



InterContinental Hotels Group

## Notice of Annual General Meeting of InterContinental Hotels Group PLC

to be held at:

The Queen Elizabeth II Conference Centre,  
Broad Sanctuary, Westminster, London SW1P 3EE  
on Friday, 29 May 2009, 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, to be valid, should be completed, signed and returned so as to reach the Company's Registrar, Equiniti, by no later than 11.00am on Wednesday, 27 May 2009. Completion and return of the Form of 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 through the Registrar's website, [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 this document.

At the Meeting itself, the votes will be taken by poll rather than on a show of hands. The results of the polls will be announced as soon as practicable and will appear on the Company's website [www.ihg.com/investors](http://www.ihg.com/investors) under financial library.

# Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of InterContinental Hotels Group PLC (the 'Company') will be held at The Queen Elizabeth II Conference Centre, Broad Sanctuary, Westminster, London SW1P 3EE on Friday, 29 May 2009, 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 12 as special resolutions.

- 1 To receive the Company's financial statements for the year ended 31 December 2008, together with the Reports of the Directors and auditors.
- 2 To approve the Directors' Remuneration Report for the year ended 31 December 2008.
- 3 To declare a final dividend on the ordinary shares.
- 4 As separate resolutions, to re-elect (a) Jennifer Laing, (b) Jonathan Linen and (c) Richard Solomons 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

- i 'THAT the Company, and those companies which are subsidiaries of the Company at any time during the period for which this resolution has effect, be authorised for the purposes of Part 14 of the Companies Act 2006 (the '2006 Act'), during the period from the date of the passing of this resolution to the conclusion of the Company's Annual General Meeting in 2010 or on 1 July 2010, whichever is the earlier;

(a) to make political donations to political parties, and/or independent election candidates;

(b) to make political donations to political organisations other than political parties; and

(c) to incur political expenditure,

provided that the aggregate amount of any such donations and expenditure shall not exceed £100,000;

- ii THAT all existing authorisations and approvals relating to political donations or expenditure are hereby revoked without prejudice to any donation made or expenditure incurred prior to the date hereof pursuant to such authorisation or approval; and
- iii THAT words and expressions defined for the purpose of the 2006 Act shall have the same meaning in this resolution.'

## 8 ALLOTMENT OF SHARES

'THAT the authority conferred on the Directors by Article 13.2 of the Company's Articles of Association (the 'Articles') to allot relevant securities be renewed for the period ending on the date of the Annual General Meeting in 2010 or on 1 July 2010, whichever is the earlier, and for such period the 'Section 80 Amount' shall be £12,962,219.'

## 9 DISAPPLICATON OF PRE-EMPTION RIGHTS

'THAT the power conferred on the Directors by Article 13.3 of the Company's Articles be renewed for the period ending on the date of the Annual General Meeting in 2010 or on 1 July 2010, whichever is the earlier, and for such period the 'Section 89 Amount' shall be £1,944,332.'

## 10 AUTHORITY TO PURCHASE OWN SHARES

'THAT, subject to and in accordance with Article 10 of the Company's Articles, 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 13<sup>29</sup>/<sub>47</sub>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 28,557,390;
- ii the minimum price which may be paid for each ordinary share is 13<sup>29</sup>/<sub>47</sub>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 2010 or on 1 July 2010, 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 ARTICLES OF ASSOCIATION AND THE COMPANIES ACT 2006

'THAT, with effect from 00.01am on 1 October 2009:

- i the Articles of Association of the Company be amended by deleting all the provisions of the Company's Memorandum of Association which, by virtue of Section 28 of the 2006 Act, are to be treated as part of the Company's Articles of Association; and
- ii the Articles of Association produced to the Meeting and initialled by the Chairman of the Meeting for the purpose of identification be adopted as the Articles of Association of the Company, in substitution for, and to the exclusion of, the existing Articles of Association.'

## 12 NOTICE OF GENERAL MEETINGS

'THAT a General Meeting, other than an Annual General Meeting, may be called on not less than 14 clear days' notice.'

By order of the Board  
George Turner  
Company Secretary  
16 February 2009

Registered in England Number: 5134420  
Registered Office:  
Broadwater Park  
Denham, Buckinghamshire UB9 5HR

# Appendix to the Notice of Annual General Meeting

The Companies Act 2006 (the '2006 Act'), which is making a number of significant changes to English company law, is being implemented in phases. Certain changes took effect in 2007 and 2008 and further changes will be introduced with effect from 1 October 2009. These changes are reflected in the Articles of Association produced to the Meeting.

The full terms of the proposed amendments to the Articles are available for inspection at the Registered Office of the Company and at Linklaters LLP, One Silk Street, London EC2Y 8HQ, during normal business hours, until the close of the Annual General Meeting on Friday, 29 May 2009 and, on that day, at the place of the Meeting from at least 15 minutes prior to the Meeting until its conclusion. A summary of all the main proposed amendments to the Articles is presented below.

## 1 GENERAL

The proposed amendments to the Articles reflect changes in the law under the 2006 Act that will come into force on 1 October 2009. Certain definitions and expressions used throughout the Articles are being changed to align them with definitions used in the 2006 Act.

## 2 THE COMPANY'S OBJECTS

The provisions regulating the operations of the Company are currently set out in the Company's Articles and Memorandum of Association ('Memorandum'). The Company's Memorandum contains the objects clause which sets out the scope of the activities the Company is authorised to undertake. This clause is drafted to give a wide scope.

Under the 2006 Act, the objects clause and all other provisions which are currently contained in a company's Memorandum, for existing companies at 1 October 2009, will be deemed to be contained in a company's Articles but can be removed by special resolution.

The 2006 Act further states that unless a company's Articles provide otherwise, a company's objects are unrestricted. This abolishes the need for companies to have objects clauses. For this reason the Company is proposing to remove its objects clause, together with all other provisions of its Memorandum which, by virtue of the 2006 Act, are to be treated as forming part of the Company's Articles as of 1 October 2009. Resolution 11 i confirms the removal of these provisions for the Company.

## 3 ARTICLES WHICH DUPLICATE STATUTORY PROVISIONS

Provisions in the existing Articles which replicate provisions contained in the 2006 Act are being amended to bring them into line with the 2006 Act. This is in line with the approach advocated by the Government that statutory provisions should not be duplicated in a company's constitution. The main changes being made to reflect this approach are detailed below.

## 4 CHANGE OF NAME

Currently, a company can only change its name by special resolution. The 2006 Act allows directors to change a company's name, providing they are so authorised by the company's Articles. The Articles are being amended to give the Company the flexibility to enable the Directors to pass a resolution to change the Company's name, as an alternative method of making this change.

## 5 AUTHORISED SHARE CAPITAL AND UNISSUED SHARES

The 2006 Act abolishes the requirement for a company to have an authorised share capital and the Articles are being amended to reflect this. Directors will still be limited as to the number of shares they can at any time allot because allotment authority continues to be required under the 2006 Act.

## 6 REDEEMABLE SHARES

At present if a company wishes to issue redeemable shares, it must include in its Articles the terms and manner of redemption. The 2006 Act enables directors to determine such matters instead, provided they are so authorised by the Articles. The Articles are being amended to contain such an authorisation. The Company has no plans to issue redeemable shares but if it did so the Directors would seek shareholders' authority to issue new shares in the usual way.

## 7 AUTHORITY TO PURCHASE OWN SHARES, CONSOLIDATE AND SUB-DIVIDE SHARES AND REDUCE SHARE CAPITAL

Previously, if a company wanted to purchase its own shares, consolidate or sub-divide its shares or reduce its share capital or other undistributable reserves, in addition to shareholder authority, it required specific provisions in its Articles authorising it to undertake the relevant action. Under the 2006 Act, a company will require only shareholder authority to do any of these things and it will no longer be necessary for the Articles to contain enabling provisions. Accordingly, the relevant enabling provisions are being removed from the Articles.

## 8 PROVISION FOR EMPLOYEES ON CESSATION OF BUSINESS

The 2006 Act allows directors of a company to make provisions for payments to employees or former employees in connection with the cessation or transfer of the business of the company, its subsidiaries or undertakings. Although similar provisions have existed under the Companies Act 1985, it has not been standard practice specifically to include such authority in the Articles. The 2006 Act stipulates that these powers may only be exercised by directors if they are so authorised by the company's Articles or by the company in General Meeting. Therefore, the Articles are being amended so that the Directors may continue to exercise this power.

## 9 USE OF SEALS

The 2006 Act provides an alternative option for the execution of documents (other than share certificates). The new provisions state that when the seal is affixed to a document it may be signed by one authorised person in the presence of a witness, whereas previously the requirement was for signature by either a director and the secretary or two directors, or such other person or persons as the directors may approve.

## 10 SUSPENSION OF REGISTRATION OF SHARE TRANSFERS

The current Articles permit the Directors to suspend the registration of transfers. Under the 2006 Act, share transfers must be registered as soon as practicable. The power in the current Articles to suspend the registration of transfers is inconsistent with this requirement and therefore is being removed.

Changes reflecting these new provisions are included in the Articles of Association produced to the Meeting.

# Explanation of business

Supporting information on the re-election of Directors and notes on some of the technical items of business are presented below.

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

Jennifer Laing, Jonathan Linen and Richard Solomons are all retiring by rotation and are seeking re-election at this Annual General Meeting. Biographies of these Directors are shown on page 30 of the Annual Report and Financial Statements 2008 and on pages 36 and 37 of the Annual Review and Summary Financial Statement 2008, which are available on the Company's website [www.ihg.com/investors](http://www.ihg.com/investors) under financial library.

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 to the delivery of shareholder value.

**Jennifer Laing** was appointed to the Board in August 2005. In the Board's view, she brings to the Group significant expertise in advertising, marketing and brand development. She was Associate Dean, External Relations at the London Business School until 2007. She is a Fellow of the Marketing Society and of the Institute of Practitioners in Advertising and has over 30 years' experience in advertising, including 16 years with Saatchi & Saatchi. She also serves as a Non-Executive Director of Hudson Highland Group Inc., a US human resources company.

**Jonathan Linen** was appointed to the Board in December 2005. In the Board's view he brings to the Group a wealth of experience gained in the worldwide travel industry. He was formerly Vice Chairman of the American Express Company, having held a range of senior positions throughout his career of over 35 years with American Express. He also serves as a Non-Executive Director of Yum! Brands, Inc. and of Modern Bank, N.A., a US private banking company.

**Richard Solomons**, Finance Director, is the Executive Director standing for re-election. He is responsible for corporate and regional finance, Group financial control, strategy, investor relations, tax, treasury and internal audit. He has been Finance Director since IHG was first listed in 2003 and has led the Group's financial strategy, including successive returns of funds to shareholders. He assumed the role of interim President of the Americas region from July 2008, following the illness and subsequent untimely death of Stevan Porter and guided the region with a steady hand through a turbulent and difficult time, ensuring a smooth transition to Stevan's permanent successor in January 2009.

**It is the view of the Board that all the Directors presenting themselves for re-election are performing effectively and that it is appropriate for them to continue to serve as Directors of the Company<sup>1</sup>.**

## RESOLUTION 7 – POLITICAL DONATIONS

It remains the policy of the Company not to make political donations or incur political expenditure as those expressions are normally understood. However, to avoid inadvertent infringement of the widely drawn 2006 Act, the Directors are seeking shareholders' authority for the Company and its UK subsidiaries to make political donations and to incur political expenditure, up to a maximum aggregate amount of £100,000 during the period from the date of the Annual General Meeting to the conclusion of next year's Annual General Meeting, or 1 July 2010, whichever is the earlier.

The Group made no political donations during the year and proposes to maintain its policy of not making such payments.

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

The Articles 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 £12,962,219 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 £1,944,332 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 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. 9,219,325 shares were repurchased in 2008. Had they been held in treasury, at 31 December 2008 these would have represented 3.23 per cent of the Company's issued share capital.

These authorities will expire at the conclusion of the next Annual General Meeting, or on 1 July 2010, whichever is the earlier. These resolutions comply with Institutional Investment Committee guidelines.

<sup>1</sup> Copies of contracts of service or letters of appointment between the Directors and the Company 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.

## RESOLUTION 10 – AUTHORITY TO PURCHASE OWN SHARES

The Company is seeking authority to purchase up to 28,557,390 ordinary shares, this being approximately 10 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. Since March 2004, IHG has conducted a number of share repurchase programmes. During the year, IHG continued with its existing £150 million share repurchase programme. £30 million of the programme has yet to be completed, but this has been deferred in order to preserve cash and maintain the strength of IHG's balance sheet.

There were outstanding at 16 February 2009, options to subscribe for 4,252,179 ordinary shares, representing 1.49 per cent of the current issued share capital. If the full 10 per cent share repurchase authority were utilised, the options outstanding would represent 1.65 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 July 2010, whichever is the earlier.

## TECHNICAL NOTES

- 1 A member is entitled to appoint another person, who need not be a member, as his proxy to exercise all or any of his rights to attend and to speak and vote at the Annual General Meeting. A shareholder may appoint more than one proxy in relation to the Meeting, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder.
- 2 A Form of Proxy is enclosed. To be valid, the Form of Proxy must be received by the Company's Registrar, Equiniti, by no later than 11.00am on Wednesday, 27 May 2009 or, if the Meeting is adjourned, 48 hours before the time for holding the adjourned Meeting. The appointment of a proxy will not prevent a member from subsequently attending and voting at the Meeting in person.
- 3 If you wish, you may register the appointment of a proxy for this Meeting electronically, by logging onto the Registrar's website [www.sharevote.co.uk](http://www.sharevote.co.uk), where details of the procedure are shown. The Voting ID, Task ID and Shareholder Reference Number shown on your Form of Proxy will be required to complete the procedure. Electronic Proxy Appointment will not be valid if received after 11.00am on Wednesday, 27 May 2009 and will not be accepted if found to contain a computer virus.
- 4 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 (CREST participant ID RA19) by 11.00am on Wednesday, 27 May 2009.
- 5 The right to appoint a proxy does not apply to persons whose shares are held on their behalf by another person and who have been nominated to receive communications from the Company in accordance with Section 146 of the 2006 Act ('nominated persons'). Nominated persons may have a right under an agreement with the member who holds the shares on their behalf to be appointed (or to have someone else appointed) as a proxy. Alternatively, if nominated persons do not have such a right, or do not wish to exercise it, they may have a right under such an agreement to give instructions to the person holding the shares as to the exercise of voting rights.
- 6 In order to facilitate voting by corporate representatives at the Meeting, arrangements will be put in place at the Meeting so that (i) if a corporate shareholder has appointed the Chairman of the Meeting as its corporate representative to vote on a poll in accordance with the directions of all of the other corporate representatives for that shareholder at the Meeting, then on a poll those corporate representatives will give voting directions to the Chairman and the Chairman will vote (or withhold a vote) as corporate representative in accordance with those directions; and (ii) if more than one corporate representative for the same corporate shareholder attends the Meeting but the corporate shareholder has not appointed the Chairman of the Meeting as its corporate representative, a designated corporate representative will be nominated, from those corporate representatives who attend, who will vote on a poll and the other corporate representatives will give voting directions to that designated corporate representative. Corporate shareholders are referred to the guidance issued by the Institute of Chartered Secretaries and Administrators on proxies and corporate representatives ([www.icsa.org.uk](http://www.icsa.org.uk)) for further details of this procedure. The guidance includes a sample form of appointment letter if the Chairman is being appointed as described in (i) above.
- 7 Holders of ordinary shares are entitled to attend and vote at General Meetings of the Company. On a vote by show of hands, every member who is present has one vote and every proxy present who has been duly appointed by a member entitled to vote has one vote. On a poll vote, every member who is present in person or by proxy has one vote for every ordinary share of which he is the holder.
- 8 The Company, pursuant to the Uncertificated Securities Regulations 2001, specifies that only those shareholders on the Register of Members as at 6.00pm on Wednesday, 27 May 2009 shall be entitled to attend or vote at the 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 Wednesday, 27 May 2009 shall be disregarded in determining the right of any person to attend or vote at the Meeting.
- 9 As at 16 February 2009 the Company's issued share capital consists of 285,573,907 ordinary shares, carrying one vote each. Therefore, the total voting rights in the Company as at 16 February 2009 are 285,573,907.

## RESOLUTION 12 – NOTICE OF GENERAL MEETINGS

The Company is currently able to call General Meetings on 14 clear days' notice. This change was permitted under the 2006 Act and was approved by shareholders at the 2008 Annual General Meeting. However, implementation of the EU Shareholder Rights Directive in, or around, August 2009 will increase the required notice period for General Meetings to 21 days, which overrides the authority provided for under the current Articles. Therefore, listed companies are permitted to preserve the ability to call General Meetings on 14 days' notice, provided shareholders have approved this by passing a resolution. In line with market practice we are seeking such approval in Resolution 12. The resolution is valid up to the next Annual General Meeting of the Company and will need to be renewed on an annual basis.

**The Directors believe that the adoption of all the resolutions set out in the Notice of Annual General 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.**

