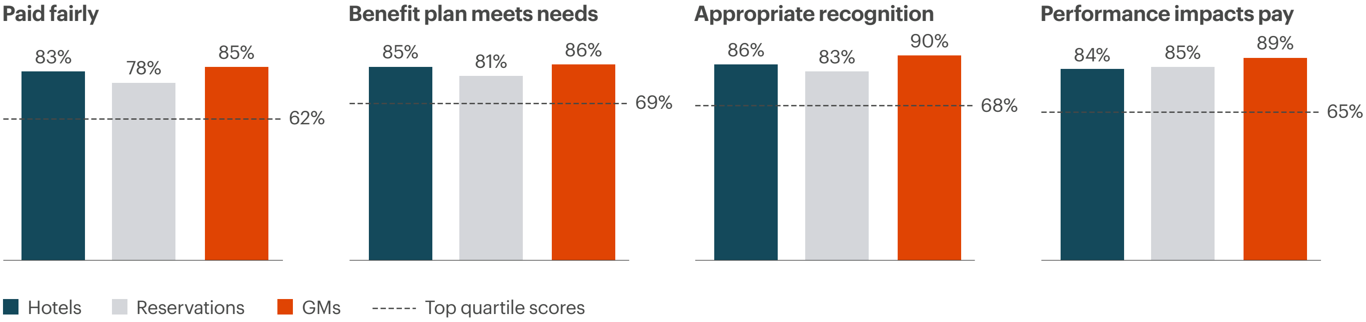
Elements of reward	Participants	Commentary
Fixed		
Salary	All	In the 2023 base salary review process, we continued to put our managers at the heart of the process, allowing them to use their discretion in pay decisions. We also included an additional 25% on top of the standard merit budget in order to address equity and recognise talent. With continuous improvements on our external benchmarking capability, we provided additional line manager support with market data analysis and guidance so that the budget could be targeted in areas where it would have the most impact. Our managers are reminded of our diversity, equity and inclusion statement on making fair reward decisions consistent with our Code of Conduct to ensure all employees are rewarded fairly and according to their contribution, skills and experience, with tips on avoiding any conscious and unconscious bias. For 2024, an additional merit budget will again be made available to address individual equity and talent recognition.
Benefits	All	In 2023, we introduced an electric car salary sacrifice scheme allowing UK corporate colleagues to obtain an electric car and receive both tax and national insurance savings, whilst at the same time supporting our Journey to Tomorrow environmental commitments. So far, 5.8% of those eligible for the scheme have ordered vehicles to date, which is 16.8% of those who have registered interest in the scheme. We also understand the demands faced by working parents and carers when it comes to balancing their work and home life, so we partnered with Busy Bees to provide our UK corporate colleagues, along with our UK managed hotels, a 20% discount on childcare fees. A key element of our employer brand and beloved colleague benefits is our Employee Room Rate programme, which enables employees to book hotels across many of our brands at a reduced rate. This year, we enabled colleagues to earn IHG One Reward points on Employee Rate stays, and are working on additional enhancements to the programme in the future. The levels of healthcare cover on offer in the UK continued to align across all UK corporate colleagues.
Pension benefit	All	Pension and retirement benefits are provided in the UK and US in line with market practice. **UK:** the contribution rate for corporate and eligible hotel employees in the IHG UK pension plan is aligned across the eligible population with a 2:1 matching ratio up to a maximum of 6% of salary from employees and 12% from the Company. **US:** US retirement saving plans are made up of a 401(k) plan which has a 1:1 matching contribution ratio up to a maximum of 6% of salary for eligible corporate employees and a Deferred Compensation Plan (DCP) that provides for supplementary company contributions of up to 16% provided at senior levels (a historic grandfathered rate of 20% applies for a small number of employees who were already receiving this rate when it was removed effective 1 January 2017).
Variable		
Annual Performance Plan (APP)	All	All corporate employees share the same corporate performance metrics with the Executive Committee and Executive Directors. For senior management (generally at Executive Committee (EC) level and their direct reports), a proportion of bonus is deferred into shares for a three-year period. The weightings of metrics for all corporate employees below EC level are aligned and a greater portion of an award can be achieved through an employee's individual performance and contribution to the Company. In addition, in view of the strong performance in 2023, approximately 15% is being added to the amount budgeted for the personal performance element to increase awards for those employees who performed the strongest during 2023.
Long Term Incentive Plan (LTIP)	Executive Directors and senior management	Senior/mid-management and certain specialist roles are eligible to participate in a Long Term Incentive Plan (LTIP). Performance-based LTIP awards largely apply at the level of Executive Committee and their direct reports; Restricted Stock Units typically apply for eligible employees below this level (see below). In 2023, at the same time as levels for Executive Directors were increased under the new DR Policy, LTIP levels for senior management were adjusted for market competitiveness and to better facilitate internal progression and relieve compression.
Restricted Stock Units (RSU)	Excludes Executive Directors	In line with typical market practice, particularly in the US, and due to line-of-sight over performance measures, a gradually greater proportion of the LTIP award is made as RSUs (which are not subject to performance conditions but still align employee interests with those of shareholders) for eligible roles from Executive Committee level down.
Colleague Share Plan	Wider workforce only	IHG matches the number of shares purchased by employees, up to a value of USD 1,000 per year, on a 1-for-1 basis. We expanded the offering of our Colleague Share Plan to include those in our Corporate Reservations offices, as well as a small number of corporate colleagues in countries that were not previously eligible, making the plan available to approximately 98% of our corporate employees below the senior/mid-management level (who receive LTIP and/or RSU awards). The registration for 2024 was open to eligible colleagues in Q4 2023, and the take-up rate for the 2024 plan, including the newly eligible population is 34.8%. For a similar comparison on previous disclosures, the take-up rate excluding the new population is 51.2% (vs. 50.3% for the 2023 plan). Over 26,100 matching shares vested from the 2021 Colleague Share Plan in January 2023; the 2022 plan's matching share awards vested in January 2024 with over 30,900 shares vesting between 2,028 employees.

Directors' Remuneration Report continued
Our approach to remuneration continued

Elements of reward	Participants	Commentary
Recognition schemes	All	Colleagues who are below Senior Leader level can be nominated for a cash award through our Bravo recognition scheme, they can be nominated for going above and beyond in their jobs while displaying exceptional IHG behaviours. 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 2023, 3,834 one-off cash recognition awards were made to corporate colleagues and 3,438 to hotel colleagues globally; 814 corporate colleagues and 995 hotel colleagues globally received cash long-term service awards.

Employee engagement on pay

We have several forums available for employees to share their thoughts, including employee resource groups (ERGs), a designated Non-Executive Director for workforce engagement and our employee engagement survey, known as Colleague HeartBeat, which allows employees to express their views on key aspects of working at IHG. As the charts below show, the 2023 employee engagement scores for participating hotel and reservations employees and general managers on the questions relating to reward and recognition exceeded our survey provider's top quartile benchmark.



Wellbeing

We have continued 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.

In the UK, we introduced a network of Mental Health First Aiders. This is part of our commitment to ensure the right support is in place to help everyone feel at their best and forms part of our approach to make mental health support more accessible and further unlock the stigma. We trained a small number of people in 2023, with the potential to roll out more widely at IHG across other markets, including our UK managed hotel estate. We increased our focus on financial education, providing our UK corporate colleagues with free expert information and guidance to stay on track to achieve both financial goals and objectives and to support them on their personal financial journeys by offering group webinar sessions and wellbeing articles.

We have also continued to champion initiatives such as Focused Fridays, where we limit meetings, and Recharge Days, where corporate colleagues can spend the day doing whatever they need to unwind. In 2023, 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. These initiatives have helped us achieve a 3% increase in our Wellbeing Index scores for all of our colleagues, and a 2% increase to 89% for our hotel colleagues on last year's scores.

UK 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 these UK leased hotels and makes recommendations on matters, including pay, based on market insight 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 2023 ranged from 5% to 8%, 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 and 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. In April 2023, enhanced maternity and paternity pay was launched for all hotel colleagues and we also teamed up with Busy Bees Nurseries to offer our managed hotel colleagues a 20% discount on childcare fees.

Championing a diverse 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 35% of our leaders (VP and above) being female (vs. an ambition of 39% by 2025), and a gender-balanced employee population, of which 52% is female. We are delighted to be recognised by Forbes as one of the world's top companies for women, and we were rated second on the Financial Times Diversity Leaders in 2024. We have reduced our Gender Pay gap in the UK by 16% 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.

Remuneration Committee details

2023 focus areas

- Review and approval of 2022 remuneration outcomes and 2023 incentive plan structures and targets.
- In-year performance and relative performance tracking.
- Wider workforce remuneration matters.
- ESG in incentives.
- Review, approval and implementation of the 2023 DR Policy.
- Review, approval and implementation of the Deferred Award Plan (DAP) rules.
- Shareholder engagement prior to, and following, the AGM vote.
- CEO remuneration package.

Key objectives and summary of responsibilities

The Remuneration Committee agrees, on behalf of the Board, all aspects of remuneration for the Executive Directors, the Executive Committee and the Chair of the Board, and also agrees 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

Details of the Committee membership and meeting attendance are set out on pages 96 and 118.

During 2023, the Committee was supported internally by the Company Chair, the Group's CEO and CFO, and the heads of Human Resources and Reward 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 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 Deloitte LLP to act as independent adviser to the Committee in 2019 following a competitive tender process undertaken by the Committee. Deloitte is a member of the Remuneration Consultants Group and, as such, operates under the code of conduct in relation to executive remuneration consulting in the UK.

Fees of £159,400 were paid to Deloitte in respect of advice provided to the Committee in 2023, which included significant input into the review and implementation of the DR Policy during the year. This was in the form of an agreed fee for support in the preparation of papers and attendance at meetings, with work on additional items charged at hourly rates. The terms of engagement for Deloitte are available from the Company Secretary's office upon request. Separately, other parts of Deloitte LLP also advised the Company in relation to corporation tax, mobility and consulting services. The Committee is satisfied that the advice received is objective and independent.

Approach to target setting

Targets are set by the Committee and senior management, taking into account IHG's growth ambitions and long-range business plan, market expectations and the circumstances and relative performance at the time, to set stretching achievement 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 over 500k 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 corrections are required, this will be disclosed in the Directors' Remuneration Report for the year in which the correction has been agreed. Details on a correction for the 2023/25 LTIP calculation can be found on page 132.

Shareholder engagement

The Chair of the Committee engaged extensively with shareholders during 2023 in respect of the DR Policy, both in advance of the AGM and following the vote of less than 80% support at the AGM, in order to understand the range of views held by shareholders and to take these into account when setting and implementing the policy, as well as outline the rationale for the changes made.

At the October 2023 meetings, in addition to follow-up comments on the 2023 DRR and DR Policy, Angie Risley was introduced to shareholders as the Committee Chair designate, effective 1 January 2024, and new CEO pay arrangements were discussed for Elie Maalouf, following his appointment to the role. In January 2024, shortly after Angie commenced her role as Committee Chair, she held meetings with shareholders for more comprehensive two-way introductions and discussions about current IHG-specific remuneration challenges and shareholder views and expectations. Further information on shareholder engagement is contained in the Chair's Statement on pages 116 to 118.

Directors' Remuneration Report continued
Our approach to remuneration continued

Board changes

During the year, Byron Grote and Graham Allan replaced Ian Dyson and Jill McDonald as Chair of the Audit Committee and Chair of the Responsible Business Committee with effect from 1 March 2023 after Ian and Jill retired from the Board. Jo Harlow also stepped down from the Board and as Chair of the Remuneration Committee at the end of 2023. Angie Risley was appointed as a Non-Executive Director prior to assuming the Chair of the Remuneration Committee role effective 1 January 2024 and Sir Ron Kalifa was appointed to the Board from 1 January 2024. The remuneration arrangements in respect of all changes were in line with the approved DR Policy.

As announced by the Company on 5 May 2023 and the s430(2B) of the Companies Act 2006 declaration released on 28 June 2023, Keith Barr stepped down from the role of Chief Executive Officer, and from the Board, on 30 June 2023. Elie Maalouf succeeded Keith Barr as Group CEO with effect from 1 July 2023, Elie was already a member of IHG's Board in leading IHG's Americas business as regional CEO.

Paul Edgecliffe-Johnson stepped down from the role of Chief Financial Officer & Group Head of Strategy, and from the Board, leaving IHG on 19 March 2023. Michael Glover succeeded Paul as Chief Financial Officer with effect from 20 March 2023.

Details of the arrangements for all Executive Directors are as follows:

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Remuneration component	How this was implemented in 2023
Elie Maalouf	
Salary, pension and benefits	Elie's base salary for the role of CEO from 1 July 2023 is £990,000 and he will not be eligible for a salary increase until April 2025. Elie's pension cash allowance is 12% of salary, which is within the maximum opportunity of the 2023 DR Policy and aligns to the wider IHG UK pension plan participants. Elie's benefits are in line with the DR Policy.
Annual Performance Plan (APP)	Elie's APP levels are in line with the maximum opportunity of the DR Policy. His 2023 APP award will be pro-rated using the respective salaries for the respective periods before and after his appointment as Group CEO.
Long Term Incentive Plan (LTIP)	Elie's LTIP award levels align with the maximum opportunity shown in the DR Policy.
Other	Elie relocated from the CEO, Americas role based out of the Atlanta office to the Group CEO role, which is primarily based out of the UK office. On appointment, and in line with how we treat other international moves, Elie received a one-off net cash payment of £50,000 towards costs associated with setting up a UK base. The grossed up value of this payment has been disclosed in the single total figure of remuneration table on page 128. To facilitate Elie to carry out his UK-based role while maintaining his US home and IHG's significant business, government and industry interests in the US, he also receives a net amount of £10,000 per month towards UK housing costs. The actual net cost per month on housing for 2023 was, on average, lower than this but will be adjusted to allow for rental market dynamics over the longer term.
Michael Glover	
Salary, pension and benefits	Michael's base salary from 20 March 2023 is £620,000 and he was not eligible for a merit increase in April 2023. His pension and other benefits are in line with the DR Policy.
Annual Performance Plan (APP)	Michael's APP levels are in line with the DR Policy. His 2023 APP award will be pro-rated using the respective salaries and targets for the respective periods before and after his appointment as Group CFO.
Long Term Incentive Plan (LTIP)	Michael's LTIP award levels are in line with the DR Policy. He was granted an award at Executive Director level for the full 2023/25 cycle, however, did not receive an uplift into in-flight cycles at the increased Executive Director levels.
Other	Michael relocated from his CFO, Americas, role based out of the Atlanta office to the Group CFO role in the UK head office. In line with how we treat other international moves, a series of one-off payments to cover relocation and associated costs apply for the first three years: £150,000 payments both on appointment and on the first anniversary of appointment and £100,000 on the second anniversary of appointment.
Keith Barr	
Salary, pension and benefits	Keith received his base salary, pension cash allowance and benefits to 30 June 2023, details of which are included in the single total figure of remuneration table on page 128. After he stepped down from the Board, he remained an employee of the Company on his existing terms of employment until 31 December 2023 to ensure an orderly handover. As an employee, he continued to be paid a salary and receive his existing benefits through to that date, apart from healthcare provision, which will continue for up to three months after this date.
Annual Performance Plan (APP)	Keith is eligible to receive an APP award in respect of the full 2023 financial year, which is assessed and paid in the usual way and in accordance with the terms of the plan. Half of any APP earned will be delivered in cash following the end of the performance year, with the other half deferred into shares for three years. The pro-rated element for the 2023 period in which he served as Group CEO can be found in the single total figure table. The Remuneration Committee exercised its discretion to determine that he would be treated as a 'good leaver'. Accordingly, his unvested deferred APP shares will not be forfeited on departure and will vest in full on their original vesting dates.
Long Term Incentive Plan (LTIP)	Keith's share awards, granted in 2021 and 2022, under the LTIP are preserved in accordance with the 'good leaver' provisions, subject to the achievement of the relevant performance conditions, adjusted for pro-ration until the date he ceased employment with the Company, and vesting on their original vesting dates. In accordance with the DR Policy, they will be subject to a two-year post-vest holding period. The LTIP 2021/23 cycle award is disclosed in the 2023 single total figure of remuneration table on page 128. He has not received an LTIP award in respect of the 2023/25 cycle.
Minimum Shareholding Policy	The post-employment shareholding policy approved at the time of Keith's termination has been applied. He is required to hold shares equivalent to his minimum shareholding requirement of 500% of salary for six months post-cessation and 50% of the minimum shareholding requirement for a further six months.
Other	IHG also agreed to settle fees of £13,850 plus VAT for legal advice to Keith on his leaving arrangements.

AUDITED

Remuneration component	How this was implemented in 2023
Paul Edgecliffe-Johnson	
Salary, pension and benefits	Paul's salary, pension and benefits were paid up until 19 March 2023, details of which are included in the single total figure of remuneration table on page 128. In line with our previous commitment, his pension had been reduced to the rate of all other IHG UK pension plan participants, which is 12% of salary, from 1 January 2023. No further payments in respect of these elements were paid beyond 19 March 2023, given he was taking up new employment.
Annual Performance Plan (APP)	Paul remained eligible to receive an APP award in respect of the full 2022 performance year. In line with our termination policy, the cash element was paid in the usual way, but the deferred share awards portion was forfeited. He was not eligible to receive an APP award in respect of 2023. All outstanding APP shares that had not vested on 19 March 2023 were forfeited.
Long Term Incentive Plan (LTIP)	Paul's LTIP 2020/22 award was assessed in the same way as for the other Executive Directors and it vested on 22 February 2023, and is subject to a two-year holding period. He was not eligible to receive an LTIP award in respect of 2023. All outstanding LTIP awards that had not vested on 19 March 2023 were forfeited.
Minimum Shareholding Policy	The post-employment shareholding policy approved at the time of Paul's termination has been applied. He is required to hold shares equivalent to his minimum shareholding requirement of 300% of salary as at the date of leaving for six months post-cessation and 50% of the minimum shareholding requirements for a further six months. He remained compliant with this policy throughout 2023.
Other	No other payments have been made in connection with his leaving.

Wider workforce remuneration and employee engagement

As outlined on pages 123 to 124, 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, wellness and inclusion. Our overall employee engagement increased to 87% (+1% on 2022), placing IHG as a Global Best Employer by Kincentric. As noted on page 124, perceptions of reward and recognition gained strong results across our hotel, reservations and general manager populations.

During 2023, 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. Further details about the 2023 Voice of the Employee engagement sessions can be found on page 113. Further sessions are planned for 2024 for Angie to attend as the new Chair of the Committee.

Deferred Award Plan rules

In 2023, the new DAP rules were approved by shareholders at the May AGM. The DAP replaced both the previous APP and LTIP rules as a simplified, combined set of plan rules to govern the share awards made under the Company's discretionary incentive arrangements.

The rules for both the APP and LTIP were due to expire in 2024, and the Committee considered it appropriate to renew them a year early to coincide with the adoption of the new DR Policy. Following approval at the 2023 AGM, LTIP share awards were granted under the DAP with effect from the 2023/25 cycle, and future APP share awards will be granted under the DAP with effect from the 2024 plan year. All awards granted under previous cycles will remain subject to the APP and LTIP rules that were previously in place.

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, 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 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 at the Company's AGM

The 2022 Directors' Remuneration Report and the new DR Policy were approved at the 2023 AGM. Further details regarding the action taken by the Committee in response to the level of support received for these resolutions can be found in the Chair's Statement on pages 116 to 118.

The outcome of the votes in respect of the DR Policy and Report for 2023 are shown below:

	Directors' Remuneration Policy (binding vote)			Directors' Remuneration Report (advisory vote)		
AGM	Votes for	Votes against	Abstentions	Votes for	Votes against	Abstentions
5 May 2023	**103,155,928 (74.85%)**	**34,661,408 (25.15%)**	**2,043,591**	**103,932,823 (76.94%)**	**31,147,109 (23.06%)**	**4,780,994**

Directors' Remuneration Report continued
Annual Report on Directors' Remuneration

The Annual Report on Directors' Remuneration explains how the Directors' Remuneration Policy (DR Policy) was implemented in 2023 and the resulting payments each of the Executive Directors received.

The Directors' Remuneration Report is subject to an advisory vote by shareholders at the 2024 AGM. The notes to the single total figure table provide further detail, where relevant, for each of the elements that make up the total single figure of remuneration for each of the Executive Directors.

AUDITED

Single total figure of remuneration – Executive Directors

		Fixed pay				Variable pay				
Executive Directors	Year	Salary £000	Benefits £000	Pension benefit £000	Subtotal £000	APP £000	LTIP £000[a]	Subtotal £000	Other £000[f]	Total £000
Elie Maalouf[b]	**2023**	**849**	**203**	**133**	**1,185**	**1,403**	**1,178**	**2,581**	**84**	**3,850**
	2022	700	58	136	894	1,349	1,096	2,445	–	3,339
Michael Glover[c]	**2023**	**487**	**47**	**58**	**592**	**797**	**293**	**1,090**	**150**	**1,832**
	2022	–	–	–	–	–	–	–	–	–
Keith Barr[d]	**2023**	**456**	**45**	**55**	**556**	**750**	**2,150**	**2,900**	**–**	**3,456**
	2022	889	43	222	1,154	1,719	1,400	3,119	–	4,273
Paul Edgecliffe-Johnson[e]	**2023**	**144**	**14**	**17**	**175**	**–**	**–**	**–**	**–**	**175**
	2022	654	21	163	838	1,264	1,029	2,293	–	3,131

a LTIP figures for 2022 relate to the 2020/22 LTIP cycle and have been restated using actual share price on date of vesting. Figures for 2023 relate to the value of shares for the 2021/23 cycle.

b Elie Maalouf's 2023 figure combines his CEO, Americas role for the period 1 January to 30 June, and his Group CEO role for the period 1 July to 31 December. Elie was paid in USD for his CEO, Americas role and the sterling equivalent is calculated using an exchange rate of \$1 = £0.80 in 2023 and \$1 = £0.81 in 2022 (page 173). In line with 2023, the 2022 benefits figure has been restated to reduce the residual value of UK tax paid in respect of UK duties while a US Director from £7k to nil due to subsequent foreign tax credit offsetting.

c Michael Glover's 2023 fixed pay elements relate to the period 20 March to 31 December 2023. His APP has been pro-rated for the period in which he was Executive Director and his LTIP award, inclusive of Restricted Stock Units, is for the full 2021/23 LTIP cycle. His LTIP and RSU 2021/23 awards were granted in May 2021 prior to becoming an Executive Director, the same performance conditions applied to the LTIP award as they did for the Executive Directors; the RSU awards were not subject to any performance conditions. No 2022 data has been provided because he was not in an Executive Director role at the time.

d Keith Barr stepped down from the CEO role on 30 June 2023 so 2023 figures related to the period 1 January to 30 June 2023, with the exception of his LTIP 2021/23 which the full cycle value has been disclosed. Further details on the treatment of his remuneration on leaving IHG can be found on page 126.

e Paul Edgecliffe-Johnson left the Company on 19 March 2023 and his fixed pay elements were paid up to this date. He was not eligible to receive an APP award for 2023 and his LTIP 2021/23 award was forfeited upon leaving IHG. Further details on the treatment of his remuneration on leaving IHG can be found on page 127.

f Details of the 'Other' payments for Elie Maalouf and Michael Glover can be found in the notes to the single total figure table section below.

Notes to the single total figure table

Fixed pay

- **Salary:** salary paid for the year. Salary increases in 2023 were lower than the budget for the wider UK and US corporate workforce. See pages 126 to 127 for information on Executive Director changes during 2023.

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

As disclosed on page 126, to facilitate Elie Maalouf to carry out his UK-based role whilst maintaining his US home and IHG's significant business, government and industry interests in the US, he also receives a net amount of £10,000 per month towards UK housing costs. The 2023 benefits figure for Elie also includes travel and accommodation costs in relation to his relocation.

- **Pension benefit:** for current Executive Directors, in line with the DR Policy, includes the value of IHG contributions and any cash allowances paid in lieu of pension contributions.

Elie Maalouf and Michael Glover both relocated to the UK for their Group CEO and Group CFO roles; they did not participate in the IHG UK pension plan in 2023 and instead received cash allowances of 12% of salary. Keith Barr and Paul Edgecliffe-Johnson also did not participate in any IHG pension plan in 2023 for their respective periods of employment and instead received cash allowances of 12% of base salary. This is in line with the maximum level available to all other participants in the UK pension plan.

Life assurance cover for all Executive Directors was provided at four times base salary.

Elie Maalouf participated in the US 401(k) Plan and the US Deferred Compensation Plan (DCP) for the period 1 January to 30 June 2023 whilst in his role as CEO, Americas. The US 401(k) Plan is a tax-qualified plan providing benefits on a defined contribution basis, with the member and company both contributing.

Contributions made by, and in respect of, Elie Maalouf in these plans for the year ended 31 December 2023 were:

	£[a]
Director's contributions to US Deferred Compensation Plan	**364,001**
Director's contributions to US 401(k) Plan	**14,146**
Company contributions to US Deferred Compensation Plan	**63,876**
Company contributions to US 401(k) Plan	**9,413**
Age of Director at 31 December 2023	**59**

a Sterling values have been calculated using an exchange rate of \$1 = £0.80.

As outlined in last year's report, Elie's retirement benefits were in line with other senior US employees and comprised of a 6% of salary matched contribution (subject to IRS limits in respect of 401(k) contributions) and a 16% of salary supplemental employer DCP contribution.

Other

Elie Maalouf received a net payment of £50,000 in July 2023 to cover the transitional and transactional costs of setting up a UK base. The value of this one-off payment has been grossed up for disclosure in the single total figure of remuneration table above.

Michael Glover received a gross payment of £150,000 to cover relocation and associated costs.

AUDITED

Variable pay

APP (50% cash and 50% deferred shares)

Operation

Disclosed award levels are determined based on salary as at 31 December 2023, other than for Elie Maalouf whose award was pro-rated based on his respective salaries and periods as CEO, Americas and Group CEO, and on a straight-line basis between threshold and target, and target and maximum, and are based on achievement vs target under each measure:

- **threshold** is the minimum level that must be achieved for there to be an award in relation to that measure; subject to Committee discretion, no award is made for achievement below threshold;
- **target** is the target level of achievement and results in a target award for that measure; and
- **maximum** is the level of achievement at which a maximum award for that measure is received (capped at 200% of salary).

The Committee formally reviews performance against IHG's Global Metrics as part of the APP structure in considering whether to apply discretion to adjust outcomes on the strategic measures. Any application of discretion to the APP outcome, would be disclosed in the relevant year's Directors' Remuneration Report.

For Executive Directors, 50% of the 2023 APP award will be made in the form of shares, deferred for three years, subject to continued employment.

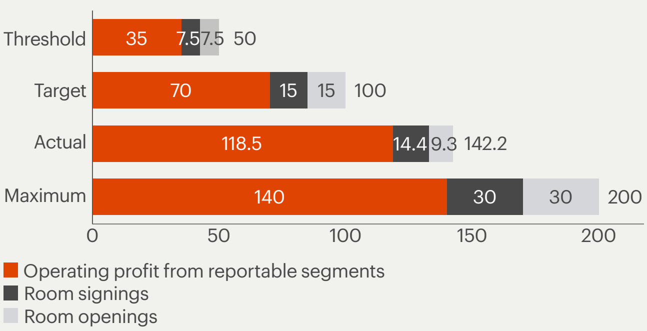
APP outcome for 2023

The performance measures for the 2023 APP were determined in accordance with the DR Policy and were:

- operating profit from reportable segments (70%);
- room signings (15%); and
- room openings (15%).

Target award was 115% of salary and maximum was up to 200% of target for each measure, subject to an overall cap on the award of 200% of salary. The following chart and table shows threshold, target and maximum opportunity, as well as weighting and actual 2023 achievement.

APP measures – % of target award



The Committee reviewed the performance against IHG's Global Metrics as well as relative to peers and was satisfied that no discretion needed to be applied to the formulaic outcomes of the APP measures.

Performance		Achievement	Weighting	Weighted achievement
Operating profit from reportable segments: performance relative to target				
Threshold	$864m	50%	70%	118.5%
Target	$960m	100%		
Actual	**$1,026.6m**	**169.3%**		
Maximum	$1,056m	200%		
Room signings (k rooms)				
Threshold	71.9	50%	15%	14.4%
Actual	**79.2**	**95.7%**		
Target	79.9	100%		
Maximum	87.9	200%		
Room openings (k rooms)				
Threshold	46.7	50%	15%	9.3%
Actual	**47.9**	**62.1%**		
Target	51.9	100%		
Maximum	57.0	200%		
Total weighted achievement (as a % of target)				**142.2%**

Operating profit from reportable segments is a Non-GAAP measure and excludes certain items from operating profit. Additionally, 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 173)	$1,019.0m
Difference due to exchange rates	$7.6m
Operating profit from reportable segments (at 2023 budget exchange rates)	$1,026.6m

LTIP 2021/23 (granted in 2021)

Operation

Awards are made annually and eligible executives will receive shares at the end of the cycle, subject to achievement of the three-year performance conditions. These conditions and weightings are described on page 130.

TSR measures the return to shareholders by investing in IHG relative to a comparator group containing the following major globally branded competitors: 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., as per data provided by our corporate bankers sourced from Refinitiv Datastream. Maximum payout is for upper quartile relative performance, and threshold is median of the comparator group.

Any use of discretion, including the factors influencing the decision, will be clearly communicated in the Directors' Remuneration Report for the year in which the decision is made.

The share price in respect of the 2020/22 LTIP cycle has been restated using the volume weighted average price of 5,467p for all Executive Directors on the date of actual vesting on 22 February 2023. The corresponding values shown in the 2022 report (prior to the actual vesting) were an estimate calculated using an average share price over the final quarter of 2022 of 4,687p.

Directors' Remuneration Report continued
Annual Report on Directors' Remuneration continued

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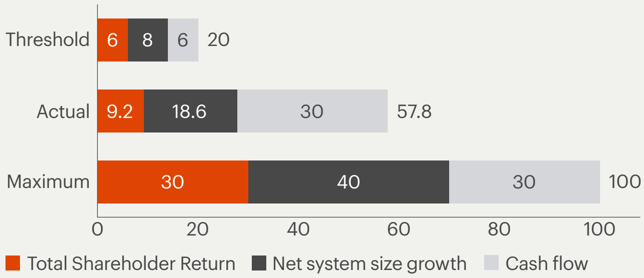
LTIP outcome for 2021/23 cycle

The performance measures for the 2021/23 three-year LTIP cycle were determined in accordance with the DR Policy and were:

- Total Shareholder Return (30%);
- net system size growth (40%); and
- cash flow (30%).

The following tables show threshold and maximum opportunity, as well as weighting and actual achievement, based on the formulaic outcomes against the three-year targets set in 2021 for each performance measure.

LTIP measures – % of maximum opportunity



Performance measure and weighting	Performance targets: Target	% Vesting	Result	Achievement (% of maximum)	Weighted achievement
Total Shareholder Return: Three-year growth relative to average of competitors **30%**	Maximum 83.4%	Maximum 100%	Outcome 47.1%	30.6%	9.2%
	Threshold 41.6%	Threshold 20%			
Relative net system size growth: Three-year growth relative to competitors **40%**	Maximum 5.1%	Maximum 100%	Outcome 3.42%	46.6%	18.6%
	Threshold 2.6%	Threshold 20%			
Absolute cash flow: Based on IHG's performance against an absolute cash flow target **30%**	Maximum $1.41bn	Maximum 100%	Outcome $2.81bn	100%	30.0%
	Threshold $1.06bn	Threshold 20%			
Total % of maximum opportunity vested					**57.8%**

Adjustments to absolute cash flow outcome

Over the performance period of the 2021/23 LTIP award, there have been events that have impacted IHG's cash flow that were unquantified or unforeseen when the original targets were set. In line with the adjustments reported in previous Directors' Remuneration Reports, the table opposite shows the reconciliation between reported cash flow and the outcome for the 2021/23 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 consider adjustment for the Holiday Inn and Crowne Plaza quality review to the extent the final programme differed from what was reflected in the LTIP target. These adjustments had no effect on the vesting outcome.

Reconciliation	Cash flow $bn
Reported cash flow from operations	3.03
Net cash from investing activities	(0.23)
Reported outcome per definition	**2.80**
Other adjustments (see text opposite)	0.01
Adjusted outcome	**2.81**

Adjustment to other measures

As disclosed in the 2022 Directors' Remuneration Report, 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 been adjusted to remove the Russia system size from all companies for all years. The formulaic NSSG LTIP outcome also includes an adjustment to exclude room removals incremental to our normal level due to the Holiday Inn and Crowne Plaza estate review in 2021.

These events were not budgeted for at the time of setting the 2021/23 targets, and the Committee, in its judgement, considered it was appropriate to adjust for them on the basis of its view that LTIP participants should not have been disincentivised from making these decisions in the long-term interest of shareholders.

The Committee considered performance against the ROCE underpin. The underpin level of 20% was met, with the final ROCE average of the three years being 23.7%, therefore the Committee did not need to consider adjusting the NSSG vesting level in respect of this.

AUDITED

Result of LTIP 2021/23 outcome

Achievement against target is measured by reference to the three years ended 31 December 2023. This cycle will vest on 21 February 2024 and Executive Directors are subject to a two-year post-vest holding period. The individual outcomes for this cycle are shown below. The share price of 6,265p used to calculate the 2021/23 LTIP cycle value shown in the single total figure table is the average over the final quarter of 2023.

Executive Director	Award cycle	Maximum opportunity at grant (number of shares)	% of maximum opportunity vested	Outcome (number of shares awarded at vest)	Total value of award £000	Value of award attributable to share price appreciation £000
Elie Maalouf	LTIP 2021/23	32,525	57.8%	18,799	1,178	221
Michael Glover[a]	LTIP 2021/23	3,161	57.8%	1,827	114	22
Keith Barr	LTIP 2021/23	59,385	57.8%	34,324	2,150	404

[a] Michael Glover also received an RSU award of 2,845 shares in the 2021/23 cycle prior to his appointment to the Board. All RSU shares are due to vest and the value, which has been calculated on the same basis as the LTIP shares, is £178k of which £33k is attributable to share price appreciation. The combined value of his RSU and LTIP awards is shown in the LTIP column of the single total figure table on page 128 rounded to the nearest £000.

Other outstanding awards

Long Term Incentive Plan (LTIP) – scheme interests awarded during 2022 and 2023

During 2022, awards were granted under the LTIP cycle and made to each Executive Director over shares with a maximum value of 350% of salary for the CEO and 275% of salary for all other Executive Directors using an average of the closing mid-market share price for the five days prior to grant, as shown in the table below. 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 2022/24 LTIP award is the day after the announcement of our financial year 2024 Preliminary Results in February 2025. These awards will vest to the extent performance targets are met and will then be held in a nominee account for a further two years, transferring to the award-holder in February 2027 in accordance with the two-year post-vest holding requirement.

Executive Director	Award date	Maximum shares awarded	Market price per share at grant £	Face value of award at grant £000	Number of shares received if minimum performance achieved (20%)
2022/24 cycle					
Elie Maalouf	13 May 2022	40,101	48.42	1,942	8,020
Michael Glover[a]	13 May 2022	3,860	48.42	187	772
Keith Barr[b]	13 May 2022	43,268	48.42	2,095	8,653

[a] Michael Glover was also granted an RSU award of 3,474 shares, under our LTIP for his role prior to becoming CFO, on 13 May 2022. RSU awards are not subject to performance conditions.

[b] Keith Barr stepped down from the role of CEO, and from the Board, on 30 June 2023 and the treatment of his unvested awards is described on page 126. He was originally awarded 64,903 shares, pro-rated to 24/36 months at 31 December 2023.

During 2023, awards were granted under the LTIP cycle and made to each Executive Director 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, as shown in the table below. 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 2023/25 LTIP award is the day after the announcement of our financial year 2025 Preliminary Results in February 2026. These awards will vest to the extent performance targets are met and will then be held in a nominee account for a further two years, transferring to the award-holder in February 2028 in accordance with the two-year post-vest holding requirement.

Executive Director	Award date	Maximum shares awarded	Market price per share at grant £	Face value of award at grant £000	Number of shares received if minimum performance achieved (20%)
2023/25 cycle					
Michael Glover	10 May 2023	33,812	55.01	1,860	6,762
Elie Maalouf[a]	10 May 2023	65,512	55.01	3,604	13,102
Elie Maalouf[a]	8 August 2023	19,770	56.74	1,122	3,954

[a] Elie Maalouf was granted his original LTIP 2023/25 in May 2023 based on his CEO, Americas base salary. He received a pro-rated top up award following his appointment as Group CEO based on the difference between his old and new salary.

Annual Performance Plan (APP) deferred shares awarded in 2023

One half of the bonus earned in respect of the 2022 APP was deferred into shares, as detailed below:

Executive Director[b]	Award – deferred shares portion	Number of shares granted	Award date	Market price per share at grant £	Face value of award at grant £000	Vesting date
Elie Maalouf	2022 APP[a]	12,542	1 March 2023	55.17	692	27 February 2026
Keith Barr	2022 APP[a]	15,575	1 March 2023	55.17	859	27 February 2026

[a] Annual bonus shares are deferred shares which are subject to continued employment, but are not subject to further performance conditions.

[b] Michael Glover was not an Executive Director for the periods to which these awards relate; Paul Edgecliffe-Johnson was not granted a deferred APP award in respect of FY2022 since his departure was known in advance of the award grant date of 1 March 2023.

Directors' Remuneration Report continued
Annual Report on Directors' Remuneration continued

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Performance measures

The performance measures for the 2022/24 LTIP cycle are as outlined below for the three years ending 31 December 2024. NSSG is a relative measure and is measured to 30 September 2024, rather than 31 December 2024, due to the timing of the publication of competitor data.

Measure and weighting	Threshold target (20% of vesting)	Maximum target (100% vesting)
Relative TSR (30%)	Median	Upper quartile
Relative NSSG with ROCE underpin[a] (40%)	Ranked 4th	Ranked 1st
Absolute cash flow (30%)	1.58bn USD	2.11bn USD

[a] This measure is subject to the achievement of a Return on Capital Employed (ROCE) underpin of 20%, below which the Committee has the discretion to reduce the outcome for the measure.

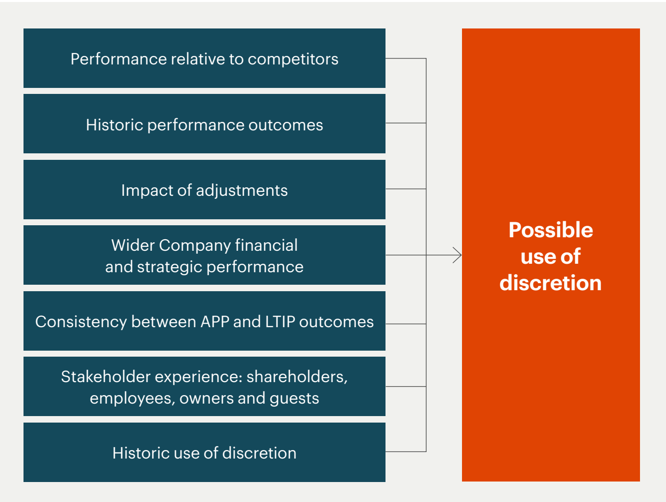
The performance measures for the 2023/25 LTIP cycle are as outlined below for the three years ending 31 December 2025. NSSG is a relative measure and is measured to 30 September 2025, rather than 31 December 2025, due to the timing of the publication of competitor data.

Measure and weighting	Threshold target (20% of vesting)	Maximum target (100% vesting)
Relative TSR (20%)	Median	Upper quartile
Relative NSSG (20%)	Ranked 4th	Ranked 1st
Absolute cash flow (20%)	1.667bn USD	2.565bn USD
ESG (20%) – split between four equally weighted measures		
Expected energy reduction from introduction of new energy conservation measures[a]	4.5% reduction (new-build hotels) 2.8% reduction (existing estate)	10.0% reduction (new-build hotels) 6.3% reduction (existing estate)
Adoption of existing ECMs in owned, leased, managed and managed lease hotels	80% of hotels	100% of hotels
Gender representation in senior management (% of females in roles)	37%	40%
Ethnicity representation in senior management (% of colleagues in roles)	24%	27%
Adjusted EPS (20%)	5% absolute CAGR	12% absolute CAGR

[a] Following a disclosure of this measure in the 2023 DR Policy, a calculation error was identified in the configuration of one aspect of the target for this metric. The Committee has agreed to the correction of this mathematical error, which means the threshold and maximum targets for this metric are as disclosed above. It is important to note that this correction, resulting from a technical modelling error in incentive plan target configuration, does not alter the intended level of stretch inherent in performance required to meet targets as anticipated at the outset, nor does it impact the Company's wider carbon reduction goals.

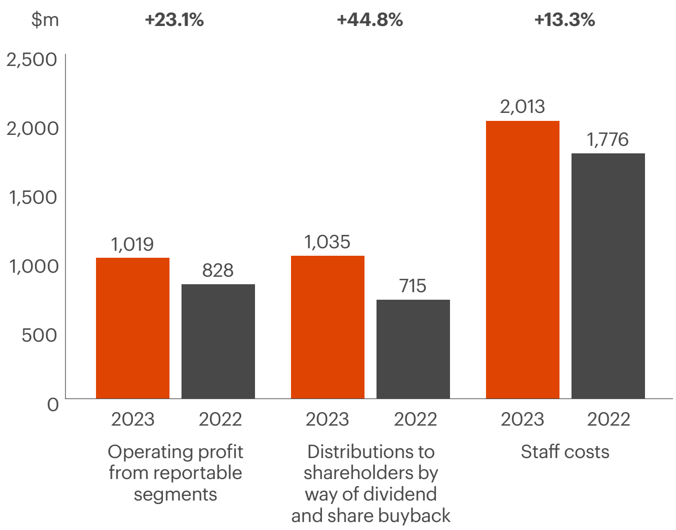
Consideration of discretion

Following Keith Barr's 30 years with IHG, culminating in serving the last six as Group CEO and ensuring a smooth transition to Elie Maalouf after stepping down from the Board, the Committee exercised its discretion to treat Keith as a 'good leaver' for the purpose of his unvested share awards. In line with the UK Corporate Governance Code, the Committee has adopted a robust, formal framework that it will use to determine whether to exercise discretion. Some of the key factors the Committee considers are shown below.



Relative importance of spend on pay

The chart below sets out the actual expenditure of the Group in 2023 and 2022, showing the differences between those years. Operating profit from reportable segments is included as this is a significant constituent of the Annual Performance Plan. Further information, including where 2022 figures have been restated, can be found in the Group Financial Statements starting on page 154 and the accompanying notes.



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Executive Directors' shareholdings and share interests

The Committee believes that share ownership by Executive Directors and senior executives strengthens the link between the individuals' personal interests and those of shareholders.

Guideline Executive Director shareholding requirement

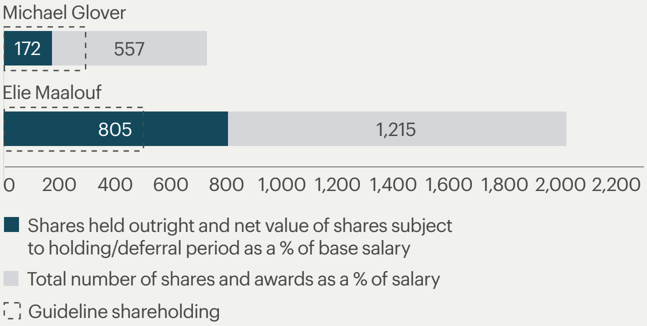
Executive Directors are required to hold shares equal to 500% of salary for the Chief Executive Officer and any US-based Executive Directors, and 300% for other Executive Directors. Executive Directors are expected to hold all net shares earned until the previous guideline shareholding requirement is 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 guideline shareholding 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.

Percentages are calculated using the 29 December 2023 share price of 7,090p.

We increased our post-employment shareholding requirement with effect from the approval of our current DR Policy, approved at the 2023 AGM, so that the full guideline minimum shareholding requirement continues for two years post-cessation of employment.

As part of this requirement, since 2019, shares have been granted and all unvested awards 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.

Shares and awards held by Executive Directors at 31 December 2023: % of salary



Percentages have been calculated using base salary in GBP at 31 December 2023. A combined tax and social security rate of 47% is used for both Michael Glover and Elie Maalouf.

Current Directors' shareholdings

The APP deferred share awards are not subject to additional performance conditions. Details on the performance conditions to which the unvested LTIP awards are still subject can be found on page 132. There have been no changes in the shareholding interests of any of the 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 2023:

	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	
	2023	2022	2023	2022	2023	2022	2023	2022
Michael Glover[a]	13,307	–	3,247	–	47,152	–	63,706	–
Elie Maalouf	99,265	83,340	24,833	21,308	157,908	111,089	282,006	215,737
Keith Barr[bd]	60,318	93,263	17,270	29,090	102,653	173,441	180,241	295,794
Paul Edgecliffe-Johnson[cd]	15,844	66,869	–	21,389	–	107,945	15,844	196,203

[a] We have not included 2022 comparison figures for Michael Glover as he was not in an Executive Director role at the time.

[b] Keith Barr stepped down from the Board on 30 June 2023, however, we are disclosing the number of shares held for him as at 31 December 2023. Keith Barr's 2023 APP deferred share awards number is net of tax and his 2023 LTIP share awards number includes the LTIP 2022/24 award pro-rated to the date he left IHG (31 December 2023).

[c] Paul Edgecliffe-Johnson stepped down from the Board on 19 March 2023, however, we are disclosing the number of shares held for him as at 31 December 2023. His unvested LTIP and APP awards were forfeited upon leaving IHG.

[d] Where shares were sold after stepping down from their Executive Director role, the balance of remaining shares were within the post-cessation shareholding requirement.

Other information relating to Directors' remuneration

Dividends paid to Executive Directors

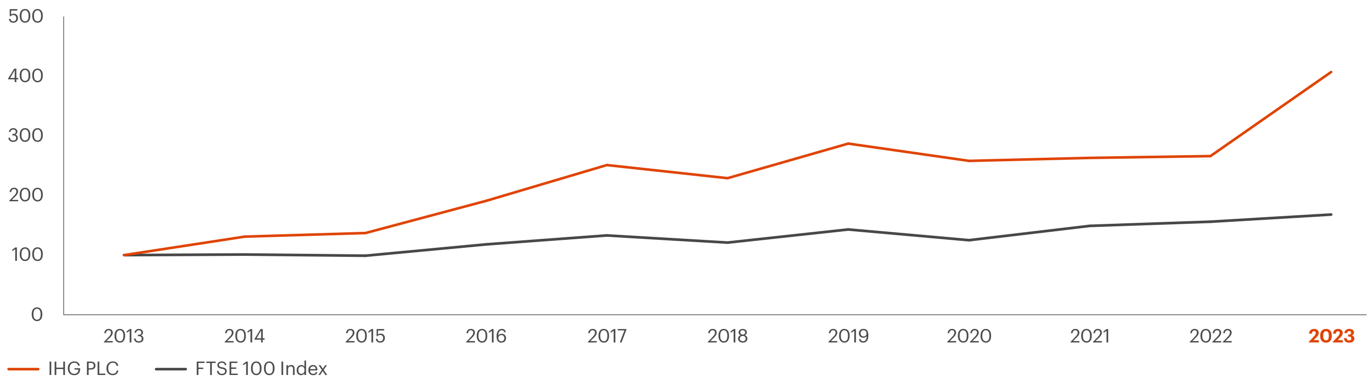
A final dividend for 2022 of 76.08p per ordinary share (94.5¢ per ADR) was paid on 16 May 2023 to shareholders on the Register of members at the close of business on 31 March 2023.

An interim dividend of 38.7p per ordinary share (48.3¢ per ADR) was paid on 5 October 2023 to shareholders on the Register of members at the close of business on 1 September 2023.

Dividends are payable on vested shares held outright, including those subject to a post-vest holding period, and deferred APP shares.

Directors' Remuneration Report continued
Annual Report on Directors' Remuneration continued

Relative performance graph
InterContinental Hotels Group PLC is a member of the FTSE 100 share index and the graph below shows the Company's TSR performance from 31 December 2013 to 31 December 2023, assuming dividends are reinvested, compared with the TSR performance achieved by the FTSE 100.



Chief Executive Officer's remuneration
The table below shows the Chief Executive Officer's single figure of total remuneration for the 10 years to 31 December 2023.

Single figure	CEO	2014	2015	2016	2017	2018	2019	2020	2021	2022	**2023**
Single figure of remuneration (£000)	Elie Maalouf										**2,786**[d]
	Keith Barr				2,161	3,143[a]	3,376	1,484	3,199	4,273	**3,456**[e]
	Richard Solomons	6,611[b]	3,197	3,662	2,207[c]						
Annual incentive received (% of maximum)	Elie Maalouf										**81.8**
	Keith Barr				69.7	84.1	58.7	0	100.0	95.7	**81.8**
	Richard Solomons	74.0	75.0	63.9	66.8						
Shares received under the LTIP (% of maximum)	Elie Maalouf										**57.8**
	Keith Barr				46.1	45.4	78.9	30.6	20.0	52.1	**57.8**
	Richard Solomons	56.1	50.0	49.4	46.1						

[a] For Keith Barr, the 2018 figure includes a one-off cash payment for relocation costs in lieu of benefits received while on international assignment prior to CEO position, which was fully explained in the 2017 report.

[b] For Richard Solomons, the 2014 figure includes a one-off cash payment in respect of pension entitlements, which was fully explained in the 2014 report.

[c] In respect of period 1 January to 30 June 2017.

[d] For Elie Maalouf, the 2023 figure includes a one-off cash payment for relocation costs, fully explained on page 126 of this report. All other elements included in the 2023 figure are in respect of the period 1 July to 31 December 2023 only, except for LTIP which is the full value of Elie's 2021/23 award granted before he became Group CEO.

[e] In respect of period 1 January to 30 June 2023 only (except for LTIP which is the full value of the LTIP 2021/23 award).

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Payments to past Directors
Sir Ian Prosser
Sir Ian Prosser, who retired as Director on 31 December 2003, had an ongoing healthcare benefit of £1,710 during the year.

Payments for loss of office
Keith Barr
Keith Barr stepped down from the Board of IHG on 30 June 2023. A statement to this effect was prepared pursuant to Section 430(2B) of the CA 2006 and can be found on the IHG PLC website. He remained an employee of the Company until 31 December 2023 and therefore continued to receive salary and benefits and remain eligible for a 2023 APP award. The Committee exercised its discretion to treat Keith as a 'good leaver' for the purpose of his unvested share awards, pro-rated to his date of leaving for the LTIP and they will continue to vest according to the normal vesting schedule for the award. He did not receive a grant in the 2023/25 LTIP cycle. IHG also agreed to settle fees of £13,850 plus VAT in connection with legal advice to Keith on these arrangements. Full details of his arrangements on leaving and the use of discretion are shown on pages 126 and 132.

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

CEO pay ratio

As we have noted in previous DRRs, 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. As per our past disclosures, we show the ratio both including and excluding the UK hotel employing entities.

		Full population			Population excluding hotel employing entities		
Year	**Method**	**25th**	**Median**	**75th**	**25th**	**Median**	**75th**
Financial year ended 31 December 2023	**Option C**	**212:1**	**136:1**	**68:1**	**82:1**	**62:1**	**40:1**
Financial year ended 31 December 2022	Option C	193:1	113:1	67:1	71:1	56:1	35:1
Financial year ended 31 December 2021	Option C	163:1	65:1	41:1	59:1	42:1	27:1
Financial year ended 31 December 2020	Option C	89:1	44:1	25:1	35:1	26:1	18:1
Financial year ended 31 December 2019	Option C	180:1	122:1	59:1	71:1	49:1	32:1
Financial year ended 31 December 2018	Option C	–	–	–	72:1	48:1	29:1

The 2018-2022 figures have been restated to reflect the value of the CEO's LTIP awards on the date of actual vesting rather than the estimated vesting levels used in the respective years' DRRs.

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:

- this is the first year the increased LTIP quantum from the 2020 DR Policy vests for the CEO, the increase was deferred by a year so was not granted at the higher level until 2021. Although there was a strong APP outcome for both the CEO and wider corporate population, 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 specialist 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; and
- incentive plans for other corporate employees are typically 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. The comparative CEO figure used for calculating this year's ratio included some one-off costs associated with Elie Maalouf's relocation.

The population demographics have also had a larger impact than in previous years as the full population in 2023 includes a greater number of hotel employees than it did in 2022. Overall, on this basis, the Company believes 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 2023 detailing complete variable and fixed remuneration, including pension and taxable benefits such as company car or allowance and healthcare; and
- valuing APP for the corporate workforce based on actual 2023 company performance metrics but only target 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 0-200% of target.

As noted on page 126, we had a change of CEO during 2023, so we have used pro-rated salary, benefits, pension and bonus amounts for Keith Barr and Elie Maalouf for the respective periods in which they were CEO for calculating the pay ratio this year. We have used the full value of Keith Barr's LTIP 2021/23 award, however, as this award was granted at the full level available to the CEO as per the DR Policy at the time, and we believe it is the most accurate figure for this disclosure.

Option C requires three UK employees to be identified as the equivalent of the 25th, 50th and 75th percentile. Having identified these employees, the 2023 remuneration 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 2023 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 2023 – Full population	Salary £	20,362[a]	31,185	58,390
	Total remuneration £	23,933	37,132	74,278
Financial year ended 31 December 2023 – Excluding hotel employing entities	Salary £	47,500	65,225	90,100
	Total remuneration £	61,434	81,843	125,842

[a] The total salary figure used for the 25th percentile for the full population includes periods of unpaid absence and the base pay for the year excluding this would have been £23,463.23.

In the 2022 Directors' Remuneration Report, we confirmed that the Real Living Wage would be applied as a minimum for all staff from April 2023 and on reviewing the 25th percentile for this year's ratio, we can see that the annual salary for the 25th percentile (full population) following April 2023 merit increases is £24,128. This is above the annualised Real Living Wage salary for 2022/23 of £22,672 (£11.60ph vs £10.90ph).

Directors' Remuneration Report continued
Annual Report on Directors' Remuneration continued

AUDITED

Single total figure of remuneration: Non-Executive Directors

Non-Executive Director	Committee appointments	Date of original appointment	Fees £000 2023	Fees £000 2022	Taxable benefits £000 2023	Taxable benefits £000 2022	Total Rounded to the nearest £000 2023	Total Rounded to the nearest £000 2022
Deanna Oppenheimer	N R	01/06/2022	**475**	174	**33**	10	**508**	184
Graham Allan	A N RB SID	01/09/2020	**132**	116	**4**	2	**136**	118
Daniela Barone Soares	R RB	01/03/2021	**84**	81	**5**	4	**89**	85
Arthur de Haast	A RB	01/01/2020	**84**	81	**6**	5	**90**	86
Ian Dyson	A N R	01/09/2013	**19**	108	**5**	5	**23**	113
Duriya Farooqui	A RB	07/12/2020	**84**	81	**15**	14	**99**	95
Byron Grote	A N R	01/07/2022	**107**	41	**5**	1	**112**	42
Jo Harlow	N R	01/09/2014	**111**	108	**11**	5	**123**	113
Jill McDonald	A N RB	01/06/2013	**16**	95	**6**	6	**22**	101
Angie Risley	R RB	01/09/2023	**28**	–	**6**	–	**34**	–
Sharon Rothstein	A RB	01/06/2020	**84**	81	**8**	9	**92**	90

→ See page 96 for Board and Committee membership key and attendance.

Fees: Fees are paid in line with the DR Policy. Jill McDonald and Ian Dyson stepped down from the Board on 28 February 2023, so all fees and taxable benefits for these Directors ceased on this date. Angie Risley joined the Board on 1 September 2023, so all fees and taxable benefits for this Director began on their appointment date.

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.

Other: Non-Executive Directors are not eligible for any incentive awards or for any pension contribution/benefit.

Non-Executive Directors' shareholding and share interests at 31 December 2023

Non-Executive Director	2023[b]	2022
Deanna Oppenheimer[a]	**5,000**	–
Graham Allan	**600**	–
Daniela Barone Soares	**478**	322[c]
Ian Dyson	**1,500**	1,500
Arthur de Haast	**1,000**	1,000
Duriya Farooqui[a]	**200**	–
Byron Grote[a]	**5,300**	2,800
Jo Harlow[a]	**950**	950
Jill McDonald	**–**	–
Angie Risley	**848**	–
Sharon Rothstein[a]	**2,000**	–

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

b Shares held as at 31 December 2023 or the date at which they ceased to be a Non-Executive Director.

c The 2022 figure for Daniela Barone Soares has been restated due to additional shares being acquired pursuant to a standing instruction in relation to a Dividend Reinvestment Plan (DRIP).

Where Directors have remained in role, there have been no changes in the shareholding interests of any of the Directors since the end of the financial year up to the publication of this report.

Fees: Non-Executive Directors

The fees for Non-Executive Directors are reviewed and agreed annually in line with the DR Policy; 2023 increases were lower than the budget for the wider UK and US corporate workforce and 2024 increases are in line with the wider workforce budget. The basis for setting fee levels for 2024 will be as follows, each element independently rounded to the nearest £000:

Role	Increase	Annual fee 2024 £000	Annual fee 2023 £000
Chair of the Board	4%	**494**	475
Non-Executive Director	4%	**87**	84
Additional fees			
Chair of Audit Committee	4%	**29**	28
Chair of Remuneration Committee	4%	**29**	28
Chair of Responsible Business Committee	4%	**15**	15
Senior Independent Director	4%	**38**	36

Annual percentage change in remuneration of Directors compared to employees

The table below shows the percentage change in all Directors' remuneration compared to that of an average employee between the financial years ended 31 December 2019 to 31 December 2023.

The 2023 remuneration figures for the Directors are taken from the data used to compile the single total figure of remuneration tables shown on pages 128 and 136, excluding any rounding up or down. No employees are directly employed by the Group's Parent Company, so the average employee data for this year's report is based on the same UK corporate employee population as that on which the CEO pay ratio is calculated.

Elie Maalouf became Group CEO on 1 July 2023 which involved a relocation to the UK. Elie's salary in the previous year-on-year changes was calculated in USD, with the equivalent single total figure table disclosures reported in GBP. From 1 July 2023, Elie's salary has been in GBP so, to reduce any impact of the currency conversion, we are now calculating his percentage change in GBP. This is the currency in which his salary, bonus and a large sum of his benefits will be paid going forward, and therefore will provide a more meaningful indication of his year-on-year remuneration changes and align further with the intentions of this disclosure.

All corporate employees share the same corporate performance metrics with the Executive Directors; however, the weightings of these metrics differ for corporate employees below Executive Committee level and measures include an individual performance portion, 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 for a bonus.

Taxable benefits for Non-Executive Directors largely comprise of travel expenses whereas, Executive Director and average employee taxable benefits typically comprise elements of their reward package, such as company car or allowance and healthcare benefits.

	Year-on-year change 2023 vs 2022			Year-on-year change 2022 vs 2021			Year-on-year change 2021 vs 2020			Year-on-year change 2020 vs 2019		
	Salary	**Bonus**	**Benefits**	Salary	Bonus	Benefits	Salary	Bonus	Benefits	Salary	Bonus	Benefits
Executive Directors												
Elie Maalouf	**21%**	**-14.6%**	**247%**	4%	-0.47%	-1%	22%	100%	91%	-15%	-100%	-9%
Michael Glover	**–**	**–**	**–**	–	–	–	–	–	–	–	–	–
Non-Executive Directors												
Deanna Oppenheimer	**–**	**N/A**	**–**	–	N/A	–	–	N/A	–	–	N/A	–
Graham Allan	**13%**	**N/A**	**108%**	49%	N/A	684%[a]	–	N/A	–	–	N/A	–
Daniela Barone Soares	**3%**	**N/A**	**16%**	–	N/A	–	–	N/A	–	–	N/A	–
Arthur de Haast	**3%**	**N/A**	**28%**	4%	N/A	1,706%[a]	18%	N/A	-1%	–	N/A	–
Duriya Farooqui	**3%**	**N/A**	**10%**	4%	N/A	100%[a]	–	N/A	–	–	N/A	–
Byron Grote	**–**	**N/A**	**–**	–	N/A	–	–	N/A	–	–	N/A	–
Jo Harlow	**3%**	**N/A**	**114%**	4%	N/A	1,970%[a]	18%	N/A	100%	-13%	N/A	-94%
Angie Risley	**–**	**N/A**	**–**	–	N/A	–	–	N/A	–	–	N/A	–
Sharon Rothstein	**3%**	**N/A**	**-10%**	4%	N/A	100%[a]	–	N/A	–	–	N/A	–
Average employee	**8%**	**-9.1%**	**20%**	14%	-6.01%	5%	3%	100%	-11%	-6%	-100%	-9%

[a] Please see notes below for further details on these percentage change anomalies.

Notes to the annual percentage change in remuneration of Directors compared to employees table

- No data has been reported for Byron Grote and Deanna Oppenheimer as they both joined the Board during 2022 and therefore only part-year data is available, which does not enable a comparison with 2023. Similarly, Michael Glover and Angie Risley both joined the Board during 2023, so there will be no full-year data comparisons for them in 2023 and 2024.
- Graham Allan was appointed as Chair of the Responsible Business Committee in addition to his role as Senior Non-Executive Director from 1 March 2023, so his salary percentage change increase incorporates the base fee increase and the addition of his role supplements.
- As explained above, Elie Maalouf took on the role of Group CEO on 1 July 2023, therefore his salary percentage change increase incorporates his new remuneration package for part of 2023. Elie's 2023 taxable benefits figure also includes additional relocation costs, including a one-off relocation payment and an ongoing housing allowance which were not applicable in 2022. The 2022 vs 2021 percentage change for Elie has been updated due to the 2022 benefits figure being restated as noted on page 128.
- In 2023, more in-person Board Meetings were held than in 2022. Graham Allan incurred only £2,016.61 in expenses in 2022 but incurred £4,200.55 in 2023, hence the percentage change increase for 2023 vs 2022 is 108%. Similarly, Daniela Barone Soares, Arthur de Haast and Duriya Farooqui incurred an additional £734.70, £1,310.10 and £1,370.07 on 2022 figures respectively. As expected, the extreme fluctuations shown in percentage change in last year's disclosure have already begun to reduce and we expect these to even out more going forward as Board meetings return to a more regular structure.
- The bonus outcome for the average employee has fallen by a lower percentage than that of Executive Directors due to the difference in weightings for measures and additional budget being made available for the individual performance element for employees below Executive Committee level.
- Any significant percentage changes in the previous year-on-year changes (2022 vs 2021, 2021 vs 2020 and 2020 vs 2019) are explained in the relevant year's Directors' Remuneration Report.

Directors' Remuneration Report continued
Annual Report on Directors' Remuneration continued

Implementation of Directors' Remuneration Policy in 2024
This section explains how certain elements of the DR Policy will be applied in 2024.

Salary: Executive Directors
Directors' salaries are agreed annually in line with the DR Policy.

The following salaries will apply from 1 April 2024:

Executive Director	Increase %	2024 £	2023 £
Elie Maalouf	0	**990,000**	990,000
Michael Glover	4	**644,800**	620,000

Elie Maalouf is not eligible for a merit increase in 2024 following his appointment as Group CEO on 1 July 2023. Further details regarding his appointment can be found on page 126. The increase for the CFO is shown above and is in line with the budget for the wider corporate workforce. For Executive Director merit increases, we use a range of considerations including wider workforce merit increases, market data and external benchmarking. In addition to FTSE 100 data and other hotel comparators, we use the following US comparator group for CEO salary and overall pay benchmarking: Choice Hotels International Inc.; Hilton Worldwide Holdings Inc.; Hyatt Hotels Corporation; Marriott International Inc.; and Wyndham Hotels & Resorts Inc..

Measures for 2024 APP
The 2024 APP structure is in line with the approved DR Policy and will be based on a 70% weighting for a measure of operating profit from reportable segments and a 30% weighting for other key strategic measures that are reviewed annually and set in line with business priorities. The target award has been reduced from 115% to 100% of salary, and subject to meeting minimum shareholding requirements, up to 70% of the award may be paid in cash and at least 30% in deferred shares.

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 2024, it remains 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 are a recognised key performance measure across the industry, whilst 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 two strategic measures will be evenly weighted, with each worth 15% of the overall APP. The targets are commercially sensitive and will be disclosed in the 2024 Annual Report.

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

Measures and targets for 2024/26 LTIP cycle
For the 2024/26 cycle, we will retain a net system size growth (NSSG) measure reflecting our strategy of accelerating the growth of our brands in high-value markets, this will have a relative performance target against our six largest competitors and the weighting for this measure will remain at 20%. The cash flow measure to deliver consistent and sustained growth remains in place with a weighting of 20%. Total Shareholder Return (TSR) continues to make up another 20% of the 2024/26 cycle measures; the TSR comparator group has been updated for the 2024/26 cycle. The existing comparator group (up to the 2023/25 LTIP cycle) can be found on page 129 of this report and the new TSR comparator group (with effect from the 2024/26 LTIP cycle) can be found within the table below. Alongside the new companies that have been added to the group, the existing member NH Hotels has been replaced with its majority shareholder, Minor International.

Adjusted earnings per share (EPS) was introduced as a balancing measure to TSR with effect from the 2023/25 LTIP cycle, and this will remain in place with a 20% weighting as a balance to the more volatile and less controllable TSR measure. 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. Following the introduction of an ESG measure in our 2023/25 LTIP cycle, we have continued to include ESG in the 2024/26 cycle with a weighting of 20% made up of four equally weighted measures based on IHG's People and Planet goals. Further information, including on the underlying metrics for ESG, can be found on page 140.

The measures for the 2024/26 cycle are as follows:

Measure	Definition	Weighting	Performance objective
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 (20% of TSR element vests); Maximum: upper quartile of comparator group (100% of TSR element vests); and Vesting will be on a straight-line basis in between the two points above.

Measure	Definition	Weighting	Performance objective
Relative net system size growth	IHG's aggregated compound annual growth rate (CAGR) against our six largest competitors with over 500k 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.	20%	Threshold: fourth ranked competitor excluding IHG (20% of NSSG element vests); Maximum: first ranked competitor excluding IHG (100% of NSSG element vests); and Vesting will be on a straight-line basis in between the two points above.
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: US 2.395bn (20% of cash flow element vests); Maximum: US 3.421bn (100% of cash flow element vests); and Vesting will be on a straight-line basis in between the two points above.
Environmental, social and governance	**1. Adoption of existing energy conservation measures (ECMs)** Adoption of agreed ECMs by existing Americas Essentials and Suites hotels that are the subject of licence renewal or conversion property improve plans – (including franchise – Scope 3). **2. Low/zero carbon hotels** Development of hotels that operate at very low/zero carbon, focused primarily on new-build hotels, to support delivery of our carbon and energy goals. **3. Inclusion** Improvement in 'Inclusion Index' scores for US and UK ethnically diverse hotel and corporate colleagues compared to all US and UK hotel and corporate colleagues. **4. Talent interventions** Impact of our Journey to GM, Career Insights and RISE Talent programmes.	20% (5% each)	1. Threshold vesting will occur if there is aggregate adoption of each of the five ECMs at 80% of hotels and maximum vesting will occur if there is aggregate adoption of each of the five ECMs at 100% of hotels. Vesting will be on a straight-line basis for achievement between threshold and maximum. 2. Threshold vesting will occur if 10 hotels are open or under construction globally and maximum vesting will occur if 15 hotels are open or under construction globally. Vesting will be on a straight-line basis for achievement between threshold and maximum. 3. Threshold vesting will occur if the average of Inclusion Index scores for US and UK ethnically diverse hotel and corporate colleagues is not more than 7% below that of the total population in the final year of the performance period and maximum vesting will occur if the average Inclusion Index scores for US and UK ethnically diverse hotel and corporate colleagues are at least in line with that of the total population in the final year of the performance period. Vesting will be on a straight-line basis between the above two points. 4. 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 between 2022 and 2024 have been promoted by 31 December 2026. Vesting will be on a straight-line basis between the above two points. For each of the above performance objectives, 20% of the element vests at threshold achievement and 100% of the element vests at maximum achievement.
Adjusted earnings per share (EPS)	Absolute compound annual growth rate (CAGR)	20%	Threshold vesting will occur if adjusted EPS CAGR is 5% per annum (20% of adjusted EPS element vests); Maximum vesting will occur if adjusted EPS CAGR is 12% per annum or more (100% of adjusted EPS element vests); and Vesting will be on a straight-line basis in between the two points above.

Directors' Remuneration Report continued
Annual Report on Directors' Remuneration continued

ESG measures
Our ESG measures for the 2024/26 LTIP cycle are again aligned to the Planet and People aspects of our Journey to Tomorrow responsible business plan. The new measures build on the 2023/25 LTIP cycle, with the Planet measures focusing on the ongoing rollout of new Energy Conservation Measures (ECMs) in the existing hotel estate as part of our brand standards and the development of hotels that operate at very low/zero carbon, a programme for which is expected to launch in 2024. Stretching targets have been set for these metrics, with full payout requiring 100% adoption of five ECMs, including in franchise hotels (Scope 3) and 15 new hotels that operate at low/zero carbon open or under construction. These are important areas within management control which support the delivery of our long-term carbon and energy goals.

The 2024/26 People measures build on and complement our representation measures in the 2023/25 cycle. They are focused on strengthening our inclusive culture and talent-driven approach to growth, as part of our commitment to our people. A challenging maximum target has been set to level up the average of 'inclusion index' scores, an aspect of our employee engagement survey (carried out by an external party), for ethnically diverse US and UK corporate and hotel colleagues to be at least in line with those of the respective full employee populations. Threshold for this measure has been set after careful consideration of the range of current differences in scores across these respective populations. The second People measure for the 2024/26 cycle supports our hotel growth agenda through existing talent intervention programmes targeted at developing the next generation of hotel managers. This includes the RISE programme, which aims to increase the number of female colleagues in hotel leadership roles across our managed and leased estates. The threshold for this measure is set in line with the average post-programme promotion rate for the three years to the end of 2023. The maximum target requires achievement of a very stretching 50% promotion rate from the 2022, 2023 and 2024 cohorts of the Journey to GM, Career Insights and RISE programmes by the end of the cycle in 2026.

Total Shareholder Return (TSR) comparator group
Our existing TSR comparator group was agreed in 2016 and originally included two additional companies that have since been removed due to a merger and delisting. The exit of these from public capital markets, and thus from the comparator group, resulted in a relatively small remaining comparator group. As a result, the Committee has made the decision to expand the comparator group from 8 to 15 global hotel companies. We believe that this mitigates the potential for the existing comparator group to become smaller due to industry consolidation or other factors.

The Committee applied a robust set of filters to select the additions to the comparator group and believe that the broadening of the comparator group reflects that IHG has an international footprint; competes with a wide range of hotel peers across the world; and that we have a diverse investor base, with some shareholders more focused on European and globally listed businesses, in addition to those with a US-listed business focus.

Angie Risley
Chair of the Remuneration Committee
19 February 2024