



**InterContinental Hotels Group**

**NOTICE OF  
ANNUAL GENERAL MEETING  
OF INTERCONTINENTAL HOTELS GROUP PLC**

to be held at:

the InterContinental London Park Lane hotel,  
One Hamilton Place, Park Lane, London W1J 7QY  
on Friday, 1 June 2007, at 11.00am.

**THIS DOCUMENT IS IMPORTANT  
AND REQUIRES YOUR IMMEDIATE ATTENTION**

If you are in any doubt as to what action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser authorised under the Financial Services and Markets Act 2000.

If you have sold or transferred all your shares in InterContinental Hotels Group PLC, please pass this document and the accompanying Form of Proxy to the stockbroker, bank or other agent through whom you made the sale or transfer, for transmission to the purchaser or transferee.

A Form of Proxy for the Annual General Meeting is enclosed and should be completed and returned so as to reach the Company's Registrar by no later than 11.00am on Wednesday, 30 May 2007. Completion and return of the Proxy will not prevent you from attending and voting at the Meeting in person, should you so wish.

Electronic Proxy Appointment is available for this Annual General Meeting. This facility enables shareholders to lodge their proxy appointment by electronic means on a website provided by Lloyds TSB Registrars via [www.sharevote.co.uk](http://www.sharevote.co.uk) or, for those who hold their shares in CREST, through the CREST electronic proxy appointment service. Further details are set out in the notes to the Form of Proxy.

At the Meeting itself, the votes will be taken by poll rather than on a show of hands. The final result is more democratic as the proxy results are added to the votes of shareholders present who vote all their shares (rather than one vote per person) using the poll cards provided. The results of the polls will be announced to the London and New York Stock Exchanges and will appear on the Company's website [www.ihg.com/investors](http://www.ihg.com/investors)

# Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of InterContinental Hotels Group PLC will be held at the InterContinental London Park Lane hotel, One Hamilton Place, Park Lane, London W1J 7QY on Friday, 1 June 2007, at 11.00am, or at any adjournment thereof, for the following purposes:

## RESOLUTIONS

To consider and, if thought fit, to pass the following resolutions, of which numbers 1 to 8 will be proposed as ordinary resolutions and numbers 9 to 11 as special resolutions.

- 1 To receive the Company's financial statements for the year ended 31 December 2006, together with the Reports of the Directors and auditors.
- 2 To approve the Directors' Remuneration Report for the year ended 31 December 2006.
- 3 To declare a final dividend on the ordinary shares.
- 4 As separate resolutions, to re-elect (a) Robert C Larson, (b) Sir David Prosser, (c) Richard Solomons and (d) David Webster as Directors of the Company.
- 5 To reappoint Ernst & Young LLP as auditors of the Company to hold office until the conclusion of the next general meeting at which accounts are to be laid before the Company.
- 6 To authorise the Audit Committee of the Board to agree the auditors' remuneration.

## 7 POLITICAL DONATIONS:

'THAT the Company and any company that is or becomes a subsidiary of the Company during the period to which the resolution relates, be and is hereby authorised, for the purposes of Part XA of the Companies Act 1985, to:

- i make Donations to EU Political Organisations; or
- ii incur EU Political Expenditure

in an aggregate amount not exceeding £100,000 during the period ending on the date of the Annual General Meeting in 2008. For the purposes of this resolution, 'Donations', 'EU Political Organisations' and 'EU Political Expenditure' have the meanings ascribed to them in Part XA of the Companies Act 1985 (as amended by the Political Parties, Elections and Referendums Act 2000).'

## 8 ALLOTMENT OF SHARES:

'THAT the authority conferred on the Directors by paragraph 13.2 of Article 13 of the Company's Articles of Association to allot relevant securities be renewed for the period ending on the date of the Annual General Meeting in 2008 or on 1 September 2008, whichever is the earlier, and for such period the Section 80 Amount shall be £13,476,684.'

## 9 DISAPPLICATION OF PRE-EMPTION RIGHTS:

'THAT the power conferred on the Directors by paragraph 13.3 of Article 13 of the Company's Articles of Association be renewed for the period ending on the date of the Annual General Meeting in 2008 or on 1 September 2008, whichever is the earlier, and for such period the Section 89 Amount shall be £2,021,502.'

## 10 AUTHORITY TO PURCHASE OWN SHARES:

'THAT, subject to and in accordance with Article 10 of the Company's Articles of Association, the Company is hereby generally and unconditionally authorised to make market purchases for the purpose of Section 166 of the Companies Act 1985 (as defined in Section 163 of that Act) of ordinary shares of 11 $\frac{3}{4}$ p each in the capital of the Company (ordinary shares), provided that:

- i the maximum aggregate number of ordinary shares hereby authorised to be purchased is 53,029,071;
- ii the minimum price which may be paid for each ordinary share is 11 $\frac{3}{4}$ p per share;
- iii the maximum price which may be paid for a share is an amount equal to the higher of (a) 105 per cent of the average of the closing price of the Company's ordinary shares as derived from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which such share is contracted to be purchased or (b) the higher of the price of the last independent trade and the highest current bid as stipulated by Article 5(1) of Commission Regulation (EC) 22 December 2003 implementing the Market Abuse Directive as regards exemptions for buyback programmes and stabilisation of financial instruments (No 2273/2003); and
- iv the authority hereby conferred shall expire at the conclusion of the Annual General Meeting in 2008 or on 1 September 2008, whichever is the earlier (except in relation to the purchase of ordinary shares the contract for which was concluded before such date and which is executed wholly or partly after such date), unless such authority is renewed prior to such time.'

## 11 ELECTRONIC COMMUNICATIONS AND THE COMPANIES ACT 2006:

- i 'THAT the Company be authorised, subject to and in accordance with the provisions of the Companies Act 2006, the Disclosure and Transparency Rules and the Articles of Association, to send, convey or supply all types of notices, documents or information to the members by means of electronic equipment for the processing (including digital compression), storage and transmission of data, employing wires, radio optical technologies, or any other electromagnetic means including, without limitation, by sending such notices, documents or information by electronic mail or by making such notices, documents or information available on a website; and
- ii THAT the Articles of Association of the Company be amended so as to be in the form of the Articles of Association produced to the meeting that are marked and initialled by the Chairman (as the "Amended Articles of Association") for the purpose of identification.'

By order of the Board  
Richard Winter  
Company Secretary  
19 February 2007

Registered in England Number: 5134420  
Registered Office:  
67 Alma Road  
Windsor, Berkshire SL4 3HD

## **APPENDIX TO THE NOTICE OF ANNUAL GENERAL MEETING**

### **PROPOSED CHANGES TO THE ARTICLES OF ASSOCIATION**

The full terms of the proposed amendments to the Articles of Association are available for inspection at Linklaters, One Silk Street, London EC2Y 8HQ until the close of the Annual General Meeting on Friday, 1 June 2007.

#### **1 GENERAL**

The proposed amendments to the Articles of Association reflect recent changes in the law in relation to the electronic communications regime and certain other minor consequential changes required by the Companies Act 2006 (the Act). The Act allows documents and information to be sent by or to companies either in hard copy, electronic form (such as email or fax) and, in certain cases, by publication on a website.

Certain definitions and expressions used throughout the current Articles of Association have been changed to align them with definitions used in the Act.

#### **2 VOTING RESTRICTIONS WHERE INTERESTED IN SHARES (ARTICLES 71.1, 71.5.2(i) AND 106.1.3)**

The proposed amendments to Articles 71.1, 71.5.2(i) and 106.1.3 reflect the restatement and amendment of:

- i Part 6 of the Companies Act 1985 (dealing with disclosure of interests in shares) which has been replaced by Part 22 of the Act; and
- ii Part 13A of the Companies Act 1985 (dealing with takeover offers) which has been replaced by sections 974 to 991 of the Act.

#### **3 AUTHENTICATION OF ELECTRONIC MEANS (ARTICLES 74.1, 74.2, 94, 110, 135 AND 154)**

The proposed amendments to Articles 74.1, 74.2, 94, 110, 135 and 154 derive from the company communications provisions in the Act, providing for the authentication of documents sent by electronic means.

#### **4 RETIREMENT AGE (ARTICLE 97)**

The proposed removal of this Article is as a result of the coming into force of The Employment Equality (Age) Regulations 2006 from 1 October 2006. The impact of this regulation means that a company's office-holders (including Directors) will become covered by it and so it is advisable to remove any Articles which may amount to age discrimination, such as by seeking to impose an upper age limit.

#### **5 GOVERNING OF MEETINGS OF DIRECTORS (ARTICLE 102)**

The proposed addition to Article 102 is a technical amendment which seeks expressly to define the manner in which notice of a meeting of Directors can be given so as to fall within the scope of the Act.

#### **6 COMMUNICATIONS WITH MEMBERS (ARTICLE 148)**

The company communications provisions of the Act provide a mandatory statutory regime for communications by and to a company. The provisions of Article 148 under the existing Articles of Association cut across the statutory regime and are therefore largely redundant, other than in two respects:

- i for technical reasons, certain communications with members as provided for under the existing Article provisions are not authorised by the Act. As such, it is desirable to replace the existing Article with a new Article 148 to ensure a consistent regime for communications both to and from the Company; and
- ii the Act provides for deemed delivery of documents and information by post, by electronic means and by means of a website. These provisions can be displaced by the Articles of Association. The deemed delivery times in new Articles 148.4, 148.5 and 148.6 reflect the existing Articles of Association and (by virtue of Article 148.8) override the relevant provisions of the Act. Apart from the timing of deemed delivery, these provisions otherwise reflect the language of the Act.

Provision is also made in Article 148.2 for the Company to post documents and information on its website.

#### **7 JOINT HOLDERS AND DECEASED/BANKRUPT MEMBERS (ARTICLES 149 AND 150)**

The new Articles 149 and 150 override the statutory regime in the Act in relation to joint holders and deceased/bankrupt members. They are clearer and more favourable to the Company than the equivalent provisions in the Act, and reflect the substance of the existing Articles of Association (but extend the scope of the provisions to all documents and information to which a shareholder is entitled, not merely notices).

#### **8 OVERSEAS MEMBERS (ARTICLE 151)**

The proposed amendment is simply intended to clarify that certain other regulatory regimes to which the Company is subject (such as the UK Listing Rules) may dictate the extent to which the Company can exclude certain overseas shareholders from receiving documents.

## EXPLANATION OF BUSINESS

The Notice of Meeting contains some items of business which are of a technical nature. These are explained below.

### RESOLUTIONS 4(a) TO 4(d) – DIRECTORS

Sir David Prosser, Richard Solomons, and David Webster are all retiring by rotation and are seeking re-election at this meeting. Robert C Larson, being over the age of 70 and having served on successive Boards of the parent company of the Group for over 10 years, is also seeking re-election by shareholders. Biographies of these Directors are shown on page 22 of the Annual Report and Financial Statements 2006 and on pages 32 and 33 of the Annual Review and Summary Financial Statement 2006.

Each re-election will be put as a separate resolution. The Board supports these resolutions for the following reasons.

The current composition of the Board reflects the requirements of the Combined Code for an appropriate balance of Executive and independent Non-Executive Directors. The Board as a whole is fully committed to the successful development of the business, to meeting the Company's strategic objectives and, most importantly, to the delivery of shareholder value. IHG now expects to exceed its target of 50,000 to 60,000 net rooms growth by the end of 2008, having added 18,713 rooms during 2006. During the year, the Company's total shareholder return has significantly outperformed the FTSE 100 total shareholder return index. As at the date of this Notice, IHG has returned over £2.7bn of its previously announced shareholder returns programme, and intends both to initiate a further £150m share repurchase programme as soon as practicable and to return a further £700m to shareholders during the second quarter of 2007 by way of a special interim dividend, taking total funds returns to £3.6bn.

**Robert C Larson** served as a Non-Executive Director of Six Continents PLC (formerly Bass PLC) from 1996. In accordance with the Company's Articles of Association, and with guidance in the Combined Code, he is subject to annual re-election by shareholders. The Company has received Special Notice in accordance with the Companies Act 1985 proposing his re-election. Mr Larson's performance evaluation has confirmed his continuing valuable contribution. The transformed structure of the Group, and of the parent company Board since 1996, have also ensured that the length of Mr Larson's service has no bearing on his independence. The Board supports this resolution for all these reasons and for the helpful continuity that his directorship brings.

**Sir David Prosser** was appointed to the Board in April 2003. He is a qualified actuary and brings to the Group over 40 years' experience in financial services. He is Chairman of the Remuneration Committee. His performance evaluation has confirmed that his contribution to the Board is highly valued and his performance as Chairman of a major Committee is very effective.

**Richard Solomons**, Finance Director, is the Executive Director standing for re-election. He is responsible for corporate and regional finance, asset management, strategy and corporate development, investor relations, tax and treasury. He has been Finance Director since IHG was first listed in 2003, during which time the Company's total shareholder return has consistently outperformed the FTSE 100 Index. He has also led the Group's successful financial strategy, including successive funds returns to shareholders.

**David Webster** was appointed Non-Executive Chairman in January 2004. He is Non-Executive Chairman of Makinson Cowell Limited, a capital markets advisory firm and was formerly Chairman of Safeway plc. He is Chairman of the Nomination Committee. His role includes the efficient operation of the Board and its Committees; corporate governance; representation of the Group externally; and ensuring that all Directors are fully informed of relevant matters. His performance evaluation has confirmed that he continues to fulfil this role very effectively.

It is the view of the Board that all the Directors presenting themselves for re-election continue to perform effectively and that it is appropriate for them to continue to serve as Directors of the Company.

### RESOLUTION 7 – POLITICAL DONATIONS

Authority is sought to enable IHG to support organisations which may fall within the legal definition of 'Political Organisations'.

IHG has no intention of changing its current practice of not making donations to political parties. However, the Political Parties, Elections and Referendums Act 2000 (the Act), contains restrictions on companies making donations or incurring expenditure in relation to EU Political Organisations. The Act defines EU Political Organisations very widely and, as a result, it is possible that EU Political Organisations may include, for example, bodies concerned with policy review and law reform, with the representation of the business community or sections of it, or with the representation of other communities or special interest groups, which it is in the shareholders' interest for the Company to support. Expenditure could include the sponsorship of industrial forums and involvement in seminars and functions to which politicians may be invited. Amongst other things, the Act prohibits the Company or its subsidiaries from making donations or incurring expenditure in relation to EU Political Organisations in a 12-month period in excess of an aggregate of £5,000, unless such donations have been authorised by the Company's shareholders.

The Company believes that the authority proposed under the resolution to allow it or any of its subsidiaries to make donations or incur expenditure to a limit of £100,000 is a necessary precaution. Such authority will enable the Company to be sure that it does not, because of uncertainty as to the bodies covered by the definition of EU Political Organisation, unintentionally commit a technical breach of the Act. The Company does not intend that such authority will be used to fund political parties or other organisations for political purposes, or that such authority will be used, in whole or part, with political bias or for political influence.

The Act requires that this resolution should not purport to authorise particular donations or expenditure. In accordance with the Act, however, the Company will make disclosure in its next Annual Report of any donation made by it or its subsidiaries to an EU Political Organisation or of any EU Political Expenditure incurred, which is in excess of £200.

### RESOLUTIONS 8 AND 9 – AUTHORITY TO ALLOT SHARES AND DISAPPLICATION OF PRE-EMPTION RIGHTS

The Articles of Association permit the Directors to allot shares and other securities, in accordance with Section 80 of the Companies Act 1985, up to an amount authorised by the shareholders in general meeting. At this Annual General Meeting, the Directors are seeking authority to allot shares up to an aggregate nominal amount of £13,476,684 for a further year from the passing of the resolution. This is the 'Section 80 Amount' and is equivalent to approximately 33 per cent of the current issued share capital of the Company.

The Directors are also seeking authority to allot shares for cash without first being required to offer such securities to existing shareholders and to dispose of shares held in treasury, other than by way of a rights issue, up to an aggregate nominal amount of £2,021,502 for a further year from the passing of the resolution. This is the 'Section 89 Amount' and is equivalent to approximately 5 per cent of the current issued share capital of the Company.

Treasury shares are shares in the Company which are owned by the Company itself. Certain listed companies, following purchase of their own shares, are able to hold such shares in treasury instead of cancelling them. Such shares may subsequently be resold for cash, transferred to an employee share scheme or cancelled. Any shares bought back by the

Company and held in treasury will not rank for dividends and will not carry any voting rights.

The Company's Articles of Association provide for dealing with Treasury shares, including ensuring that the sale of Treasury shares by the Company is subject to the same pre-emption rights (and exceptions) as the allotment of new shares. The Company does not currently hold any Treasury shares and although the Directors have no present intention of exercising these authorities, it is considered prudent to maintain the flexibility they provide. 28,409,753 shares were repurchased in 2006. Had they been held in treasury, at 31 December 2006 these would have represented 7.98 per cent of the Company's issued share capital.

These authorities will expire at the next Annual General Meeting, or on 1 September 2008, whichever is the earlier. These resolutions comply with Institutional Investment Committee guidelines.

#### **RESOLUTION 10 – AUTHORITY TO PURCHASE OWN SHARES**

The Company is seeking authority to purchase up to 53,029,071 ordinary shares, this being approximately 14.99 per cent of its ordinary share capital, at, or between, the minimum and maximum prices specified in this resolution. This power would be used only after careful consideration by the Directors, having taken into account market conditions prevailing at that time, the investment needs of the Company, its opportunities for expansion and its overall financial position. The Directors would exercise the authority to purchase ordinary shares only if they considered it to be in the best interest of shareholders and if the purchase could be expected to result in an increase in earnings per share.

There were outstanding at 12 February 2007, options to subscribe for 9,043,815 ordinary shares, representing 2.54 per cent of the current issued share capital. If the full 14.99 per cent share repurchase authority were utilised, the options outstanding would represent 2.98 per cent of the issued share capital. The authority sought at the Annual General Meeting will expire at the conclusion of the next Annual General Meeting, or on 1 September 2008, whichever is the earlier.

#### **RESOLUTION 11 – ELECTRONIC COMMUNICATIONS AND THE COMPANIES ACT 2006**

The Company is seeking general authority from shareholders to send or supply documents or information to shareholders in electronic form (for example, by email) or by means of a website, thereby taking advantage of new company legislation regarding electronic communications with shareholders, which became effective on 20 January 2007. The resolution also makes various changes to the Articles of Association to reflect the new legislation on electronic communications, and to make a number of minor other changes required by the Companies Act 2006. All the proposed changes are set out in the Appendix to the Notice of Meeting, on page 3 of this document.

Increased use of electronic communications would deliver significant savings to the Company in terms of administration, printing and postage costs. It would also speed up the communication of information to shareholders in a convenient form, whilst at the same time delivering significant environmental benefits through reduced use of paper and of the energy required for its production and distribution. Accordingly, this resolution is being proposed to confer the necessary authority on the Company to enable it to take advantage of these opportunities in the future if it so wishes.

Existing company legislation permits companies to communicate with shareholders electronically in respect of certain types of information. However, the new legislation extends to all shareholder information (including company notices, documents and other information) and

enables companies to invite shareholders to agree that shareholder information may be sent or supplied by means of a website. Shareholders who do not respond within 28 days of any such invitation are deemed to have agreed to a company communicating with them by means of a website. Where shareholders agree (or are deemed to have agreed) to communication by means of a website, they must be notified by post (or, where applicable, email) of the availability of the relevant document or information on the website, together with all relevant access details.

Shareholders should note that the Company has no present plans to alter its current method of inviting shareholders to consent to electronic communications. However, the new legislation provides for maximum flexibility in the future. If the Company does seek to implement these changes, shareholders would at all times continue to be entitled to ask the Company to provide a paper copy of any information which it has provided by email or by publication on a website.

**The Directors believe that the adoption of all the resolutions set out in the Notice of Meeting is in the best interests of the Company and its shareholders as a whole. Accordingly, the Directors unanimously recommend that you vote in favour of the resolutions, as each Director intends to do in respect of his or her own beneficial holdings.**

#### **NOTES**

- 1 Only holders of ordinary shares, or their duly appointed representatives, are entitled to attend and vote at the Meeting. A member so entitled may appoint (a) proxy(ies), who need not be (a) member(s), to attend and vote on his/her behalf. A proxy may not speak at the Meeting, except with the permission of the Chairman of the Meeting.
- 2 A Form of Proxy is enclosed. The appointment of a proxy will not prevent a member from subsequently attending and voting at the Meeting in person.
- 3 The Register of Directors' Interests, the proposed Articles of Association, together with copies of contracts of service or letters of appointment between the Directors and the Company or any of its subsidiaries (or a memorandum of the terms thereof), will be available at the Registered Office of the Company during normal business hours until the date of the Annual General Meeting and on that day, at the place of the Meeting from at least 15 minutes prior to the Meeting until its conclusion.
- 4 The Company, pursuant to the Uncertificated Securities Regulations 2001, specifies that only those shareholders on the Register of Members as at 6.00pm on 30 May 2007 shall be entitled to attend or vote at the Annual General Meeting in respect of the number of shares registered in their names at that time. Changes to entries on the ordinary register after 6.00pm on 30 May 2007 shall be disregarded in determining the right of any person to attend or vote at the Meeting.
- 5 CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for this Meeting by using the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed (a) voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf. In order to be valid the appropriate CREST Proxy Instruction must be transmitted so as to be received by the Company's agent (ID 7RA01) by the latest time(s) for receipt of proxy appointments specified in the Notice of Meeting.



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