

Measure	Commentary
<p>Adjusted EBITDA</p> <p>Cash from operations as recorded in the Group Financial Statements is reconciled to adjusted EBITDA on page 68.</p>	<p>One of the key measures used by the Group in monitoring its debt and capital structure is the net debt: adjusted EBITDA ratio, which is managed with the objective of maintaining an investment grade credit rating. The Group has a stated aim of targeting this ratio at 2.5-3.0x. Adjusted EBITDA is defined as cash flow from operations, excluding cash flows relating to exceptional items, cash flows arising from the System Fund and reimbursable result, other non-cash adjustments to operating profit or loss, working capital and other adjustments, and contract acquisition costs (key money).</p> <p>Adjusted EBITDA is useful to investors as an approximation of operational cash flow generation and is also relevant to the Group's banking covenants, which use Covenant EBITDA in calculating the leverage ratio. Details of covenant levels and performance against these are provided in note 24 to the Group Financial Statements.</p>
<p>Gross capital expenditure, net capital expenditure, adjusted free cash flow</p> <p>The reconciliation of the Group's statement of cash flows (i.e. net cash from investing activities, net cash from operating activities, accordingly) to the non-IFRS capital expenditure and cash flow measures is included on page 230.</p>	<p>These measures have limitations as they omit certain components of the overall cash flow statement. They are not intended to represent IHG's residual cash flow available for discretionary expenditures, nor do they reflect the Group's future capital commitments. These measures are used by many companies, but there can be differences in how each company defines the terms, limiting their usefulness as a comparative measure. Therefore, it is important to view these measures only as a complement to the Group statement of cash flows.</p>
<p>Gross capital expenditure</p>	<p>Gross capital expenditure represents the consolidated capital expenditure of IHG inclusive of System Fund capital investments (see page 13 for a description of System Fund capital investments and recent examples).</p> <p>Gross capital expenditure is defined as net cash from investing activities, adjusted to include contract acquisition costs (key money). In order to demonstrate the capital outflow of the Group, cash flows arising from any disposals or distributions from associates and joint ventures are excluded. The measure also excludes any material investments made in acquiring businesses, including any subsequent payments of deferred or contingent purchase consideration included within investing activities, which represent ongoing payments for acquisitions.</p> <p>Gross capital expenditure is reported as either maintenance, recyclable or System Fund. This disaggregation provides useful information as it enables users to distinguish between:</p> <ul style="list-style-type: none"> • System Fund capital investments which are strategic investments to drive growth at hotel level; • Recyclable investments (such as investments in associates and joint ventures and loans to facilitate third-party ownership of hotel assets), which are intended to be recoverable in the medium term and are to drive the growth of the Group's brands and expansion in priority markets; and • Maintenance capital expenditure (including contract acquisition costs), which represents a permanent cash outflow. <p>Management believes gross capital expenditure is a useful measure as it illustrates how the Group continues to invest in the business to drive growth. It also allows for comparison year-on-year.</p>
<p>Net capital expenditure</p>	<p>Net capital expenditure provides an indicator of the capital intensity of IHG's business model. Net capital expenditure is derived from net cash from investing activities, adjusted to include contract acquisition costs (net of repayments) and to exclude any material investments made in acquiring businesses, including any subsequent payments of deferred or contingent purchase consideration included within investing activities which are typically non-recurring in nature. Net capital expenditure includes the inflows arising from any disposal and loan repayment receipts, or distributions from associates and joint ventures.</p> <p>In addition, System Fund depreciation and amortisation relating to property, plant and equipment and intangible assets, respectively, is added back, reducing the overall cash outflow. This reflects the way in which System Funded capital investments are recovered from the System Fund, over the life of the asset (see page 13).</p> <p>Management believes net capital expenditure is a useful measure as it illustrates the net capital investment by IHG, after taking into account capital recycling through asset disposal and the funding of strategic investments by the System Fund. It provides investors and other stakeholders with visibility of the cash flows which are allocated to long-term investments to drive the Group's strategy.</p>

Performance continued

Key performance measures and non-GAAP measures continued

Measure	Commentary
Gross capital expenditure, net capital expenditure, adjusted free cash flow continued Adjusted free cash flow <div>LT KPI</div>	<p>Adjusted free cash flow is net cash from operating activities adjusted for: (1) the inclusion of the cash outflow arising from the purchase of shares by employee share trusts reflecting the requirement to satisfy incentive schemes which are linked to operating performance; (2) the inclusion of maintenance capital expenditure (excluding contract acquisition costs); (3) the inclusion of the principal element of lease payments; and (4) the exclusion of payments of deferred or contingent purchase consideration included within net cash from operating activities.</p> <p>Management believes adjusted free cash flow is a useful measure for investors and other stakeholders as it represents the cash available to invest back into the business to drive future growth and pay the ordinary dividend, with any surplus being available for additional returns to shareholders.</p>

Changes in definitions to the 2022 Annual Report and Accounts

The following definitions have been amended:

- The definition and calculation of Total Gross Revenue has been amended to include revenue from exclusive partner hotels, as this revenue reflects the value that IHG generates for its exclusive partner hotels. The value of Total Gross Revenue is unchanged in comparative years.
- Underlying fee revenue and operating profit measures have been amended to separate revenue and related costs from insurance activities from fee business revenue and costs. This change is due to the adoption of IFRS 17 'Insurance Contracts', which requires insurance related revenue and costs to be disclosed separately from fee revenues. Underlying fee revenue and operating profit measures have also been amended. Comparative periods have been restated for this change.
- The definition and reconciliation of fee margin has been amended to remove the exclusion of insurance revenues and costs, as insurance related revenues and costs are no longer included as part of fee business (see above). Where information is available, comparative periods have been re-presented for this change.
- The adjusted tax definition has been amended to align to the adjustments made to adjusted earnings per share to ensure consistency between measures. Fair value gains/losses on contingent consideration and System Fund interest are therefore now excluded from the calculation of adjusted tax. The measure has been restated for prior years to show consistent presentation.

→ The performance review should be read in conjunction with the Non-GAAP reconciliations on pages 226 to 231 and the Glossary on pages 267 to 268.



Governance

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Chair's overview



45%

Women on IHG's Board

36%

IHG Directors from a minority ethnic background

“

The Board seeks to ensure that IHG's culture and governance promote the Group's long-term success and deliver sustainable value for our shareholders.”

During 2023, the Board sought to build on the Group's strong foundation and culture of governance and to gain a deeper understanding of the trends and factors affecting the long-term sustainable success, resilience and future prospects of the Group.

The Board strives to enhance an environment of transparency and accountability, to ensure that reliable governance frameworks and processes are maintained, while encouraging an approach to decision-making that facilitates the Group's strategic priorities in a constantly evolving geopolitical and regulatory environment.

Across the year, the Board maintained a high level of engagement and interaction with the Group's stakeholders. Extensive shareholder consultation was undertaken by the Board, particularly in relation to the approach to remuneration and the Directors' Remuneration Policy approved during the year.

The Board also enjoyed continued constructive engagement with owners and colleagues throughout the year. For example, I was pleased to spend time meeting with the CEO of the IHG Owners Association, which provided valuable insight into the perspectives of our owners on the Group's strategic initiatives. I also enjoyed meeting and hearing directly from a number of colleagues as part of the Board's Voice of the Employee engagement programme.

Focus areas and activities

The Board had another active year in 2023, and more information on its activities is given on pages 101 to 103.

The Board oversaw the evolution of the Group's strategy and endorsed the refinement of the Group's ambition to focus on accelerating growth, as well as the enhancements to the strategic pillars and the new growth behaviours.

The Board actively engaged with the Group's growth agenda, supporting and approving the launch of the Garner brand.

The Board was further pleased to support the Group's creation of value for shareholders by approving the \$750m share buyback programme announced and completed during the year as well as the regular dividend payments.

Cybersecurity was again a significant area of focus for the Board. The Board discussed the broad nature of cyber risk with external specialists, including emerging risk areas, such as the rise of AI, and the approach to prioritising mitigating initiatives. The Board also monitored throughout the year the Group's approach to cyber risk and the increased investment in security measures, as well as the culture of security awareness and the approach to training across the organisation.

Board composition

During the year, we also saw the successful execution of Board succession planning with changes at both the Executive and Non-Executive levels. At the Executive level, Elie Maalouf and Michael Glover succeeded Keith Barr and Paul Edgecliffe-Johnson as Chief Executive Officer and Chief Financial Officer respectively.

At the Non-Executive level, in the first half of the year, as previously announced, Graham Allan and Byron Grote transitioned to become Chair of the Responsible Business Committee and Chair of the Audit Committee respectively.

The execution of succession planning continued with Angie Risley joining the Board in September and succeeding Jo Harlow as Chair of the Remuneration Committee from 1 January 2024, following Jo's retirement from the Board. We also announced the appointment of Ron Kalifa as Non-Executive Director with effect from 1 January 2024. Further information on Board appointments during the year can be found in the Nomination Committee Report on page 115.

I would again like to express my and the Board's sincere gratitude to Keith, Paul and Jo for their contribution to IHG.

I am also proud to report that at the end of 2023, our Board continues to exceed the FTSE 100 Women Leaders Review target for women on a FTSE 100 Board. With regard to the Parker Review (the FTSE 350 Ethnic Diversity Submission), IHG continues to exceed the original target set by the Review of at least one director from an ethnically diverse background, with four ethnically diverse directors. Likewise, IHG has set targets for ethnic diversity in relation to senior management. Further detail and reporting on these targets can be found on pages 30 and 31.

Committee activities

The Board delegates certain responsibilities to its Committees to assist in ensuring effective corporate governance across the business. During 2023:

- the Audit Committee focused on monitoring the Group's risk management and internal controls systems (see its report on pages 107 to 111);
- the Remuneration Committee focused on developments in relation to incentive plans, including approval of the Deferred Award Plan rules and the inclusion of ESG metrics in the Long Term Incentive Plan (see its report on pages 116 to 140);
- the Responsible Business Committee focused on progress against the 2023 responsible business priorities, which support the Company's Journey to Tomorrow responsible business plan (see its report on pages 112 and 113); and
- the Nomination Committee focused on the execution of Board and Committee succession plans and the external evaluation (see its report on pages 114 and 115).

Further detail on the Group's governance structure is given on page 100.

Board performance review

During the year, an external review of the effectiveness of the Board and its Committees was undertaken. I am pleased to report that overall the review supported the positive conclusions of the Board and its Committees as to their effectiveness. Further details of the external evaluation can be found on pages 104 to 106. Individual director feedback assessments were also conducted, details of which can be found on page 106.

Compliance and our dual listing

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

Our Statement of compliance with the Code is on pages 141 and 142. A summary outlining the differences between the Group's UK corporate governance practices and those followed by US companies can be found on page 258.

Looking forward

In 2024, the Board will focus on the outcomes of the external evaluation completed in 2023 and the delivery of the Group's strategic objectives, while ensuring that the integrity of the Group's governance framework is maintained.



Deanna Oppenheimer

Chair of the Board
19 February 2024

Our Board of Directors

At 19 February 2024, our Board of Directors comprises:



Deanna Oppenheimer

Non-Executive Chair

Appointed to the Board: 1 June 2022

Skills and experience: Deanna is founder of CameoWorks, LLC, an advisory firm to CEOs of early-stage technology companies, and BoardReady. Between 2005 and 2011, Deanna worked at Barclays plc where she was Chief Operating Officer of the UK business before becoming CEO of UK and Western Europe Retail Banking and subsequently Vice Chair, Global Retail Banking. Prior to this, Deanna was the President of Consumer Banking at Washington Mutual, Inc. She previously held a number of Non-Executive board positions, including with Tesco PLC (as Senior Independent Director), Whitbread PLC, Worldpay, Inc., and AXA S.A., among others.

Board contribution: Deanna has extensive board-level and executive leadership experience, across a number of high-profile consumer-focused brands, and brings valuable insights and perspectives to IHG. As Chair, Deanna is responsible for leading the Board and ensuring it operates in an effective manner, promoting constructive relations with IHG’s shareholders and with stakeholders.

Other appointments

Deanna is a Non-Executive Director of Thomson Reuters Corporation. She also sits on the private board of Slalom, LLC.



Elie Maalouf

Chief Executive Officer (CEO)

Appointed to the Board: 1 January 2018

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

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

Other appointments

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

Board Committee membership key

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



Michael Glover

Chief Financial Officer (CFO)

Appointed to the Board: 20 March 2023

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

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

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

Other appointments
N/A.



Graham Allan

Senior Independent Non-Executive Director (SID)

Appointed to the Board: 1 September 2020^a

Skills and experience: Graham was Group Chief Executive of Dairy Farm International Holdings Ltd from 2012 to 2017, a leading Asian retailer headquartered in Hong Kong. He previously served in several senior positions at Pepsico/Yum! Brands from 1992 to 2012. He assumed the role of President of Yum! Restaurants International in 2003 and led the development of global brands KFC, Pizza Hut and Taco Bell in more than 120 international markets. Prior to his tenure at Yum! Restaurants, he worked as a consultant, including at McKinsey & Company. Graham has also been a Director of Americana Foods, the former operating company of the Americana Restaurants business.

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

Other appointments

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



Daniela Barone Soares

Independent Non-Executive Director

Appointed to the Board: 1 March 2021

Skills and experience: Daniela is currently Chief Executive Officer of Snowball Impact Management Ltd. She was formerly Chief Executive Officer of financial advisory and strategic consultancy, Granito Group. Prior to this, she was Chief Executive Officer at Impetus, a private equity foundation, and Executive Chair of Gove.digital, a private technology business working with the public sector to improve social services in Brazil. She has served on various commercial and non-profit boards and advisory boards, including Halma plc, Evora S.A. in Brazil and the UK National Advisory Board to the G8 Social Impact Investment Taskforce. She also spent nearly 15 years combined in roles at Save the Children, BancBoston Capital private equity, Citibank and Goldman Sachs.

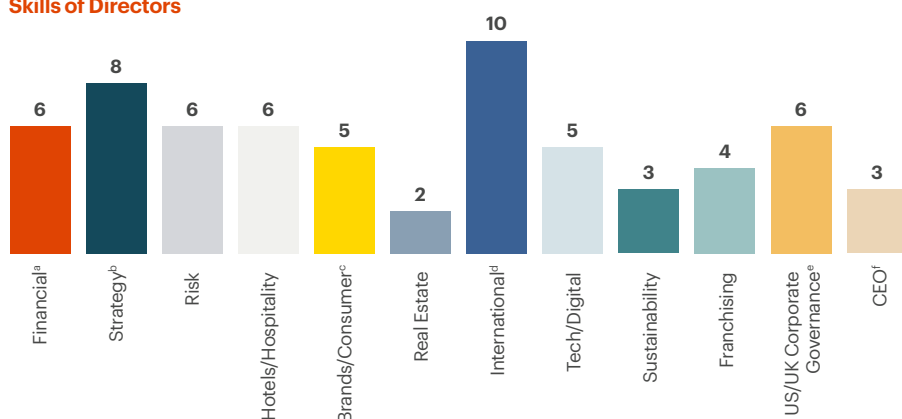
Board contribution: Daniela brings to the IHG Board a clear commitment to Environmental, Social and Governance (ESG) responsibilities and in-depth knowledge of the role of technology in driving change.

Other appointments

Daniela is a Designated Member of Snowball Impact Investments GP LLP, a diversified investment fund focused on generating financial returns with a positive social and environmental impact. She is also a Trustee of the Haddad Foundation, a Member of the Advisory Board of Forward Institute and Trustee of the Institute for the Future of Work.

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

Skills of Directors



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

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

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

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

^e Experience in a UK and US listed organisation

^f Experience in a global CEO role

Our Board of Directors continued



A RB

Arthur de Haast

Independent Non-Executive Director
Appointed to the Board: 1 January 2020

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

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

Other appointments

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



A RB

Duriya Farooqui

Independent Non-Executive Director
Appointed to the Board: 7 December 2020

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

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

Other appointments

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



A N R

Byron Grote

Independent Non-Executive Director
Appointed to the Board: 1 July 2022

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

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

Other appointments

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

Board Committee membership key

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



A R

Sir Ron Kalifa

Independent Non-Executive Director

Appointed to the Board: 1 January 2024

Skills and experience: Ron was formerly Chief Executive Officer of Worldpay for over 10 years, serving as Vice Chairman thereafter and an Executive Director until February 2020. His longstanding career in financial services has allowed him to gain experience in marketing, strategy and operations on a global scale. Ron led a government-commissioned, independent Review of UK Fintech, which proposed a recommended strategy and delivery model to maintain the UK's position as a global leader in financial services. Ron was knighted in the Queen's Jubilee Birthday 2022 Honours List for services to financial services, technology and public service.

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

Other appointments

Ron is Chairman of Network International Holdings Plc. He is a Non-Executive Director and the Senior Independent Director on the Court of Directors of the Bank of England and a Non-Executive Director for the England & Wales Cricket Board. He is also Vice Chair at Brookfield Asset Management.

Ron is a Trustee of the Royal Foundation of the Prince and Princess of Wales.



N R RB

Angie Risley

Independent Non-Executive Director

Appointed to the Board: 1 September 2023

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

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

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

Other appointments

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



A RB

Sharon Rothstein

Independent Non-Executive Director

Appointed to the Board: 1 June 2020

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

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

Other appointments

Sharon serves on the boards of Yelp, Inc. and Block, Inc., and also for private companies Califia Farms, LLC and Levain Bakery, Inc.

Our Board of Directors continued

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

Graham Allan	Graham became Chair of the Responsible Business Committee and stood down from the Remuneration Committee with effect from 1 March 2023
Heather Balsley	Heather was appointed to the Executive Committee as Global Chief Customer Officer from 1 November 2023
Keith Barr	Keith stood down from the Board, the Executive Committee and his role as Chief Executive Officer on 30 June 2023
Claire Bennett	Claire stood down from the Executive Committee and her role as Global Chief Customer Officer on 31 October 2023
Jolyon Bulley	Jolyon was appointed as Chief Executive Officer, Americas from 1 July 2023
Arthur de Haast	Arthur joined the Audit Committee and stood down as a member of the Remuneration Committee with effect from 1 January 2023
Ian Dyson	Ian retired from the Board on 28 February 2023
Paul Edgecliffe-Johnson	Paul stood down from the Board, the Executive Committee and his role as Chief Financial Officer and Group Head of Strategy on 19 March 2023
Michael Glover	Michael joined the Board as an Executive Director as well as the Executive Committee when he was appointed as Chief Financial Officer from 20 March 2023
Byron Grote	Byron became the Audit Committee Chair and joined the Nomination Committee from 1 March 2023
Jo Harlow	Jo retired from the Board on 31 December 2023
Ron Kalifa	Ron was appointed to the Board as a Non-Executive Director with effect from 1 January 2024
Elie Maalouf	Elie was appointed as Chief Executive Officer from 1 July 2023
Jill McDonald	Jill retired from the Board on 28 February 2023
Deanna Oppenheimer	Deanna became a member of the Remuneration Committee with effect from 1 January 2023
Angie Risley	Angie was appointed to the Board from 1 September 2023 and became Chair of the Remuneration Committee and joined the Nomination Committee from 1 January 2024

Board and Committee membership and attendance in 2023

	Appointment date	Committee appointments	Board	Audit Committee ^a	Responsible Business Committee	Nomination Committee	Remuneration Committee
Total meetings held			8	5	4	6	6
Chair							
Deanna Oppenheimer ^b	01/06/22	N R	8/8	–	–	6/6	6/6
Chief Executive Officer							
Keith Barr ^c	01/07/17		3/4	–	–	–	–
Elie Maalouf ^d	01/01/18		8/8	–	–	–	–
Executive Directors							
Paul Edgecliffe-Johnson ^e	01/01/14		1/1	–	–	–	–
Michael Glover ^f	20/03/23		7/7	–	–	–	–
Senior Independent Non-Executive Director							
Graham Allan ^g	01/09/20	A N RB SID	8/8	5/5	4/4	6/6	3/3
Non-Executive Directors							
Daniela Barone Soares ^h	01/03/21	R RB	7/8	–	4/4	–	6/6
Arthur de Haast	01/01/20	A RB	8/8	5/5	4/4	–	–
Ian Dyson ⁱ	01/09/13	A N R	1/1	1/1	–	1/1	2/3
Duriya Farooqui	07/12/20	A RB	8/8	5/5	4/4	–	–
Byron Grote ^j	01/07/22	A N R	8/8	5/5	–	5/5	6/6
Jo Harlow	01/09/14	N R	8/8	–	–	6/6	6/6
Jill McDonald ^k	01/06/13	A N RB	1/1	1/1	1/1	1/1	–
Angie Risley ^l	01/09/23	R RB	3/3	–	1/1	–	2/2
Sharon Rothstein ^m	01/06/20	A RB	7/8	5/5	4/4	–	–

Board Committee membership key

A	Audit Committee member
R	Remuneration Committee member
RB	Responsible Business Committee member
N	Nomination Committee member
Chair	Chair of a Board Committee
SID	Senior Independent Non-Executive Director

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

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

^c Keith Barr stood down as Chief Executive Officer on 30 June 2023 and did not attend the Board strategy meeting prior to stepping down.

^d Elie Maalouf was appointed Chief Executive Officer from 1 July 2023.

^e Paul Edgecliffe-Johnson stood down as Chief Financial Officer on 19 March 2023.

^f Michael Glover was appointed to the Board as Chief Financial Officer from 20 March 2023.

^g Graham Allan stood down from the Remuneration Committee and became Chair of the Responsible Business Committee from 1 March 2023 following Jill McDonald's retirement from the Board on 28 February 2023.

^h Daniela Barone Soares did not attend a Board meeting due to a prior commitment.

ⁱ Ian Dyson retired from the Board on 28 February 2023 and did not attend a Remuneration Committee meeting prior to his retirement.

^j Byron Grote became Chair of the Audit Committee from 1 March 2023 following Ian Dyson's retirement from the Board on 28 February 2023. Byron also joined the Nomination Committee from 1 March 2023.

^k Jill McDonald retired from the Board on 28 February 2023.

^l Angie Risley was appointed to the Board from 1 September 2023.

^m Sharon Rothstein was unable to attend a Board meeting due to a prior commitment.

Our Executive Committee

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



Heather Balsley

Global Chief Customer Officer

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

Skills and experience: Before being appointed as Global Chief Customer Officer, Heather served as SVP, Global Loyalty & Partnerships for four years. During that time, Heather was responsible for the Company's loyalty and partnerships business, including the re-launch of IHG One Rewards and co-brand credit card business, delivering significant successes. She has also served as SVP, Global Marketing, Mainstream Brands, developing and delivering brand strategies that enhance the guest experience and drive performance.

Heather also worked across all brand segments as SVP, Americas Brands and Marketing and held leadership roles in strategy. Throughout her time at IHG, she has worked extensively across markets globally and with our owners.

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

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

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



Jolyon Bulley

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

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

Skills and experience: A career hotelier, Jolyon has held a number of significant roles at IHG and, before being appointed as CEO, Americas in 2023, was CEO for Greater China from 2018.

Prior to that, he was Chief Operating Officer (COO) for the Americas from 2014 to 2017, leading the region's operations for franchised and managed hotels, in addition to cultivating franchisee relationships and enhancing hotel operating performance. Jolyon also served as COO for Greater China for almost four years, with oversight of the region's hotel portfolio and brand performance, new hotel openings and owner relations. In 2021, in addition to his role as CEO for Greater China, Jolyon was appointed to lead the Luxury & Lifestyle Transformation Team.

Jolyon joined IHG in 2001, as Director of Operations, New South Wales in Australia, and then held roles of increasing responsibility across IHG's Asia-Pacific region. He became Regional Director Sales & Marketing for Australia, New Zealand & South Pacific in 2003, relocated to Singapore in 2005 and held positions of Vice President Operations South East Asia & India, Vice President Resorts, and Vice President Operations, South East & South West Asia.

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

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

Our Executive Committee continued



Yasmin Diamond, CB

Executive Vice President, Global Corporate Affairs

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

Skills and experience: Before joining IHG in 2012, Yasmin was Director of Communications at the Home Office, where she advised the Home Secretary, ministers and senior officials on the strategic development and daily management of all the Home Office's external and internal communications. She was previously Director of Communications at the Department for Environment, Food and Rural Affairs; Head of Communications for Welfare to Work and New Deal; and Head of Marketing at the Department for Education and Skills. Before joining government communications, Yasmin was Publicity Commissioner for the BBC, where she led communications activity around the launch of a new digital learning channel and around the BBC's educational output for both adults and children.

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

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



Nicolette Henfrey

Executive Vice President, General Counsel and Company Secretary

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

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

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



Wayne Hoare

Chief Human Resources Officer

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

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

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

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



Kenneth Macpherson

Chief Executive Officer, EMEAA

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

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

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



George Turner

Chief Commercial and Technology Officer

Appointed to the Executive Committee: January 2009 (joined the Group: 2008)

Skills and experience: In February 2019, George was appointed as Chief Commercial and Technology Officer. Prior to this, he spent over a decade as IHG's EVP, General Counsel and Company Secretary, with responsibility for corporate governance, risk and assurance, legal, corporate responsibility and information security. He is a solicitor, qualifying to private practice in 1995. Before joining IHG, George spent over 10 years with Imperial Chemical Industries PLC, where he held various key positions including Deputy Company Secretary and Senior Legal Counsel.

Key responsibilities: George's responsibilities include distribution; channels; revenue management; property, owner, guest and enterprise solutions; guest reservations and customer care; digital; information security; technology; and global sales.

Gender of Board and Executive Committee

	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in Executive Committee	Percentage of Executive Committee
Men	6	55%	3	6	67%
Women	5	45%	1	3	33%
Not specified/prefer not to say	–	–	–	–	–

Ethnic background of Board and Executive Committee

	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in Executive Committee	Percentage of Executive Committee
White British or other White (including minority-white groups)	7	64%	3	7	78%
Mixed/Multiple Ethnic Groups	1	9%	–	–	–
Asian/Asian British	2	18%	–	1	11%
Black/African/Caribbean/Black British	–	–	–	–	–
Other ethnic group, including Arab	1	9%	1	1	11%
Not specified/prefer not to say	–	–	–	–	–

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

As at 19 February 2024, the Company complies with the following targets on board diversity in accordance with Listing Rule 9.8.6R(9):

(i) at least 40% of the individuals on the Board are women; (ii) at least one senior position, namely the Chair of the Board, is held by a woman; and (iii) at least one individual on the Board is from a minority ethnic background.

Governance structure

Governance framework

Our governance framework is headed by the Board, which delegates certain management and oversight responsibilities to various Committees to further IHG's purpose, values and strategy,

while conducting business in a responsible manner. Executive management is responsible for the implementation of strategy that is delivered by the Group's workforce.

THE BOARD

The Board is responsible for promoting the long-term sustainable success of the Group and establishes its purpose, values and strategy. Operational matters, routine business and information disclosure procedures are delegated by the Board to Management Committees, with the exception of a number of key

decisions and matters that are reserved for the Board. The schedule of matters reserved for the Board was reviewed and approved at the December 2023 Board meeting and is available on our website.

The Board is supported by its four Principal Committees (Audit, Nomination,

Remuneration and Responsible Business), all of which consist of Non-Executive Directors. These committees assist the Board in carrying out its functions and in overseeing the delivery of the strategic objectives it sets for management.

→ See pages 101 to 103 for information.



REPORTING

BOARD COMMITTEES

Audit Committee

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

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

→ See pages 107 to 111.

Nomination Committee

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

Responsible for reviewing the Group's leadership needs.

→ See pages 114 and 115.

Remuneration Committee

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

→ See pages 116 to 140.

Responsible Business Committee

Leads on responsible business objectives and strategy, including our approach to sustainable development and responsible procurement.

Reviews our impact on the environment and communities.

Reviews the Board's engagement with the workforce and the Group's diversity, equity and inclusion (DE&I) agenda.

→ See pages 112 and 113.

MANAGEMENT COMMITTEES

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

Executive Committee

Chaired by the CEO, it considers and manages the day-to-day strategic and operational issues facing the Group. Its remit includes executing the strategic plan once agreed upon by the Board, monitoring the Group's performance and providing assurance to the Board in relation to overall performance and risk management.

General Purposes Committee

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

Disclosure Committee

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

Board activities

Key areas of focus during the year

Board meetings

The table below gives an overview of some of the regular and standing items discussed and decisions made at Board meetings during the year. The table overleaf sets out information on the key matters discussed by the Board in 2023 and our Section 172 statement includes information about how stakeholders were considered and impacted outcomes.

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

Performance

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

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

Governance and assurance

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

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

Stakeholders

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

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

Board activities continued

Key areas of focus during the year continued

Key matters discussed in 2023 and Section 172 statement

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

Finance and performance		
Financial plan The Board evaluated and approved the financial plan for the period 2023 to 2025.	In approving the financial plan, the Board considered the dividend and shareholder return approach and assumptions, as well as taking into account the challenges for owners of the lending environment and construction financing.	B C E
Shareholder returns The Board considered and approved a final dividend for 2022, an interim dividend for 2023 and a \$750m share buyback programme.	In considering the dividends paid during the year and the share buyback programme, the Board took into account the creation of value for shareholders, the expectations of analysts in the context of the Company's trading and viability assessments and capacity to pay as well as the external environment, including the geopolitical situation and macroeconomic developments, while having regard to the Group's dividend policy.	A E F
Group finance The Board approved the update of the Group's Euro Medium Term Note (EMTN) bond programme and the issuance of a €600m bond.	In approving the EMTN programme update and the €600m bond issuance, the Board considered in particular the Group's longer-term debt maturity and liquidity profiles as well as the benefits of prudent financial management to the Group's employees and shareholders.	A B E F
Financial statements The Board considered and approved the full and half-year financial results statements, including the going concern and viability statements, and whether the Annual Report was fair, balanced and understandable.	In reviewing and approving for publication the Group Financial Statements, the Board ensured that the Group had met its regulatory requirements in relation to providing shareholders and other stakeholders with accurate information regarding the Group and further maintained the Group's reputation for operating with high standards.	E F
Strategic and operational matters		
Brand portfolio The Board approved the launch of the Garner brand.	In considering the new brand launch, the Board focused in particular on the owner proposition and the return on investment for owners; the brand's offering for IHG One Rewards members and other guests; the value the brand can generate for shareholders and investors; and the capabilities of the Group's employees needed to support the launch.	A B C
Corporate strategy refresh The Board endorsed the Group's refreshed corporate strategy.	In considering and endorsing the corporate strategy refresh, including the new strategic pillars, associated metrics and growth behaviours, the Board had regard for the Group's approach to driving performance to generate both short and long-term value for hotel owners and shareholders as well as the Group's impact on communities and the environment. The Board further considered the impact of the new growth behaviours on employees, as well as the role the strategy plays in maintaining the Group's high standards of business conduct.	A B C D E
Luxury & Lifestyle The Board endorsed the InterContinental brand refresh.	The Board considered and endorsed the InterContinental brand refresh strategy, noting in particular the focus on implementing new service and culture training to deliver enhanced guest experiences, colleague behaviours and owner returns and noting the positive momentum shown by improved guest satisfaction data.	A B C E
Growth strategy in regions – Americas, EMEAA and Greater China The Board received in-depth regional updates from the CEOs of each of the Group's three regions, and provided oversight with regard to the Group's growth strategy and strategic priorities.	The Board received regular updates from the Group's operating regions, covering the Group's positioning and performance in relevant markets and in relation to brand performance, underlying growth drivers and the competitive environment, and further focused on actions to accelerate the Group's growth. In its discussions, the Board paid particular attention to critical owner considerations in relation to optimising owner returns as well as initiatives to reduce energy consumption and food waste.	A C D

Key to considerations

A Long term	C Suppliers and customers	E High standards
B Employees	D Community and environment	F Act fairly between members

Board governance

Board composition The Board approved the appointments of Elie Maalouf as Chief Executive Officer, Angie Risley as Chair Designate of the Remuneration Committee and Ron Kalifa as a Non-Executive Director.	When approving Board appointments and succession plans, the Board had particular regard for ensuring that both the Board and its Principal Committees have the appropriate mix of skills, experience and knowledge to provide effective oversight over the short and long-term strategic objectives of the Group and effectively consider the interests of its stakeholders while also maintaining high standards of business conduct and complying with the UK Corporate Governance Code.	A B E
Executive Committee appointments The Board endorsed the changes and appointments to the Executive Committee during the year.	In considering the talent and succession planning at the Executive Committee level, the Board focused on the skills, experience and profile required to optimise the Executive Committee, including relevant regional and functional leadership, to facilitate the delivery of the Group's strategic objectives.	A B E
Regulatory Compliance The Board approved new or refreshed regulatory compliance policies.	Across the year, the Board approved new or refreshed global policies in relation to Communities, Environment, Human Rights and Sanctions. In approving the policies, the Board considered, in particular, the various regulatory requirements and the external environment underpinning each policy, the impact of the policies on employees, owners, shareholders and suppliers as well as the Group's reputation for operating with high standards.	B C D E
Incentive plan The Board approved the adoption of new Deferred Award Plan rules.	In considering the new Deferred Award Plan rules, the Board considered the potential impact on employees in different territories and jurisdictions, as well as the need to balance corporate governance expectations with the regulatory requirements in different territories.	A B E
Our people and culture Voice of the Employee workforce engagement programme.	The Board participated in employee feedback sessions, and received and considered regular updates from the Voice of the Employee workforce engagement programme, noting continued positive feedback from engagement sessions.	B E

Annual Board strategy meeting

The 2023 Annual Board strategy meeting was held in Atlanta at the Group's Americas region headquarters. The Board undertook a detailed review in respect of the following areas:

- the industry landscape and performance;
- the competitive context;
- IHG's business model, financial model and strategy; and
- strategic choices to strengthen performance.

The meeting also included an 'outside-in' perspective from an external adviser on the Group's trajectory, further opportunities for growth and risks to delivery of the plan.

Each Board member received a full briefing in advance of the Board strategy meeting, which enabled a productive and wide-ranging discussion with concrete outcomes, oriented around a relentless focus on growth, a strong commercial engine and a high-performance culture. Outcomes and action items were also addressed at subsequent Board meetings.

Board members also had the opportunity to engage informally with colleagues from our Atlanta office.

→ See pages 36 and 37 for information about how we have engaged with our stakeholders in 2023. Further details of our regard for our people, communities and the planet are on page 3 and pages 28 to 35.

Board activities continued

Our shareholders and investors

During 2023, IHG continued its open dialogue with shareholders and investors and conducted its annual programme of investor relations activities with support from its brokers and advisers. The Board received regular updates and considered feedback as outlined on page 101. In addition, our Registrar and American Depositary Receipts (ADR) programme custodians have supported shareholders and ADR holders with their queries.

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

Annual General Meeting (AGM)

The Board was pleased to meet shareholders in person at the 2023 AGM.

Our 2024 AGM will be held on Friday 3 May 2024. The notice of meeting will be sent to shareholders and made available on our website in due course.

→ Visit ihgplc.com/investors under Shareholder centre.

→ Further information on the Board's engagement with shareholders and investors is included on page 36.

Director appointments and induction

Director appointments

Details of the appointments to the Board made during 2023 are described in the Nomination Committee Report on pages 114 and 115.

New Director inductions

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

For Michael Glover, a bespoke induction plan focused on his transition to an Executive Director and Executive Committee role was prepared, with a particular focus on his responsibilities as CFO. His induction included meetings with key external advisers and stakeholders and an overview of corporate governance requirements in relation to his responsibilities as an Executive Director.

Given Elie Maalouf's longstanding role on the Board and Executive Committee, following his appointment as CEO, a targeted transition plan was put in place focusing on aspects specific to his role as CEO, with a particular emphasis on key investor, colleague, owner, media and industry relationships.

For Angie Risley and Ron Kalifa, tailored induction plans were prepared in advance of their appointment to the Board. Their plans broadly covered the following topics, while being tailored to their Committee appointments and roles, with a particular emphasis on understanding IHG's business, long-term strategy, risks and opportunities within the business and governance processes and controls:

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

Additional appointments

During 2023, the Board considered and endorsed the following additional appointments of Directors:

- Graham Allan as Chair of the Remuneration Committee of Associated British Foods PLC.

- Arthur de Haast as a member of the Audit Committee of Chalet Hotels Limited.
- Byron Grote as Interim Chair of Tesco PLC.
- Jo Harlow as Senior Independent Director of Halma PLC.
- Elie Maalouf as a member of the World Travel & Tourism Council's Executive Committee.

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

Ongoing Director training and development

We understand the importance of an ongoing training programme for Directors to enable them to fully understand the Group's business and operations in the context of the rapidly developing environment in which it operates. The Chair regularly reviews the training and development needs with each Director and the Board is made aware of training opportunities.

Board and Committee meetings are regularly used to update Directors on developments in the environment in which the business operates and in-depth presentations are provided on key topical areas. In 2023, these sessions included updates on assurance and governance matters; perspectives in relation to corporate philanthropy and community investment; and market updates in relation to remuneration and pensions.

In addition, the Company Secretary provides regular updates on regulatory, corporate governance and legal matters, and Directors are able to meet individually with senior management if necessary.

External evaluation

In line with best practice, each year, the performance and effectiveness of the Board and its Committees are carefully reviewed through a formal evaluation process, which is traditionally facilitated externally every three years. An external evaluation was last completed in 2019, with internal evaluations completed in 2020, 2021 and 2022 following agreement to defer an external evaluation to 2023 due to the recent appointment of the Chair in 2022.

In 2023, an external evaluation was undertaken and conducted by Independent Audit Limited ('IA'), following a comprehensive evaluation of several providers. IA has no prior connection with the Company or any of its Directors, with the exception of conducting an external review for Hargreaves Lansdown PLC in 2021, a company on which the Chair has previously served as a director.

An outline of the evaluation process and details of the results of the review are set out on the following pages.

Board effectiveness evaluation

Board evaluation process

Stage 1	Stage 2	Stage 3	Stage 4	Stage 5
Appointment <p>Following a review of several external board evaluation providers, IA was commissioned to facilitate the evaluation of the Board and its Committees.</p>	Preparation <p>Questionnaires for the Board and four Committees were prepared by IA in discussion with the Company Secretary and the Chair and agreed by each Committee Chair.</p>	Completion of questionnaires and follow – up interviews <p>The Board questionnaires were completed by all Board members, the Company Secretary and relevant members of senior management and follow-up interviews with each member of the Board and Company Secretary were conducted.</p>	Review of Board papers and meeting observation <p>A review of Board papers and the observation of meetings of the Board and of the Audit, Nomination, and Responsible Business Committees was conducted by IA.</p>	Reporting <p>IA analysed the results and compiled a report for the Board and each Committee which was discussed in draft with the Chair and Company Secretary and presented to the Board and each of the Committees for discussion and consideration. IA invited Board members to follow up individually if desired.</p>

Results of Governance Review

Strengths:

The results of IA's external review noted several strengths:

- 1) The Board's composition is comprised of a good mix of skills, experience, and personalities that work well with each other and management.
- 2) New Board members have brought a high degree of openness and willingness to engage.
- 3) Engagement has been open and transparent, and Board members are able to contribute to productive debate in the decision-making process.

Areas of focus for the year ahead:

- 1) **Consideration of the 'Big Trends':** continued consideration of industry trends and dynamics, including ever-changing customer needs and expectations and competitor actions.
- 2) **Executive succession planning:** following both CEO and CFO succession, looking to the capabilities, skills, diversity and characteristics needed for the future, focusing on Executive succession planning and strengthening the Board's relationship with recently promoted senior management.
- 3) **Risk, technology & ESG:** given the dynamic external environment, continued focus on IHG's overarching Risk Management Framework, emerging technologies and the wider ESG landscape.

Board activities continued

Board effectiveness evaluation continued

Board Committees

The external evaluation process also assessed the effectiveness and support provided by and to the Board Committees. Through the process, it was confirmed that they have the necessary attributes to support their effective operation and that the Committees are well integrated into the Board decision-making processes. Each of the

Committees reviewed the findings and agreed the respective actions with consideration of the overall Board findings where they were deemed relevant to the Committee's work. Further details are set out in each Committee Report on pages 107, 112, 115 and 125.

Performance evaluation of Directors

In addition to the external Board evaluation process outlined above, the Chair assessed the individual performance of the Non-Executive Directors and carried out one-to-one meetings with each of them, focusing on their contribution to the Board and Principal Committees and engagement with fellow Directors, taking into account their relevant skills, knowledge and experience. Particular points of note were shared with the individual Directors and overall, the Chair concluded that the Directors perform their duties independently and effectively and that they dedicate sufficient time to discharge their Board responsibilities.

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

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

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

- the Group's performance and impact of the CEO;
- the relationship and ability to work collaboratively and transparently with the Board;
- delivery of the Group's growth agenda;
- regard for community and the environment;
- building talent and organisational capabilities; and
- progress in relation to IHG's 2023 plan and future strategic priorities.

Audit Committee Report

Byron Grote
Chair of the Audit Committee



“Strong governance and controls, and the assessment of evolving risks remain at the core of how IHG operates responsibly.”

Highlights:

- Ongoing review of the Group's work to streamline and further automate core financial processes to drive efficiency while maintaining robust controls.
- Review of the disclosure of, and assurance over, financial and non-financial data, including both climate-related and wider ESG data, in line with evolving regulatory developments and external trends.
- Review of emerging and evolving risks linked to IHG's growth strategy, changes in technology and other major initiatives, and regulatory developments.
- Review of governance and assurance of systems transitions in Finance and HR.
- Overview of the Group's response to the Financial Reporting Council (FRC) consultation relating to the UK Corporate Governance Code.

- the conclusions and recommendations of an external quality assessment of the Group's Risk and Assurance function;
- review of the internal financial control framework of owned, leased, managed lease and managed hotels, including deployment of software to enhance controls and property-level workflows; and
- the Group's approach to managing on-going compliance risks, including in relation to hotel operational safety and security, supply chain, data privacy and ethics and compliance.

Membership and attendance at meetings

Details of the Committee's membership and attendance at meetings are set out on page 96. The Chair of the Board, CEO, CFO, Group Financial Controller, Head of Risk and Assurance, Deputy Company Secretary and our external Auditor attended all meetings in 2023. The General Counsel and Company Secretary also normally attends all meetings and in 2023, attended all but one of the meetings. Other attendees are invited to meetings as appropriate and the CEO and all other Directors were invited to Committee meetings where the approval of financial reporting was considered and discussed. The Committee continues to hold private sessions with the internal and external Auditors without the presence of management to ensure that a culture of transparency is maintained.

The Committee Chair continues to have recent and relevant financial experience and all members of the Committee are Independent Non-Executive Directors. In accordance with the Code, the Board also considers that the Committee as a whole possesses competence relevant to the Company's sector, having a range of financial and commercial experience in the hospitality industry and the broader commercial environment in which the Group operates. Further details of the skills and experience of the Committee members can be found on pages 93 to 95.

Reporting to the Board

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

Effectiveness of the Committee

During the year, the Committee's effectiveness was reviewed as part of the external Board evaluation process. The Committee concluded that it remains effective, focuses on the right issues and provides a good level of challenge. An area identified for future focus is further developing Committee papers to continue to enhance discussions.

Key duties and role of the Committee

Key objectives and summary of responsibilities

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

The Committee's role, responsibilities and authority delegated to it by the Board are set out in its Terms of Reference (ToR), which are reviewed annually and approved by the Board.

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

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

- the evolution of the Group's financial governance programme, including streamlining processes and automation of controls;
- internal controls and assurance in connection with the Group's HR system transition and Iberostar integration;

Audit Committee Report continued

Focus areas and activities

Financial and narrative reporting

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

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

The Committee received early drafts of the Annual Report and Form 20-F 2023 (Annual Report), and when providing comments considered: (i) the process for preparing and verifying the Annual Report, which included review by the Executive Committee and input from senior employees in the Company Secretariat, Legal, Operations, Strategy, Human Resources, Finance, Risk and Assurance teams; (ii) a report from the Chair of the Disclosure Committee; and (iii) a checklist prepared by the Annual Report team confirming compliance with the relevant regulatory requirements.

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

Alongside this review, the Committee considered guidance provided by the FRC throughout the year, including in relation to the concept of an Audit and Assurance Policy within the proposed changes to the UK Corporate Governance Code. The Company's consultation response to the FRC on the proposal was reviewed by the Committee. The Committee also reviewed trends in ESG reporting requirements and considered governance and assurance implications.

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

Significant matters in the 2023 Financial Statements

Throughout 2023, the Committee provided ongoing challenge to management's accounting, reporting and internal controls. The Committee discussed with management and the external Auditor the significant areas of complexity, management judgement and estimation in relation to the Financial Statements, and the impact of any accounting developments or legislative changes. The Committee has satisfied itself that management had adequately identified and considered all potentially significant accounting and disclosure matters. The key items discussed are outlined on pages 110 and 111.

Internal control and risk management

The Board is responsible for establishing procedures to manage risk, overseeing the internal control framework and determining the nature and extent of the principal risks the Company is willing to take to achieve its long-term objectives. The Committee supports the Board by reviewing the effectiveness of the Group's internal control and risk management systems and assessing emerging and principal risks and undertook such a review in respect of 2023.

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

- receives regular reports from management, the Risk and Assurance team and the external Auditor on the effectiveness of the systems for risk management and internal controls, including financial, operational and compliance controls;
- reviews the process by which risks are identified (including procedures in place to identify emerging risks and linkage to wider consideration of strategy and resilience) and assesses the timeliness and effectiveness of action taken by management, including regular reports on the Company's overall risk management and internal controls systems and principal risks; and
- receives regular reports relevant to risk management and internal controls, both financial and non-financial, to ensure that current and emerging risks are identified and assessed and that there is an appropriate management response (see pages 42 to 49 for further detail on our risks and initiatives to manage them).

As part of the Committee's review of the internal control and risk management systems, key financial, operational and compliance controls across the business continue to be monitored and tested throughout the year. The Committee assesses the approach to Sarbanes-Oxley Act 2002 (SOX) compliance in accordance with our US obligations and reviews reports on the progress of the SOX programme at each meeting. During the year, the Committee received updates on the delivery of the training programme for SOX control owners and the longer-term objective of reducing the overall control count.

During 2023, the Committee considered the activity undertaken by the Risk and Assurance team to review and refresh risk profiles and integrate resilience planning into the prioritisation and capability building of the Group's business teams. The Committee also received updates on:

- key assurance projects relating to the transition of the Group's primary HR system and integration in respect of the Iberostar alliance;
- supply chain risks and the strategy for mitigating uncertainties, noting the work of the Supply Chain Risk Council to drive awareness of emerging issues among relevant stakeholders and embedding risk management and internal control approaches in relation to supply chain; and
- the Group's approach to managing hotel operational safety and security risks, including the impact of conversion hotels and the development and integration of new business models such as branded residential and all-inclusive resorts on IHG's operational safety and security framework.

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

Tax risks, policies and governance

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

where appropriate, material tax uncertainties are discussed and resolved with tax authorities in advance.

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

Principal risk areas

During the year, the Committee discussed and assessed the range and aggregate impact of dynamic risks that the Group faced in the context of the ongoing volatility in the geopolitical and macroeconomic environment. Alongside the review of the overall portfolio of risks, the Committee requested and received updates on the following specific areas:

- emerging risks in relation to the use and management of Generative Artificial Intelligence (Gen AI) and the management by the business of both upside and downside risks relating to Gen AI;
- physical and chronic climate risks to the hospitality sector; and
- the approach to cross-border data transfers.

Further details of our principal risks, uncertainties and review process can be found on pages 42 to 49.

Non-audit services

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

The policy requires that pre-approval is obtained from the Audit Committee for all services provided by the external Auditor before any work can commence, without any de minimis threshold in line with US SEC requirements and UK ethical standards. The Committee reviewed the audit and non-audit fees incurred with the external Auditor and noted that there had been no prohibited services (as defined by SOX or under UK ethical standards) provided to the Group during the year. The Committee is prohibited from delegating non-audit services approval to management and compliance with the policy is actively managed.

IHG is committed to maintaining non-audit fees at a low level and the Committee remains cognisant of the guidelines of investor advisory bodies on non-audit fees. During 2023, 10% of services provided to the Group were non-audit services (2022: 11%), primarily related to System and Organisation Controls (SOC) Reports. These services are typically performed by external auditors as knowledge of the Company or Group is necessary for the provision of the non-audit services. Details of the fees paid to PwC for non-audit and statutory audit work during 2023 can be found on page 178. The Committee is satisfied that the Company was compliant during the year with the FRC's Ethical and Auditing Standards in respect of the scope and maximum permitted level of fees incurred for non-audit services provided by PwC. Where non-audit work is performed by PwC, both the Company and PwC ensure adherence to robust processes to prevent the objectivity and independence of the external Auditor being compromised.

Risk and assurance – Internal Audit

The Committee discusses and approves the Internal Audit annual plan, which aims to provide objective and insightful assurance that appropriate controls are in place to support our strategy and growth ambitions. Progress against the Internal Audit plan is reported at each meeting and, during 2023, the Committee reviewed several areas set out in the plan, including programme governance and oversight of expenditure and benefit delivery.

The 2024 plan presented to the Committee in November 2023 maintains focus on the integrity of the risk management and internal control system, providing independent assurance to complement management's own activities where these are relatively mature, well governed and/or regulated. Areas of focus in 2024 include management of interdependencies between major technology

programmes, control arrangements for data and information usage, storage and transfer and management's preparedness for fast-evolving legislation.

Following consideration, the Committee confirmed its agreement to the 2024 Internal Audit plan, including the assurance objectives identified. The Committee reviews the results of completed audits and observations from other ongoing assurance and control improvement support, as well as actions taken by management in response to Internal Audit's work.

The functional effectiveness of Internal Audit is assessed on an ongoing basis and reported to the Committee throughout the year. During 2023, this involved an independent external quality assessment of the function. The Committee reviewed and considered the conclusions of the external assessment, with particular focus on the future methodology and capabilities required for the function, including the use of external expertise.

Governance and compliance

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

Looking forward

During 2024, the Committee will remain focused on the Group's internal control and risk management environment and approach to financial reporting. In doing so, the Committee will take into account developments in reporting responsibilities, including those relating to changes in the UK Corporate Governance Code and other regulatory requirements.

External Auditor – reappointment of PwC

The Committee reviewed and assessed PwC's performance during the year and considered its reappointment as the Group's external Auditor. PwC was originally appointed as the Group's Auditor in March 2021, following a tender process in 2019. Giles Hannam remained as PwC's lead audit partner in 2023.

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

The surveys focused on the following areas:

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

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

During 2023, the Committee also agreed with PwC that reporting would be provided against a series of audit quality indicators to support the Committee's assessment of audit quality. This reporting was provided for the first time in February 2024.

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

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

Audit Committee Report continued

Significant matters in the 2023 Financial Statements

Area for focus	Issue/Role of the Committee	Conclusions/Actions taken
Accounting for IHG One Rewards	Accounting for IHG One Rewards requires significant use of estimation techniques and represents a material deferred revenue balance. The Committee reviews the controls, judgements and estimates related to accounting for IHG One Rewards.	<p>The Committee reviewed the deferred revenue balance, the valuation approach, the results of the external actuarial review and procedures completed to determine the breakage assumption for outstanding IHG One Rewards points.</p> <p>The Committee reviewed management's papers supporting the removal of an adjustment made in recent years that placed more emphasis on pre-Covid-19 redemption behaviours.</p> <p>The Committee concluded that the deferred revenue balance is appropriately stated.</p>
Accounting for the System Fund	Given the unique nature of the System Fund, the Committee reviews the controls and processes related to System Fund accounting.	<p>The Committee met with senior finance management to review and evaluate the risk areas associated with the System Fund.</p> <p>The Committee reviewed a paper from management summarising the principles determining the allocation of revenues and expenses to the System Fund and the related governance and internal control environment. The Committee concluded that the accounting treatment of the System Fund and related disclosures are appropriate.</p>
Impairment testing	Judgement is applied in assessing whether triggering events for impairment testing of assets or cash-generating units have occurred. The Committee scrutinises the methodologies applied and the potential for asset impairment or impairment reversal.	The Committee reviewed management reports outlining the approach taken on impairment testing and key assumptions and sensitivities supporting the conclusion on the various asset categories. The Committee examined in detail whether triggering events for impairment testing had occurred. The Committee agreed with the determinations reached on impairment.
Litigation and contingencies	From time to time, the Group is subject to legal proceedings with the ultimate outcome of each being subject to many uncertainties. The Committee reviews and evaluates the need for provisioning and considers the adequacy of the disclosure.	At each meeting during the year, the Committee considered reports detailing all material litigation matters including commercial disputes. The Committee discussed and agreed any provisioning requirements based on underlying factors. Disclosures were assessed, with particular emphasis on the completeness of uncertainties disclosed.
Exceptional items	The Group exercises judgement in presenting exceptional items. The Committee reviews and challenges the classification of items as exceptional based on their size, nature or incidence, with consideration given to consistency of treatment with prior years and between gains and losses.	The Committee reviewed papers by management and considered the consistency of treatment and nature of items classified as exceptional. The Committee reviewed and challenged the significance, timing and nature of the exceptional items (see pages 179 to 180). The Committee also considered the sufficiency of disclosure and whether such disclosure explained the rationale for why each item is considered to be exceptional. The Committee concluded that the disclosures and the treatment of the items shown as exceptional are appropriate.
Going concern and viability	The Committee reviews management's financial modelling to conclude on the appropriateness of the going concern and viability statement.	The Committee reviewed and challenged the scenarios considered by management, the detailed cash flow forecasts and the mitigating actions available to management considered in its going concern assessment to June 2025 and the three-year viability assessment and concluded these were appropriate. The Committee also reviewed and challenged the reverse stress test assumptions to confirm the viability of the Group. The Committee reviewed going concern disclosures (page 161) and the viability statement (pages 50 and 51) and is satisfied these are appropriate.
Climate risk	In preparing the Group Financial Statements, the potential impacts of climate change have been considered.	The Committee reviewed an analysis from management summarising the approach taken to consider climate risk in the Group Financial Statements and concluded that the disclosures were appropriate. The Committee agreed that the disclosures made in respect of the TCFD were appropriate. The Committee satisfied itself that the approach across the Annual Report has been proportionate and consistent.

Area for focus	Issue/Role of the Committee	Conclusions/Actions taken
UK deferred tax asset	Given the size of the Group's UK deferred tax asset (\$113m), the Committee reviewed and challenged the key assumptions determining the recoverability of the deferred tax asset and whether this should be disclosed as a significant estimate.	The Committee confirmed the estimates used to support the recovery of the UK deferred tax asset were consistent with those used in the impairment and going concern and viability assessments. Given the recovery to levels of profitability assumed in these estimates, the Committee concluded that it agreed with the recognition of the deferred tax asset, that this was not a significant estimate, as a material change in estimate is not expected in the next 12 months, and that the disclosures are appropriate.
Financial Statement disclosures	The Committee considers the appropriateness of disclosures in the Group Financial Statements.	The Committee reviewed disclosures required on adoption of IFRS 17 'Insurance Contracts'. The Committee also reviewed management's proposals to improve the clarity and succinctness of the Group Financial Statements by omitting immaterial disclosures and combining disclosures around System Fund and reimbursable expenses in certain areas of the Financial Statements. The Committee concluded that the disclosures to the Group Financial Statements are appropriate and proportional.

Responsible Business Committee Report

Graham Allan
Chair of the Responsible
Business Committee



“We remain focused on ensuring IHG’s strategy on people, communities and planet underpins our long-term performance.”

Highlights

- Worked together with the Remuneration Committee with respect to the inclusion of ESG metrics in the LTIP.
- Review of the Group’s strategy, workstreams and metrics in relation to each of the Group’s Journey to Tomorrow pillars.
- Review and approval of Group policies regarding key ESG areas, including Communities, Environment, Responsible Procurement and Human Rights.
- Expanded engagement with the Group’s workforce through the Voice of the Employee programme.

Key duties and role of the Committee

Key objectives and summary of responsibilities

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

The Committee’s role, responsibilities and authority delegated to it by the Board are set out in its Terms of Reference (ToR), which are reviewed annually and approved by the Board.

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

Membership and attendance at meetings

The Committee’s membership and attendance at meetings are set out on page 96. The Chair of the Board, CEO, Executive Vice President, Global Corporate Affairs, Chief Sustainability Officer and Deputy Company Secretary attended all meetings held during the year. The General Counsel and Company Secretary attended all but one meeting.

Reporting to the Board

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

Effectiveness of the Committee

In 2023, the Committee’s effectiveness was reviewed as part of the external Board evaluation process. The Committee concluded that it remains effective and meets its responsibilities well. Focus areas identified include continued assessment of the risks relating to climate change and further engagement with the supply chain.

Focus areas and activities

Responsible business commitments

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

- assessing the 2023 strategic priorities that support the Group’s 2030 responsible business commitments and monitoring the progress against them;
- reviewing the status of the Group’s DE&I targets and the work undertaken by management to drive achievement of the targets, including progress in relation to increasing gender and ethnic diversity within management at both the corporate and hotel level;
- monitoring the progress of climate risk reporting and the Group’s approach to TCFD reporting disclosures for 2023. Further information on TCFD is included on pages 52 to 59;
- assessing the progress of, and challenges to, the decarbonisation strategy and workstreams, with particular focus on the integration of ECMs into brand standards for operating hotels, developing new-build hotels that operate with very low carbon emissions and future options for a renewable energy programme, as well as the costs and impact on owners in relation to each;
- working with the Remuneration Committee to consider current and future ESG metrics included in the LTIP for Executive Directors and senior leaders, involving measures relating to people and the environment;
- reviewing the Group’s human rights programme and Modern Slavery Statement, with particular focus on identifying and addressing human rights risks specific to the hospitality industry;

- monitoring the Group's responsible procurement programme: the Committee considered the progress of key workstreams of the Group's responsible procurement strategy, including its alignment with the Group's responsible business commitments and with particular focus on supplier diversity, including how green and diverse suppliers are defined and certified; and
- assessing the Group's approach to meeting its commitment to improve the lives of people in our communities around the world and strategic collaboration with expert charities to assist those in greatest need.

→ Further information on our 10-year responsible business plan can be found on pages 28 to 35.

Looking forward

During 2024, the Committee will continue to focus on the progress of the Group's 2030 responsible business commitments and the strategic priorities that support them. The Committee will also focus on developments in the regulatory landscape around ESG matters, particularly in relation to climate and environmental reporting.

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

Voice of the Employee



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

Role and responsibilities

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

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

2023 engagement

Throughout 2023, Duriya, with the participation of several other NEDs and Chair Deanna Oppenheimer, hosted fifteen employee interface meetings to engage with a cross-section of employees and received detailed feedback. These feedback sessions, which were a mix of in person and virtual meetings/forums, included leader groups within the US and UK hotels, reservations and corporate populations, and ERGs across the UK, US, India, China and various EMEA countries as well as colleagues who have recently joined the organisation.

Discussion topics and themes in relation to the feedback received from employees included: workplace culture; leader communications; strategy, prioritisation and collaboration; talent attraction; onboarding and retention; personal and career development; technology and systems; and agile ways of working and decision-making.

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

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

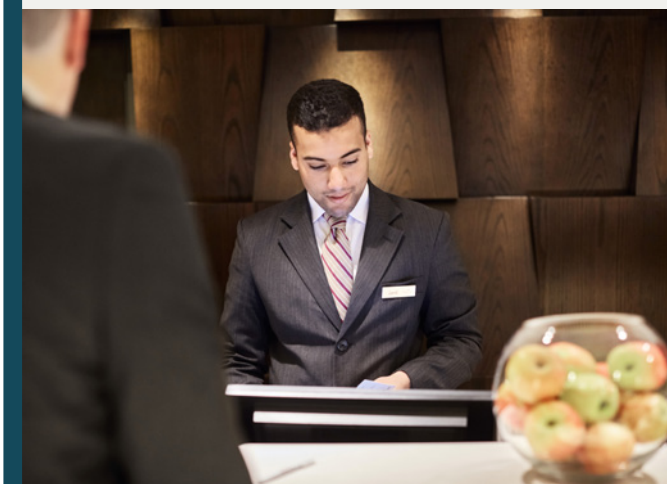
Insights and learnings

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

Plans for 2024

Duriya will remain as the Board member with responsibility for workforce engagement in 2024, assisted by additional NEDs.

A schedule of discussions and feedback sessions has been arranged for 2024 and will continue to encompass a wide group of employees and leaders from across all regions, including ERGs, Lean In Circles and new starters. The discussion topics will be tailored to specifically focus on those areas that support the strategy. Additionally, the Board will continue to keep the functioning of the Voice of the Employee programme under review to ensure it meets best practice and complies with regulatory developments.



Nomination Committee Report

Deanna Oppenheimer
Chair of the
Nomination Committee



Highlights

- Successful execution of Board succession planning with the new appointments of Elie Maalouf as CEO, Angie Risley as Remuneration Committee Chair Designate and Ron Kalifa as Non-Executive Director, maintaining an appropriate balance of skills and enhancing Board diversity.
- The Board remains well positioned to provide constructive challenge, strategic guidance and offer appropriate advice to the Group's management as it looks to deliver on the Group's refreshed strategy.
- Oversaw the completion of the external Board and Committee evaluation process.
- Remained focused on succession planning at the Executive Committee and senior management level.

Key duties and role of the Committee

Key objectives and summary of responsibilities

The Committee reviews the composition of the Board and its Principal Committees, evaluating the balance of skills, experience, independence, knowledge and diversity requirements before making appropriate recommendations to the Board as to any changes. It also ensures plans are in place for orderly succession both for Directors and other senior executives, and is responsible for reviewing the Group's senior leadership needs.

The Committee's role, responsibilities and authority delegated to it by the Board, including processes in relation to appointments, are set out in its Terms of Reference (ToR), which are reviewed annually and approved by the Board. The ToR state that the Committee is responsible for considering potential candidates for appointment to the Board based on merit, cognitive and personal strengths with due regard for the benefits of diversity, including gender and social, ethnic and geographic backgrounds.

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

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

- assessing the composition of the Board and the Principal Committees and succession planning, including consideration of gender balance and ethnic and geographical diversity, in accordance with the ToR and consistent with the Group's Global Diversity, Equity, Inclusion and Equal Opportunities Policy (DE&I Policy);
- engaging with external search consultancies and making recommendations on appointments to the Board;
- overseeing the external performance evaluation of the Board and its Principal Committees as well as the evaluation of individual Non-Executive Directors; and
- monitoring the Executive Committee and senior leadership talent and succession planning.

Membership and attendance at meetings

The Committee's membership and attendance at meetings are available on page 96. All members of the Committee are Non-Executive Directors. When the Committee considers matters relating to the Chair of the Nomination Committee position, the Senior Independent Non-Executive Director (SID) acts as Committee Chair.

Reporting to the Board

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

Effectiveness of the Committee and External Evaluation

During 2023, the Committee was reviewed as part of the external Board evaluation process. Details of the external evaluation, including how it was conducted, the nature and extent of the evaluator's contact with the Board and the actions arising from the evaluation, are set out on pages 104 to 106. The Committee concluded that it remains effective and succeeds at ensuring that the right number and mix of directors with appropriate core skills are brought onto the Board. Succession planning at Executive Committee and senior management level was identified as an area for continued focus.

Focus areas and activities

Executive Director succession planning

An overview of the CFO succession process, following which Michael Glover was appointed as CFO, was included in last year's Nomination Committee Report on page 113 of the Company's Annual Report and Form 20-F 2022.

During 2023, the Committee oversaw the CEO succession process and the appointment of Elie Maalouf as CEO.

The Committee explored both internal and external candidates for the CEO role. A desktop review of possible external candidates was conducted by Spencer Stuart; the Chair also met with members of the Executive Committee to assess career aspirations and CEO capabilities. The Committee considered in particular the relative merits of internal and external candidates.

Following the interview process, including a presentation by Elie Maalouf to, and discussion with, all Non-Executive Directors, the Committee concluded that it should recommend to the Board the appointment of Elie as CEO.

The Committee also oversaw induction plans for both Michael and Elie in respect of their new roles. Further details of the induction plans are provided on page 104.

Board and Principal Committee composition and succession planning

The Committee continued to maintain and review throughout the year a Board skills matrix and a Board refreshment schedule, which track the skills, competencies and experiences of the Board members and provide an overview of the Board's tenure, gender, ethnicity and Committee assignment considerations. These helped to inform future Board appointments and rotations.

Using this resource, and in anticipation of Jo Harlow reaching a nine-year term during the year, the Committee led the process to recruit a new Remuneration Committee Chair.

In addition, the Committee determined that the Board would benefit from recent CEO experience and further expertise in the technology and digital sector. Accordingly, the Committee initiated a search for an additional Non-Executive Director to meet this profile.

Spencer Stuart was engaged in connection with the Remuneration Committee Chair search (as well as the CEO succession) and Heidrick & Struggles was engaged in connection with the other Non-Executive Director search. Neither Spencer Stuart nor Heidrick & Struggles has any other connection with the Company or any individual Directors.

With regard to both searches, desktop reviews were conducted to identify suitable candidates for the roles. Shortlisted candidates met with various members of the Board and management as relevant, with assessments being made on the appropriate competencies, functional experience, cultural characteristics and consideration of candidates' other commitments in line with the provisions of the UK Corporate Governance Code.

Following completion of an interview process and reference and background checks, the Committee recommended to the Board the appointment of Angie Risley as Non-Executive Director and Chair Designate of the Remuneration Committee, which was approved by the Board with effect from 1 September 2023.

Likewise, following similar completion of an interview process and reference and background checks, the Committee recommended to the Board the appointment of Ron Kalifa as Non-Executive Director, which was approved by the Board with effect from 1 January 2024.

Executive Committee talent and succession

Throughout the year, the Committee also received updates on talent and succession planning at Executive Committee and senior leadership levels, noting in particular progress against DE&I objectives.

Information on the gender and ethnicity balance of the Board and the Executive Committee is included on page 99. Information on the gender and ethnicity balance of senior management is included on pages 30 and 31.

The Group's DE&I Policy applies in respect of the Board and its Principal Committees. The DE&I Policy aims to create a diverse culture and support diversity and inclusion. When assessing and considering succession planning at Board and Executive Committee levels, the Committee takes diversity considerations into account consistent with the DE&I Policy. The DE&I Policy aligns to the Group's responsible business commitments and a description of progress against these commitments is included in the 2023 DE&I Progress Report, available at [ihgplc.com/Responsible Business](https://ihgplc.com/Responsible-Business) under Reporting.

Looking forward

In 2024, the Committee will continue to ensure that we have appropriate plans in place for orderly succession of appointments to the Board and to senior management, so that an appropriate balance of skills, experience, knowledge and diversity is maintained.

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.

Table of contents

119	At a glance	123	Remuneration at IHG – the wider context
122	Our approach to remuneration – link to strategy	125	Remuneration Committee details

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:

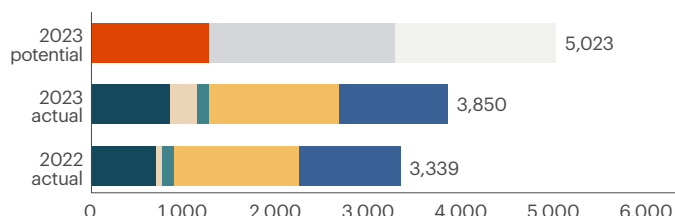
- Elie Maalouf's 2023 figures are a combined total based on his CEO, Americas role for the 1 January to 30 June period and Group CEO role for the 1 July to 31 December period.
- For Michael Glover, we have not shown 2022 figures as he was promoted to the Board on 20 March 2023 and was not an Executive 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

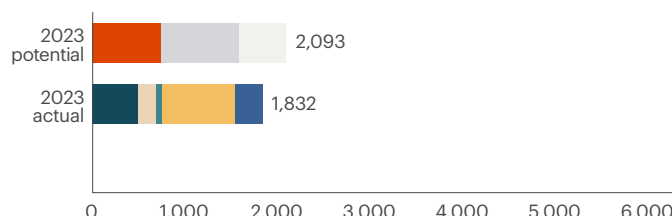
Elie Maalouf, Chief Executive Officer

Value (£000)



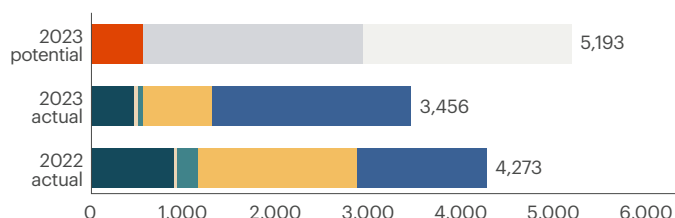
Michael Glover, Chief Financial Officer

Value (£000)



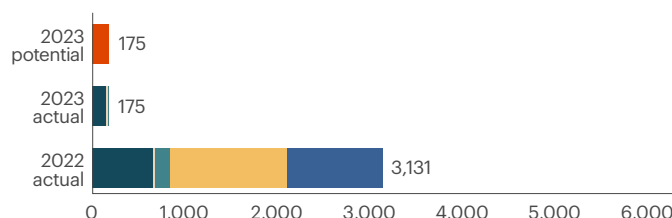
Keith Barr, Former Chief Executive Officer

Value (£000)



Paul Edgecliffe-Johnson, Former Chief Financial Officer

Value (£000)



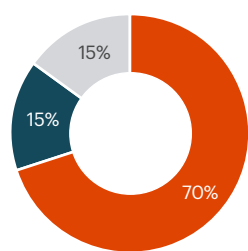
Directors' Remuneration Report continued

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



- Operating profit from reportable segments
- Room signings
- Room openings

Operating profit from reportable segments (\$m)

Threshold	Target	Maximum
864.0	960.0	1,056.0
Actual 1,026.6		

Room signings (k rooms)

Threshold	Target	Maximum
71.9	79.9	87.9
Actual 79.2		

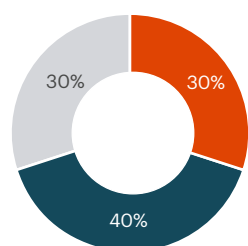
Room openings (k rooms)

Threshold	Target	Maximum
46.7	51.9	57.0
Actual 47.9		

2023 APP achievement
(% of maximum)

81.8%

Measures used for LTIP



- Total Shareholder Return
- Net system size growth
- Absolute cash flow

Relative Total Shareholder Return (%)

Threshold	Maximum
41.6	83.4
Actual 47.1	

Relative net system size growth (%)

Threshold	Maximum
2.6	5.1
Actual 3.42	

Absolute cash flow (\$bn)

Threshold	Maximum
1.06	1.41
Actual 2.81	

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)						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: <ul style="list-style-type: none"> • room signings (15% weighting); and • room openings (15% weighting).
	Annual Performance Plan (deferred shares)							
	Long Term Incentive Plan (LTIP)						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: <ul style="list-style-type: none"> • 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: <ul style="list-style-type: none"> 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	Why we do it	How we make it happen
Provide True Hospitality for Good	To be the hotel company of choice for guests and owners	 Relentless focus on growth  Leading commercial engine  Brands guests and owners love  Care for our people, communities and planet

Element	Measures and weightings	Link to strategy	Explanation
Annual Performance Plan (APP)	Operating profit from reportable segments (70%)	  	<ul style="list-style-type: none"> The strength and breadth of our portfolio, tailored services and solutions, as well as our technology and platforms drive consumer preference, owner returns and rooms growth; all contributing to our revenues and profit.
	Room signings (15%)	 	<ul style="list-style-type: none"> 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.
	Room openings (15%)	  	<ul style="list-style-type: none"> 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.
Long Term Incentive Plan (LTIP)	Relative Total Shareholder Return (20%)	  	<ul style="list-style-type: none"> Our strategy is intended to deliver unmatched guest experiences and unrivalled owner returns for our stakeholders, including competitive total shareholder returns.
	Relative net system size growth (20%)		<ul style="list-style-type: none"> 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.
	Absolute cash flow (20%)	  	<ul style="list-style-type: none"> 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.
	Environmental, social and governance (20%)	   	<ul style="list-style-type: none"> 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%)	 	<ul style="list-style-type: none"> 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.

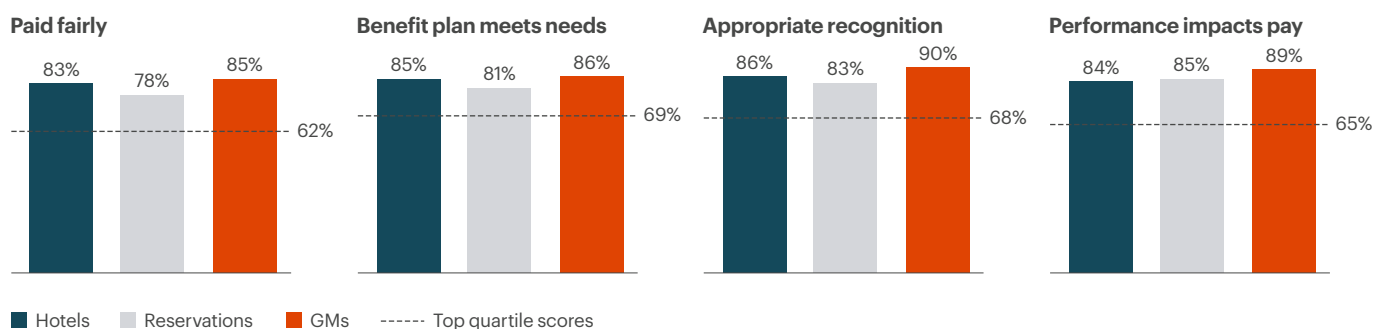
Directors' Remuneration Report continued

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-ratio 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:

AGM	Directors' Remuneration Policy (binding vote)			Directors' Remuneration Report (advisory vote)		
	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

Executive Directors	Year	Fixed pay				Variable pay				Total £000
		Salary £000	Benefits £000	Pension benefit £000	Subtotal £000	APP £000	LTIP £000 ^a	Subtotal £000	Other £000 ^f	
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.

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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.

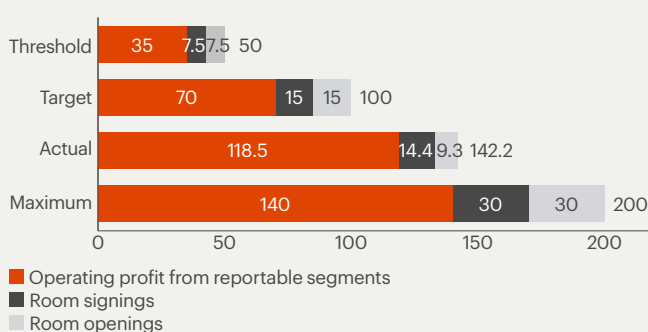
APP outcome for 2023

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%	
Target	\$960m	100%	
Actual	\$1,026.6m	169.3%	70% 118.5%
Maximum	\$1,056m	200%	
Room signings (k rooms)			
Threshold	71.9	50%	
Actual	79.2	95.7%	15% 14.4%
Target	79.9	100%	
Maximum	87.9	200%	
Room openings (k rooms)			
Threshold	46.7	50%	
Actual	47.9	62.1%	15% 9.3%
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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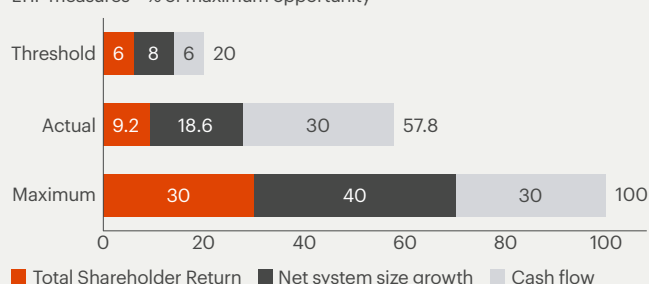
LTIP outcome for 2021/23 cycle

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		Result	Achievement (% of maximum)	Weighted achievement
	Target	% Vesting			
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.

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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.

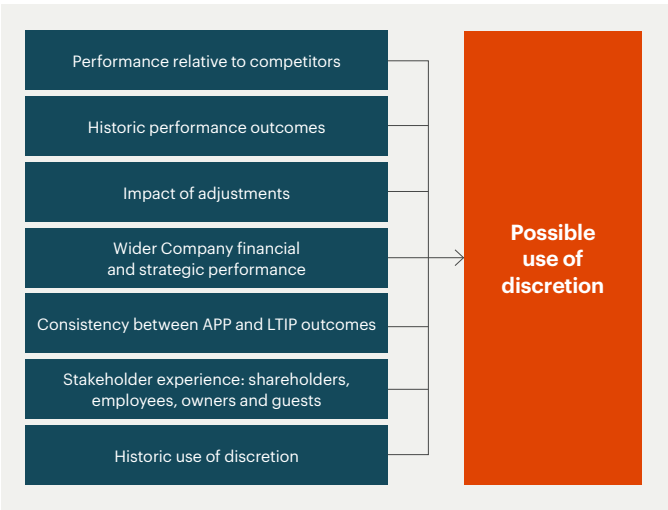
Directors' Remuneration Report continued

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.		

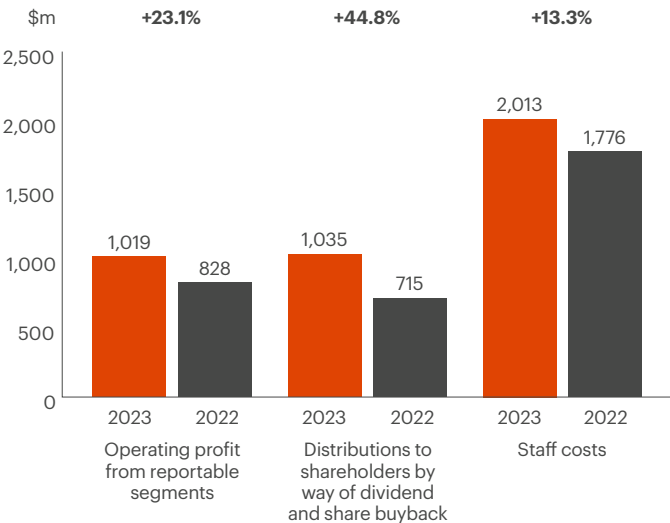
Consideration of discretion

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.

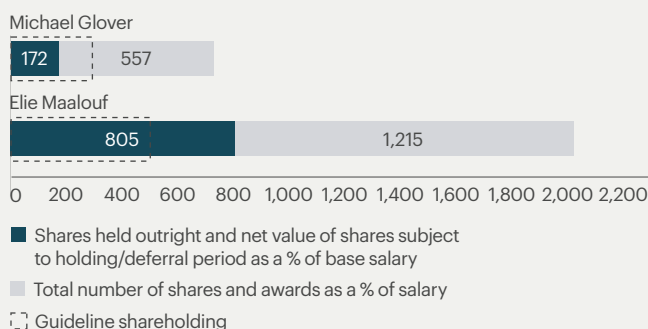
■ Guideline Executive Director shareholding requirement

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.

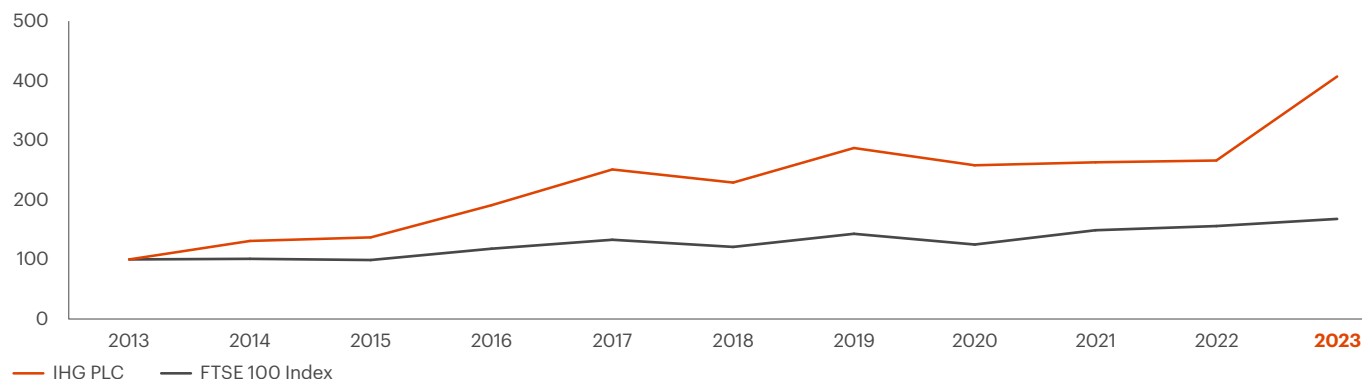
Dividends are payable on vested shares held outright, including those subject to a post-vest holding period, and deferred APP shares.

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.

Year	Method	Full population			Population excluding hotel employing entities		
		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

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Single total figure of remuneration: Non-Executive Directors

Non-Executive Director	Committee appointments	Date of original appointment	Fees £000		Taxable benefits £000		Total Rounded to the nearest £000	
			2023	2022	2023	2022	2023	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 ^a	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	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	<p>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).</p> <p>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.</p> <p>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.</p> <p>4. Talent interventions Impact of our Journey to GM, Career Insights and RISE Talent programmes.</p>	20% (5% each)	<p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>For each of the above performance objectives, 20% of the element vests at threshold achievement and 100% of the element vests at maximum achievement.</p>
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

Statement of compliance

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

This should be read in conjunction with the Strategic Report on pages 2 to 88, and Governance, including the Directors' Remuneration Report, on pages 89 to 140, as a whole.

The Board considers that the Group has complied in all material respects with the Code's provisions for the year ended 31 December 2023, save as noted below in section 5 P (Remuneration policies and practices) in respect of provision 38.

1. Board Leadership and Company Purpose

A. The role of the Board

The Board continues to lead the Group's strategic direction and long-term objectives. Further responsibilities of the Board are set out on page 100.

The Board met eight times during 2023 and all Directors continue to act in what they consider to be the best interests of the Company, consistent with their statutory duties. Further details of 2023 Board meetings, including information on matters discussed and decisions taken by the Board, are set out on pages 101 to 103; attendance information is on page 96; and skills and experience and biographical information is on pages 92 to 95.

A description of IHG's business model is set out on pages 10 to 13. An assessment of the principal risks facing the Group is included on pages 42 to 49.

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

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

B. The Company's purpose, values and strategy

Our purpose is to provide True Hospitality for Good. A description of our culture, including an overview of our values and information on how the Board ensures alignment between our purpose, values and strategy and our culture, is included on pages 38 to 41. A summary of the Board's activities in relation to the Voice of the Employee is included on page 113. Information on the Group's approach to rewarding its workforce is contained on pages 29 to 30 and 123 and 124.

C. Resources

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

Information on the Group's key performance indicators, including the measures used to monitor them, is included on pages 60 to 63.

A summary of the procedures for identifying and discussing emerging risks is set out on pages 42 to 49.

D. Shareholders and stakeholders

The Board engaged actively throughout 2023 with shareholders and other stakeholders. The Chair held a number of meetings with major institutional shareholders to discuss the role of the Board and other general governance issues, following which the Chair ensured that their views were communicated to the Board as a whole. The (then) Chair of the Remuneration Committee also engaged extensively with shareholders during the year. Further details are on page 125.

Information on the Board's consideration of and engagement with other stakeholders, including employees, suppliers, hotel owners and guests, is included on pages 36 and 37.

E. Workforce policies and practices

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

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

2. Division of Responsibilities

F. The Chair

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

G. Board composition

The size and composition of the Board and its Committees are kept under review by the Nomination Committee to ensure the appropriate combination of Executive and Non-Executive Directors. Details of the composition of the Board and Committees are available on pages 92 to 96.

At least half of the Board, excluding the Chair, are Independent Non-Executive Directors. Provision 10 of the Code considers the independence of Non-Executive Directors and circumstances that might impair their independence, including holding office for over nine years. Jo Harlow reached a nine-year tenure in September 2023, before retiring from the Board on 31 December 2023. In light of Jo's role as Chair of the Remuneration Committee, the Board considered a slight extension to her nine-year tenure as appropriate to facilitate an orderly transition to Angie Risley, who succeeded Jo as Chair of the Remuneration Committee from 1 January 2024.

The Board carefully considered Jo's contributions and commitments in light of her extended tenure, and concluded that she remained independent.

H. Non-Executives

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

The commitments of each Director are included in the Directors' biographical details on pages 92 to 95. Details of Non-Executive Director appointment terms are set out on page 125.

The Chair annually reviews the time each Non-Executive Director dedicates to IHG as part of the performance evaluation of Directors (see page 106) and is satisfied that their other duties and time commitments do not conflict with those as Directors.

Graham Allan is the Senior Independent Non-Executive Director (SID). The SID provides a sounding board for the Chair and serves as an intermediary for the other Directors and shareholders. Graham also led the annual performance review of the Chair (see page 106).

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

Statement of compliance continued

I. Policies, processes, information and resources

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

3. Composition, Succession and Evaluation

J. Appointments

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

The Nomination Committee also supports the Board in succession planning for the Board and senior management. Further details of the role of the Nomination Committee and what it did in 2023 are in the Nomination Committee Report on pages 114 and 115.

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

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

K. Skills

Details of the skills, experience and biographical information of the Board are set out on pages 92 to 95.

The Chair and Company Secretary ensure that new Directors receive a full induction, and that all Directors continually update their skills and have the requisite knowledge and familiarity with the Group to fulfil their role (see page 104).

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

L. Annual evaluation

The Board undertakes either an internal or external annual Board effectiveness evaluation. In 2023, the Board undertook an external evaluation. Details of the process and results of the evaluation are included on pages 104 to 106.

Performance evaluations of Directors, including the Chair, are also carried out on an annual basis. Directors' biographies are set out on pages 92 to 95, and details of performance evaluations carried out in 2023 are on page 106.

4. Audit, Risk and Internal Control

M. Audit functions

The Audit Committee is comprised entirely of Independent Non-Executive Directors (see page 96 for membership details).

Byron Grote, the Audit Committee's Chair, has recent and relevant financial experience, and the Committee as a whole has competence relevant to the sector in which we operate. Details of the Committee's role, responsibilities and activities are set out on pages 107 to 111.

The Audit Committee reviewed the effectiveness of the Group's Internal Audit function and also assessed PricewaterhouseCoopers LLP's performance during 2023, including its independence, effectiveness and objectivity. Details of these reviews are set out in the Audit Committee Report on pages 107 to 109.

N. Assessment of the Company's position and prospects

The Statement of Directors' Responsibilities (including the Board's statement confirming that it considers that the Annual Report and Form 20-F, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position, performance, business model and strategy) is set out on page 144.

The status of IHG as a going concern is set out in the Directors' Report on page 241. An explanation of the Group's performance, business model, strategy and the risks and uncertainties relating to IHG's prospects, including the viability of the Group, is set out in the Strategic Report on pages 2 to 88.

O. Risk management

The Board determines the nature and extent of the principal risks the organisation is willing to take to achieve its strategic objectives. The Board completed an assessment of the principal and emerging risks facing the Group during the year, including those risks that would threaten the Group's business model, future performance, solvency or liquidity and reputation (see pages 42 to 49 for further details of the principal risks). The Board and Audit Committee monitor the Group's risk management and internal controls systems and conduct an annual review of their effectiveness. Throughout the year, the Board has directly, and through delegated authority to the Executive Committee and the Audit Committee, overseen and reviewed all material controls, including financial, operational and compliance controls. See pages 42 to 49 and 107 to 109.

5. Remuneration

P. Remuneration policies and practices

The Remuneration Committee is responsible for developing policy on executive remuneration and determining remuneration packages of Directors and senior management. The Directors' Remuneration Report is set out on pages 116 to 140. Details of the Remuneration Committee's focus areas during 2023 are set out on page 125 and its membership details are on pages 96 and 118.

Provision 38 of the Code states that pension contribution rates for executive Directors should be aligned with those available to the workforce. As explained in the Annual Report and Form 20-F 2019, this was to be the case for new UK appointments and (then) existing UK Executive Directors from January 2023. US retirement benefit arrangements differ in a number of ways from the UK and include a Deferred Compensation Plan for senior employees.

Given the importance of the CEO, Americas' role to the business and the market competitiveness concerns over Executive Director pay, the arrangements as they related to Elie Maalouf in his role as CEO, Americas were maintained up to the end of his tenure in that role on 30 June 2023. With effect from 1 July 2023, Elie was promoted to Group CEO and transferred to a UK pension basis. As such, effective from 1 July 2023, the pension arrangements for Executive Directors are now in line with Provision 38 of the Code. Further details can be found on pages 123 and 126.

Q. Procedure for developing policy on executive remuneration

Details of how the Directors' Remuneration Policy (DR Policy) was implemented in 2023 are set out on pages 128 to 137.

During 2023, no individual Director was involved in deciding his or her own remuneration outcome.

R. Independent judgement and discretion

The Remuneration Committee has formal discretions in place in relation to outcomes under the Deferred Award Plan rules, and these are disclosed as part of the DR Policy. When determining outcomes under incentive plans, the Committee considers whether it is appropriate to adjust outcomes under these discretions, taking account of the Group's performance, relative performance against competitors and other relevant factors. Information on the Remuneration Committee's consideration of the use of discretion during 2023 is set out on page 132.

Group Financial Statements

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Statement of Directors' Responsibilities

Financial Statements and accounting records

The Directors are required to prepare the Annual Report and Form 20-F and the Financial Statements for the Company and the Group at the end of each financial year in accordance with applicable law and regulations. Under company law, directors must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group and the profit or loss of the Group for that period. The Directors have prepared the Consolidated Financial Statements in accordance with UK-adopted international accounting standards and International Financial Reporting Standards ('IFRSs') issued by the International Accounting Standards Board ('IASB'). The Company Financial Statements have been prepared in accordance with UK accounting standards, comprising Financial Reporting Standard 101 'Reduced Disclosure Framework' ('FRS 101'), and applicable law.

In preparing these Financial Statements, IHG Directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable;
- state whether the Consolidated Financial Statements have been prepared in accordance with UK-adopted international accounting standards;
- state for the Company Financial Statements whether applicable UK accounting standards, comprising FRS 101, have been followed; and
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Company and the Group will continue in business.

The Directors have responsibility for ensuring that the Company and the Group keep adequate accounting records sufficient to show and explain the Company's and the Group's transactions, and which disclose with reasonable accuracy the financial position of the Company and the Group to enable them to ensure that the Financial Statements and the Directors' Remuneration Report comply with the Companies Act 2006.

The Directors are also responsible for the system of internal control, for safeguarding the assets of the Company and the Group, and taking reasonable steps to prevent and detect fraud and other irregularities.

Disclosure Guidance and Transparency Rules

The Board confirms that to the best of its knowledge:

- The Consolidated Financial Statements have been prepared in accordance with UK-adopted international accounting standards, and IFRSs as issued by the IASB, and give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group taken as a whole;
- The Company Financial Statements have been prepared in accordance with UK accounting standards, comprising FRS 101, and give a true and fair view of the assets, liabilities and financial position of the Company; and
- The Annual Report, including the Strategic Report, includes a fair review of the development and performance of the business and the position of the Company and the Group taken as a whole, together with a description of the principal risks and uncertainties that it faces.

UK Corporate Governance Code

Having taken advice from the Audit Committee, the Board considers that this Annual Report and Form 20-F, taken as a whole, is fair, balanced and understandable and that it provides the information necessary for shareholders to assess the Company's and the Group's position and performance, business model and strategy.

Disclosure of information to Auditor

The Directors who held office as at the date of approval of this report confirm that they have taken steps to make themselves aware of relevant audit information (as defined by Section 418(3) of the Companies Act 2006). None of the Directors are aware of any relevant audit information that has not been disclosed to the Company's and Group's Auditor.

Management's report on internal control over financial reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting for the Group, as defined in Rule 13a-15(f) and 15d-15(f) under the Securities Exchange Act of 1934 as a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRSs.

The Group's internal control over financial reporting includes policies and procedures that:

- pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the Group's transactions and dispositions of assets;
- are designed to provide reasonable assurance that transactions are recorded as necessary to permit the preparation of the Consolidated Financial Statements in accordance with UK-adopted international accounting standards and IFRSs as issued by the IASB, and that receipts and expenditure are being made only in accordance with authorisation of management and the Directors of the Company; and
- provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use or disposition of the Group's assets that could have a material effect on the Consolidated Financial Statements.

Any internal control framework has inherent limitations and internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or the degree of compliance with the policies or procedures may deteriorate.

Management has undertaken an assessment of the effectiveness of the Group's internal control over financial reporting at 31 December 2023 based on criteria established in the Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 Framework).

Based on this assessment, management has concluded that as at 31 December 2023 the Group's internal control over financial reporting was effective.

During the period covered by this document there were no changes in the Group's internal control over financial reporting that have materially affected or are reasonably likely to materially affect the effectiveness of the internal controls over financial reporting.

The Group's internal control over financial reporting at 31 December 2023, together with the Group's Consolidated Financial Statements, were audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm. Their auditor's report can be found on page 151.

For and on behalf of the Board



Elie Maalouf
Chief Executive Officer
19 February 2024



Michael Glover
Chief Financial Officer
19 February 2024