

Notice of Annual General Meeting of InterContinental Hotels Group PLC

to be held at:
IHG, Broadwater Park, North Orbital Road,
Denham, Buckinghamshire UB9 5HR
at 11.00am on Thursday, 7 May 2020

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

Please read the accompanying Chair's letter carefully, as it contains important information on the arrangements for this year's Annual General Meeting.

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

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

A Form of Proxy for the Annual General Meeting (the 'AGM') of the Company is enclosed and, to be valid, should be completed, signed and returned so as to reach the Company's Registrar, Equiniti, at Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA by no later than 11.00am on Tuesday, 5 May 2020 (or, if the AGM is adjourned, 48 hours before the time of the adjourned AGM

(excluding any UK non-working days)). Completion and return of the Form of Proxy will not prevent you from attending the AGM and voting in person, should you so wish.

Electronic Proxy Appointment is available for this AGM. This facility enables shareholders to lodge their proxy appointment by electronic means through the Registrar's website at www.sharevote.co.uk or, for those who hold their shares in CREST, through the CREST electronic proxy appointment service. Further details are set out in the notes to this document.

At the AGM itself, the votes will be taken by poll rather than on a show of hands. The results of the polls will be announced as soon as practicable and will appear on the Company's website at www.ihgplc.com/investors under Shareholder centre in the AGMs and meetings section.

Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting ('AGM') of InterContinental Hotels Group PLC (the 'Company') will be held at IHG, Broadwater Park, North Orbital Road, Denham, Buckinghamshire UB9 5HR on Thursday, 7 May 2020 at 11.00am, or at any adjournment thereof, for the following purposes:

Resolutions

To consider and, if thought fit, to pass the following resolutions, of which numbers 1 to 9 will be proposed as ordinary resolutions and numbers 10 to 14 as special resolutions. Explanations of certain resolutions are given on pages 5 to 7 of this Notice of AGM.

1. Report and Accounts 2019

THAT the Company's financial statements, together with the Directors' and the Auditor's Reports for the year ended 31 December 2019, be received.

2. Directors' Remuneration Policy

THAT the Directors' Remuneration Policy set out on pages 110 to 117 of the Company's Annual Report and Form 20-F 2019 be approved.

3. Directors' Remuneration Report 2019

THAT the Directors' Remuneration Report for the year ended 31 December 2019, set out on pages 96 to 109 of the Company's Annual Report and Form 20-F 2019 be approved.

4. Election and re-election of Directors

As separate resolutions, THAT (a) Arthur de Haast be elected; and (b) Keith Barr, (c) Anne Busquet, (d) Patrick Cescau, (e) Ian Dyson, (f) Paul Edgecliffe-Johnson, (g) Jo Harlow, (h) Elie Maalouf, (i) Luke Mayhew, (j) Jill McDonald and (k) Dale Morrison be re-elected as Directors of the Company.

5. Reappointment of Auditor

THAT Ernst & Young LLP be reappointed as the Auditor of the Company to hold office until the conclusion of the next General Meeting at which accounts are laid before the Company.

6. Remuneration of Auditor

THAT the Audit Committee of the Board be authorised to determine the Auditor's remuneration.

7. Political donations

i THAT the Company, and those companies which are subsidiaries of the Company at any time during the period for which this resolution has effect, be authorised for the purposes of Part 14 of the Companies Act 2006 (the '2006 Act'), during the period from the date of the passing of this resolution until the conclusion of the Company's AGM in 2021 or the close of business on 1 July 2021, whichever is the earlier:

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

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

(c) to incur political expenditure;

provided that the aggregate amount of any such donations and expenditure made by the Company or any subsidiary shall not exceed £100,000;

ii THAT all existing authorisations and approvals relating to political donations or expenditure are hereby revoked without prejudice to any donation made or expenditure incurred prior to the date hereof pursuant to such authorisations or approvals; and

iii THAT words and expressions defined for the purposes of the 2006 Act shall have the same meaning for the purposes of this resolution.

8. Amendment of Long Term Incentive Plan Rules

THAT, subject to the passing of Resolution 2, the amendments to rule 4.1 of the rules of the Company's existing Long Term Incentive Plan (the 'LTIP Rules') which increase the limit on the aggregate of the market value of Shares or the amount of cash over which Awards have been made in any financial year to an Employee from 3 times Salary to 3.5 times Salary as at the Award Date, be approved and adopted by the Company, and the Directors be authorised to do all such acts and things necessary to give effect to these amendments. A copy of the draft amended LTIP Rules will be produced to the meeting and a summary of the changes is contained in the explanation below. Words and expressions defined for the purposes of the LTIP Rules shall have the same meaning for the purposes of this resolution.

9. Allotment of shares

i THAT the Directors be and are hereby generally and unconditionally authorised pursuant to, and in accordance with, Section 551 of the 2006 Act to exercise all powers of the Company to allot shares in the Company and to grant rights to subscribe for, or to convert any security into, shares in the Company:

(a) up to an aggregate nominal amount of £12,695,910; and

(b) comprising equity securities, as defined in Section 560 of the 2006 Act, up to an aggregate nominal amount of £12,695,910 (including within such limit any shares issued or rights granted under paragraph (a) above) in connection with an offer by way of a rights issue to:

(1) holders of ordinary shares in the Company in proportion, as nearly as may be practicable, to their existing holdings; and

(2) holders of other equity securities as required by the rights of those securities or, if the Directors consider it necessary, as permitted by the rights of those securities; and so that the Directors may impose any limits or restrictions and make any arrangements which they consider necessary or appropriate to deal with treasury shares, fractional entitlements, record dates, shares represented by depositary receipts, legal, regulatory or practical problems under the laws of, or the requirements of, any recognised regulatory body or any stock exchange in any territory or any other matter whatsoever.

This authority shall hereby take effect from the date of the passing of this resolution until the conclusion of the Company's AGM in 2021, or the close of business on 1 July 2021, whichever is the earlier, provided that, in each case, the Company may, before this authority expires, make offers and enter into agreements which would, or might, require shares in the Company to be allotted or rights to subscribe for or convert any security into shares to be granted after this authority expires and the Directors may allot shares in the Company or grant rights under any such offer or agreement as if this authority had not expired;

ii THAT subject to paragraph iii below, all existing authorities given to the Directors pursuant to Section 551 of the 2006 Act by way of the ordinary resolution of the Company passed on Friday, 3 May 2019 be revoked by this resolution; and

iii THAT paragraph ii above shall be without prejudice to the continuing authority of the Directors to allot shares or grant rights to subscribe for, or convert any security into, shares pursuant to an offer or agreement made by the Company before the expiry of the authority pursuant to which such offer or agreement was made.

Notice of Annual General Meeting continued

10. Disapplication of pre-emption rights

THAT, subject to the passing of Resolution 9 above, and in place of the power given to them pursuant to the special resolution of the Company passed on Friday, 3 May 2019, the Board be authorised to allot equity securities (as defined in the 2006 Act) for cash under the authority given by Resolution 9 and/or to sell ordinary shares held by the Company as treasury shares for cash as if section 561 of the 2006 Act did not apply to any such allotment or sale, such authority to be limited:

- i to the allotment of equity securities in connection with an offer of equity securities (but in the case of the authority granted under Resolution 9i(b), by way of a rights issue only) to or in favour of:
 - (a) holders of ordinary shares in the Company in proportion, as nearly as may be practicable, to their existing holdings; and
 - (b) holders of other equity securities, as required by the rights of those securities or, if the Directors consider it necessary, as permitted by the rights of those securities; and so that the Directors may impose any limits or restrictions and make any arrangements which they consider necessary or appropriate to deal with treasury shares, fractional entitlements, record dates, shares represented by depositary receipts, legal, regulatory or practical problems under the laws of, or the requirements of, any recognised regulatory body or any stock exchange in any territory or any other matter whatsoever; and
- ii to the allotment of equity securities or sale of treasury shares (otherwise than under paragraph (i) above) up to a nominal amount of £1,904,386,

such authority to expire at the end of the next AGM of the Company (or, if earlier, at the close of business on 1 July 2021), but, in each case, prior to its expiry the Company may make offers, and enter into agreements, which would, or might, require equity securities to be allotted (and treasury shares to be sold) after the authority expires and the Board may allot equity securities (and sell treasury shares) under any such offer or agreement as if the authority had not expired.

11. Further disapplication of pre-emption rights

THAT subject to the passing of Resolution 9, the Board be authorised, in addition to any authority granted under Resolution 10, to allot equity securities (as defined in the 2006 Act) for cash under the authority given by that resolution and/or to sell ordinary shares held by the Company as treasury shares for cash as if section 561 of the 2006 Act did not apply to any such allotment or sale, such authority to be:

- i limited to the allotment of equity securities or sale of treasury shares up to a nominal amount of £1,904,386; and
- ii used only for the purposes of financing (or refinancing, if the authority is to be used within six months after the original transaction) a transaction which the Board of the Company determines to be an acquisition or other capital investment of a kind contemplated by the Statement of Principles on Disapplying Pre-Emption Rights most recently published by the Pre-Emption Group prior to the date of this Notice of AGM, such authority to expire at the end of the next AGM of the Company (or, if earlier, at the close of business on 1 July 2021), but, in each case, prior to its expiry the Company may make offers, and enter into agreements, which would, or might, require equity securities to be allotted (and treasury shares to be sold) after the authority expires and the Board may allot equity securities (and sell treasury shares) under any such offer or agreement as if the authority had not expired.

12. Authority to purchase own shares

THAT the Company be and is hereby generally and unconditionally authorised for the purpose of Section 701 of the 2006 Act to make market purchases (within the meaning of Section 693(4) of the 2006 Act) of its ordinary shares on such terms and in such manner as the Directors think fit provided that:

- i the maximum aggregate number of ordinary shares hereby authorised to be purchased is 18,265,631;
- ii the minimum price which may be paid for each ordinary share is 20³⁴⁰/₃₉₉ pence per share, being the nominal value of an ordinary share;
- iii the maximum price (exclusive of all expenses) which may be paid for each ordinary share is an amount equal to the higher of:
 - (a) 105% of the average of the middle-market quotations of an ordinary share of the Company, as applicable, as derived from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which such share is contracted to be purchased; and
 - (b) the Stipulated Amount. In this resolution, "Stipulated Amount" means the amount stipulated by Regulatory Technical Standards adopted by the European Commission pursuant to Article 5(6) of the Market Abuse Regulation (EU) No.596/2014; and
- iv the authority hereby conferred shall take effect on the date of the passing of this resolution and shall expire on the conclusion of the Company's AGM in 2021, or at the close of business on 1 July 2021, whichever is the earlier (except in relation to the purchase of ordinary shares the contract for which was concluded before such date and which is executed wholly or partly after such date), unless such authority is renewed prior to such time.

13. Notice of General Meetings

THAT a General Meeting of the Company, other than an AGM, may be called on not less than 14 clear days' notice during the period from the date of the passing of this resolution to the date upon which the Company's AGM in 2021 concludes.

14. Adoption of new Articles of Association

THAT the new Articles of Association of the Company, produced to the Meeting and initialled by the Chair of the Meeting for the purpose of identification, be adopted as the Articles of Association of the Company, in substitution for, and to the exclusion of, the existing Articles of Association.

By order of the Board
Nicolette Henfrey
Company Secretary
1 April 2020

Registered in England and Wales
Registered Number:
5134420

Registered Office:
Broadwater Park
Denham, Buckinghamshire
UB9 5HR

Explanation of business

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

Resolution 2 Directors' Remuneration Policy

The Directors' Remuneration Policy sets out the Company's proposed policy on Directors' remuneration. The Company is required to seek shareholder approval of its Remuneration Policy. If approved by shareholders, the Remuneration Policy will be effective immediately after the conclusion of the AGM and will be subject to a binding shareholder vote by ordinary resolution at least every three years. The Remuneration Policy is binding in nature, which means that once the Remuneration Policy commences, all payment by the Company to current, former or future Directors (including termination payments) must be made in accordance with the Remuneration Policy unless separately approved by a shareholder resolution. If the Remuneration Policy is not approved for any reason, the Company will, if and to the extent permitted by the 2006 Act, continue to make payments to Directors in accordance with existing contractual arrangements and the remuneration policy approved by shareholders in 2017 would continue to apply. In that instance, the Company would seek shareholder approval for a revised policy as soon as reasonably practicable. Full details of the Directors' Remuneration Policy are set out on pages 110 to 117 of the Company's Annual Report and Form 20-F for the year ended 31 December 2019.

With regard to the implementation of the Remuneration Policy in 2020, the Company's Remuneration Committee ('Remuneration Committee') has resolved as follows in relation to the Company's Long Term Incentive Plan ('LTIP') 2020/22 cycle award.

The changes in the Remuneration Policy were designed to be fit for purpose for the three-year life of the policy, and the Remuneration Committee considers that the rationale for the changes set out in the Directors' Remuneration Report 2019 will continue to apply during the life of the policy. This includes the important reasons for increasing the maximum potential LTIP award to Executive Directors (from 205% to 350% for the Chief Executive Officer and 275% for other Executive Directors).

Given the circumstances arising as a result of the coronavirus outbreak, the 2% salary increase that had been agreed by the Remuneration Committee for 2020 and included in the Directors' Remuneration Report 2019 will not be implemented. In addition, on a temporary basis until conditions stabilise, the Executive Directors have volunteered to take a reduction in base salary and salary-related benefits from April 2020. The salary reduction for Executive Directors and other members of the Board will be 30%, with scaled salary reductions applying to the rest of the corporate employees.

The Remuneration Committee has also agreed that the LTIP 2020/22 cycle awards will be granted in line with the maximum opportunity of 205% set out in the current remuneration policy, rather than at the maximum under the new policy to apply from 2020. The shares granted will be calculated based on salary level prior to the voluntary reduction outlined above (and, for the avoidance of doubt, excluding the rescinded 2% salary increase for 2020). The Remuneration Committee will determine the maximum awards granted for future cycles in 2021 and 2022 based on the circumstances at the time.

In relation to the price at which the award will be granted, the Remuneration Committee has decided that it will follow the established historic and disclosed practice of using the Middle Market share price over the five business days immediately preceding the date of grant. This approach will be confirmed by the Remuneration Committee immediately before the award is made, so it can take into account any material changes in circumstances arising before the grant date. The grant date is scheduled to be in May 2020, following the AGM. When the LTIP 2020/22 cycle award vests, the

Remuneration Committee will, in accordance with its usual practice, consider whether it is appropriate to exercise its discretion to adjust the formulaic outcome, including taking into account the movement in share price between grant and vest dates, the underlying performance of the Company, and other relevant factors.

Save for the matters outlined above, the Remuneration Committee intends to implement all other elements of the Directors' Remuneration Policy, subject to it being approved by shareholders.

Page 113 of the Company's Annual Report and Form 20-F for the year ended 31 December 2019, a copy of which is reproduced as the Appendix to this Notice of AGM, describes the measures and target levels for the LTIP 2020/22 cycle award. As stated on that page, the Relative Net System Size Growth measure is to be subject to a Return on Capital Employed (ROCE) underpin. The Remuneration Committee has determined that the ROCE underpin level will be 20% for the LTIP 2020/22 cycle award.

Resolution 3 Directors' Remuneration Report 2019

The Directors' Remuneration Report set out on pages 96 to 109 of the Company's Annual Report and Form 20-F for the year ended 31 December 2019 sets out how the Directors' Remuneration Policy was implemented in 2019 and the resulting payments each of the Executive Directors received. The vote on the Directors' Remuneration Report is an annual requirement of the 2006 Act. In accordance with the 2006 Act, the vote on the Directors' Remuneration Report is advisory in nature, which means that payments made or promised to Directors will not have to be repaid, reduced or withheld in the event that this resolution is not passed. The Company's Auditor, Ernst & Young LLP, has audited those parts of the Directors' Remuneration Report that are required to be audited.

Resolutions 4(a) to 4(k) Election and Re-election of Directors

The Company's Articles of Association require annual retirement and re-election of Directors at the AGM. Arthur de Haast was appointed to the Board as a Non-Executive Director with effect from 1 January 2020 and is therefore seeking formal election for the first time. In reviewing the recommendations of the Nomination Committee concerning the election of Arthur de Haast as a Non-Executive Director, the Board concluded that he is independent in character and judgment and that his skills and experience in the hotels and hospitality sectors would benefit the Board. Accordingly, the Board unanimously recommends his election.

The Company announced on 1 April 2020 that Malina Ngai will retire from the Board with effect from the end of the AGM. Accordingly, Malina is not seeking re-election at the AGM.

All other Directors are retiring and seeking re-election at this AGM.

Christopher Saul Associates was appointed by the Company in 2019 to undertake an external evaluation of the Board and its Committees. The key conclusion of the review was the Board is well functioning and operates effectively. In addition, internal evaluations of each Director were undertaken in 2019. It was concluded that each Director continues to contribute effectively and to demonstrate commitment to the role including devoting the necessary time. Accordingly, the contribution of each Director seeking election or re-election is considered to be important to the Company's long-term success.

Each election and re-election will be put as a separate resolution. The Board believes that the proposed composition of the Board provides an appropriate balance of Executive Directors and independent Non-Executive Directors who collectively have the appropriate balance of skills, experience, independence and knowledge to enable the Board to discharge its duties and responsibilities effectively.

Explanation of business continued

The Board as a whole is fully committed to the successful development of the business, to meeting the Company's strategic objectives and to the delivery of shareholder value.

Biographies of all current Directors (including Arthur de Haast) are shown on pages 80 to 81 of the Company's Annual Report and Form 20-F for the year ended 31 December 2019 and on the Company's website at www.ihgplc.com/about-us under **Our leadership**.

The Board recommends that all Directors seeking election or re-election continue to serve as Directors of the Company¹.

Resolution 5 Political donations

It remains the policy of the Company not to make political donations or incur political expenditure. However, to avoid inadvertent infringement of the widely drafted relevant provisions of the 2006 Act, the Directors are seeking shareholders' authority for the Company and its UK subsidiaries to make political donations and to incur political expenditure, up to a maximum aggregate amount of £100,000 during the period from the date of this AGM until the conclusion of the Company's AGM in 2021 or the close of business on 1 July 2021, whichever is the earlier.

Neither the Company nor any of its subsidiaries made any political donations during the year and the Company proposes to maintain its policy of not making such payments.

Resolution 8 Amendment of Long Term Incentive Plan Rules

The Company's existing Long Term Incentive Plan (the LTIP) has been in operation since 2014. In order to align the LTIP with the proposed Directors' Remuneration Policy (which is being put to a shareholder vote at Resolution 2 above), the Company intends to increase the maximum annual individual limit applying to awards made to participants under the LTIP to 350% of basic salary. The proposed Directors' Remuneration Policy provides for a maximum award under the LTIP of up to 350% of salary for the CEO and up to 275% of salary for any other Executive Director. Rule 4.1 of the existing LTIP currently provides for a limit of 3 times salary in respect of the value of an award. Accordingly, subject to the passing of Resolution 2, it is proposed to amend rule 4.1 of the LTIP to accommodate the higher limit of the value of an award for a full cycle under the LTIP of up to 350% of salary.

As at the date of this Notice of AGM, the Company's Registered Office is closed. Accordingly a copy of the draft amended LTIP will be available to members for inspection on request. Requests should be sent by email to companysecretariat@ihg.com.

Resolution 9 Allotment of shares

The Investment Association's ('IA') guidelines state that IA members will permit, and treat as routine, (i) a request for authorisation to allot up to one-third of the current total issued share capital of the Company, together with the number of shares required to be allotted in respect of share incentive schemes; and (ii) a request for authorisation to allot up to a further one-third of the Company's current total issued share capital, provided that such additional allotment is only applied to fully pre-emptive rights issues. The Board considers it appropriate that the Company should follow these guidelines.

Accordingly, under Resolution 9(a), the Directors are seeking authority to allot shares and grant rights to subscribe for, or convert securities into, shares up to an aggregate nominal amount of £12,695,910 pursuant to Section 551 of the 2006 Act, which is equivalent to approximately one-third of the total issued share

capital of the Company (excluding treasury shares²) as at 27 March 2020, the latest practicable date prior to publication of this Notice of AGM ('Latest Practicable Date'). Under Resolution 9(b), the Directors are seeking authority to allot ordinary shares in connection with a rights issue in favour of ordinary shareholders up to a further aggregate nominal amount of £12,695,910, which is equivalent to approximately one-third of the total issued share capital of the Company (excluding treasury shares²) as at the Latest Practicable Date.

Therefore, the total authorisation sought by Resolution 9 is equal to approximately two thirds of the total issued share capital of the Company (excluding treasury shares) as at the Latest Practicable Date.

The Directors have no present intention of exercising this authority other than in connection with the Company's share incentive schemes, but they consider it desirable to have the maximum flexibility permitted by corporate governance guidelines. If such authority is exercised, the Directors intend to follow best practice with respect to its use as recommended by the IA.

This authority will expire on the conclusion of the Company's AGM in 2021 or at the close of business on 1 July 2021, whichever is the earlier.

Resolutions 10 and 11 Disapplication of pre-emption rights

The Directors consider it desirable to have the maximum flexibility permitted by corporate governance guidelines to respond to market developments and to enable allotments to take place to finance business opportunities without making a pre-emptive offer to existing shareholders. This cannot be done under the 2006 Act unless the shareholders have first waived their pre-emption rights. Resolutions 10 and 11 ask shareholders to grant this limited waiver. The resolutions will be proposed as special resolutions.

Resolution 10 contains a two-part waiver. The first is limited to the allotment of shares for cash in connection with a rights issue to allow the Directors to make appropriate exclusions and other arrangements to resolve legal or practical problems which, for example, might arise in relation to overseas shareholders. The second is limited to the allotment of shares for cash up to an aggregate nominal value of £1,904,386 (which includes the sale on a non-pre-emptive basis of any shares held in treasury), which represents approximately 5% of the total issued ordinary share capital as at 27 March 2020 (the Latest Practicable Date).

The waiver granted by Resolution 11 is in addition to the waiver granted by Resolution 10. It is limited to the allotment of shares for cash up to an aggregate nominal value of £1,904,386 (which includes the sale on a non-pre-emptive basis of any shares held in treasury), which represents a further 5% (approximately) of the total issued ordinary share capital as at 27 March 2020 (the Latest Practicable Date). This further waiver may only be used for an allotment of shares for cash for the purposes of financing (or refinancing, if the waiver is used within six months of the original transaction) a transaction which the Directors determine to be an acquisition or other capital investment of a kind contemplated by the Pre-Emption Group's March 2015 Statement of Principles.

This authority will expire on the conclusion of the Company's AGM meeting in 2021, or at the close of business on 1 July 2021, whichever is the earlier.

¹ As at the date of this Notice of AGM, the Company's Registered Office is closed. Accordingly copies of contracts of service or letters of appointment for each of the Directors will be available to members for inspection on request. Requests should be sent by email to companysecretariat@ihg.com.

² Treasury shares are shares in the Company which are owned by the Company itself. The Company, following purchase of its own shares, is able to hold such shares in treasury instead of cancelling them. Such shares may subsequently be resold for cash, transferred to an employee share scheme or cancelled. Any shares bought back by the Company and held in treasury will not rank for dividends and will not carry any voting rights. The Company's Articles of Association provide for dealing with treasury shares, including ensuring that the sale of treasury shares by the Company is subject to the same pre-emption rights (and exceptions) as the allotment of new shares. As at the Latest Practicable Date, the Company held 5,061,408 ordinary shares as treasury shares representing approximately 2.77% of the total issued share capital (excluding treasury shares).

Explanation of business continued

Resolution 12 Authority to purchase own shares

The Company is seeking authority to make market purchases of up to 18,265,631 of its own ordinary shares (being approximately 10% of its total issued share capital (excluding treasury shares²) as at the Latest Practicable Date. The maximum price (exclusive of expenses) which may be paid for each share shall be an amount equal to the higher of:

- (a) 105% of the average of the middle market quotations for an ordinary share in the Company derived from the London Stock Exchange Daily Official List for the five business days immediately prior to the day on which the share is contracted to be purchased; and
- (b) the amount stipulated by Regulatory Technical Standards adopted by the European Commission pursuant to Article 5(6) of the Market Abuse Regulation (EU) No.596/2014.

The minimum price (exclusive of expenses) per share shall be 20³⁴⁰/₃₉₉ pence, being the nominal value of an ordinary share.

This power would be used only after careful consideration by the Directors, having taken into account market conditions prevailing at that time, the investment needs of the Company, its opportunities for expansion and its overall financial position. The Directors would exercise this authority to purchase ordinary shares only if they considered it to be in the best interests of shareholders and if the purchase could be expected to result in an increase in earnings per share. The Company may either cancel any shares it purchases under this authority or transfer them into treasury.

At the Latest Practicable Date, there were no outstanding options to subscribe for ordinary shares in the Company.

This authority will expire on the conclusion of the Company's AGM in 2021, or at close of business on 1 July 2021, whichever is the earlier.

Resolution 13 Notice of General Meetings

Under the Companies (Shareholders' Rights) Regulations 2009 the notice period for General Meetings (other than AGMs) has been extended to not less than 21 clear days. The Company is able to preserve the authority to call a General Meeting, other than an AGM, on not less than 14 clear days' notice, provided shareholders have approved this by passing a special resolution annually. Accordingly, Resolution 13 is seeking to renew the authority granted at the AGM in 2019. The Company will give due consideration as to whether to use the reduced notice period for the calling of a General Meeting, as permitted by the passing of this resolution, and will not use it as a matter of routine but only where such flexibility is necessary. If this authority is used, the Company will comply with the requirement to provide appropriate facilities for shareholders to vote by electronic means at General Meetings held on less than 21 clear days' notice.

If given, this authority will be valid until the Company's AGM in 2021, whereby a similar resolution is intended to be proposed.

Resolution 14 Adoption of new Articles of Association

It is proposed that the Company adopts new Articles of Association with immediate effect, to provide more flexibility in convening shareholder meetings.

As at the date of this Notice of AGM, the Company's Registered Office is closed. Accordingly a copy of the full terms of the proposed amendments to the Articles of Association will be available to members for inspection on request. Requests should be sent by email to companysecretariat@ihg.com.

A summary of the main proposed amendments to the Articles of Association is presented below. Other changes which are of a minor, technical or clarifying nature have not been noted in this explanation.

1. Words and Expressions

It is proposed to replace the term 'finance leases' with the term 'leases' in the new Articles of Association, to reflect the implementation of IFRS 16 'Leases', which eliminates the classification of leases as either finance leases or operating leases.

2. Convening of General Meetings

The new Articles of Association incorporate provisions to allow for shareholders to attend and participate in shareholder meetings by electronic means.

3. Quorum at General Meetings

The new Articles of Association provide for a reduction to the quorum at general meetings from three members to two members present in person or by proxy and entitled to vote.

4. Postponement of General Meetings

The new Articles of Association provide that the Board may postpone or move a general meeting to another date and/or time and it may change the place of the meeting, if it considers that it is impracticable or unreasonable for a reason beyond its control to hold a general meeting on the date or at the time or place specified in the notice calling the general meeting.

5. Proceedings at General Meetings

The new Articles of Association allow the Board to make such arrangements as it considers to be appropriate for the purpose of ensuring the safety of those attending general meetings and ensuring the security of the meetings.

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

- 1 A member is entitled to appoint another person, who need not be a member, as his/her proxy to exercise all or any of his/her rights to attend, speak and vote at this AGM or any adjournment thereof. A member may appoint more than one proxy in relation to the AGM, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that member.
 - 2 A Form of Proxy is enclosed. To be valid, the Form of Proxy must be received by the Company's Registrar, Equiniti, by no later than 11.00am on Tuesday, 5 May 2020 or, if the AGM is adjourned, 48 hours before the time of the adjourned AGM (excluding any UK non-working days). The appointment of a proxy will not prevent a member from subsequently attending, speaking and voting at the AGM in person.
 - 3 If you wish, you may register the appointment of a proxy for this AGM electronically, by logging on to the Registrar's website at www.sharevote.co.uk where details of the procedure are shown. The Voting ID, Task ID and Shareholder Reference Number shown on your Form of Proxy will be required to complete the procedure. Electronic Proxy Appointment will not be valid if received after 11.00am on Tuesday, 5 May 2020 or, if the AGM is adjourned, 48 hours before the time of the adjourned AGM (excluding any UK non-working days), and will not be accepted if found to contain a computer virus.
 - 4 CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for this AGM by using the procedures described in the CREST Manual available by logging in to the Euroclear website at www.euroclear.com. CREST personal members or other CREST sponsored members, and those CREST members who have appointed (a) voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf. In order to be valid, the appropriate CREST Proxy Instruction must be transmitted so as to be received by the Company's Registrar, Equiniti (CREST participant ID RA19) by 11.00am on Tuesday, 5 May 2020 or, if the AGM is adjourned, 48 hours before the time of the adjourned AGM (excluding any UK non-working days). For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Application Host) from which the Company's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means. CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear does not make available special procedures in CREST for any particular message. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed (a) voting service provider(s), to procure that his/her CREST sponsor(s) or voting service provider(s) take(s) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members (and, where applicable, their CREST sponsors or voting system providers) are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
- The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
- 5 Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that if two or more representatives purport to vote in respect of the same shares: (i) if they purport to exercise the power in the same way as each other, the power is treated as exercised in that way; and (ii) in other cases, the power is treated as not exercised.
 - 6 The right to appoint a proxy does not apply to persons whose shares are held on their behalf by another person and who have been nominated to receive communications from the Company in accordance with Section 146 of the 2006 Act ('Nominated Persons'). Nominated Persons may have a right under an agreement with the member who holds the shares on their behalf to be appointed (or to have someone else appointed) as a proxy for the AGM. If Nominated Persons do not have such a right, or do not wish to exercise it, they may have a right under such an agreement to give instructions to the person holding the shares as to the exercise of voting rights.
 - 7 Holders of ordinary shares are entitled to attend and vote at General Meetings of the Company (including this AGM). On a vote by show of hands, every member who is present has one vote and every proxy present who has been duly appointed by a member entitled to vote has one vote, unless the proxy has been appointed by more than one member and has been instructed by one or more members to vote for the resolution and by one or more members to vote against the resolution, in which case the proxy has one vote for and one vote against. On a poll vote, every member who is present in person or by proxy has one vote for every ordinary share of which he/she is the holder.
 - 8 The Company, pursuant to the Uncertificated Securities Regulations 2001, specifies that only those members on the Register of Members as at 6.30pm on Tuesday, 5 May 2020 or, if the AGM is adjourned, on the Register of Members at 6.30pm two days prior to the date of any adjourned AGM, shall be entitled to attend and vote at the AGM in respect of the number of shares registered in their names at that time. Changes to entries on the Register of Members after the relevant above-mentioned deadline shall be disregarded in determining the right of any person to attend and vote at the AGM.
 - 9 As at the Latest Practicable Date, the Company's total issued share capital consisted of 182,656,312 ordinary shares, carrying one vote each. As at the Latest Practicable Date, the Company held 5,061,408 ordinary shares as treasury shares, representing approximately 2.77% of the Company's issued share capital as at that date. Therefore, the total number of voting rights in the Company as at the Latest Practicable Date was 182,656,312.
 - 10 Under Section 319A of the 2006 Act, any member attending the AGM has the right to ask questions in relation to the business of the AGM. The Company must cause to be answered any such question relating to the business being dealt with at the AGM but no such answer need be given if (i) to do so would interfere unduly with the preparation for the AGM or involve the disclosure of confidential information; (ii) the answer has already been given on a website in the form of an answer to a question; or (iii) it is undesirable in the interests of the Company or the good order of the AGM that the question be answered.

- 11 Under Sections 338 and 338A of the 2006 Act, members may
- (i) require the Company to give to members entitled to receive notice of the AGM, notice of a resolution which may properly be moved and is intended to be moved at the meeting; and
 - (ii) request the Company to include in the business to be dealt with at the AGM any matter (other than a proposed resolution) which may be properly included in the business, provided that it is not defamatory, frivolous or vexatious or, in the case of a resolution only, it would, if passed, be ineffective (whether by reason of inconsistency with any enactment or the Company's constitution or otherwise). The Company will include such matter if sufficient requests have been received by members who have at least 5% of the total voting rights or by at least 100 members who hold shares on which there has been an average sum, per member, of at least £100 paid up and submitted in the manner detailed in Sections 338 and 338A of the 2006 Act.
- 12 Members should also note that it is possible that, pursuant to requests made under Section 527 of the 2006 Act, the Company may be required to publish on a website a statement setting out any matter relating to (i) the audit of the Company's financial statements (including the Auditor's Report and the conduct of the audit) that are to be laid before the AGM; or (ii) any circumstance connected with an Auditor of the Company appointed since the previous meeting at which the Annual Report and Form 20-F were laid. The Company may not require the members requesting such website publication to pay its expenses in complying with Sections 527 or 528 of the 2006 Act. Where the Company is required to place a statement under Section 527 of the 2006 Act, it must forward the statement to the Company's Auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the AGM includes any statement that the Company has been required under Section 527 of the 2006 Act to publish on a website.
- 13 Members may not use any electronic address provided in either this Notice of AGM or any related documents (including the Form of Proxy) to communicate with the Company for any purposes other than those expressly stated.
- 14 A copy of this Notice of AGM and other information required by Section 311A of the 2006 Act can be found at the Company's corporate website at www.ihgplc.com/investors under Shareholder centre in the AGMs and meetings section.
- 15 Certain items will not be permitted in the AGM. These include cameras, recording equipment, items of any nature with potential to cause disorder and such other items as the Chair of the AGM may specify. We reserve the right to confiscate these items for the duration of the AGM if they are used to record or otherwise disrupt the AGM.

Appendix

Page 113 of the Company's Annual Report and Form 20-F for the year ending 31 December 2019 ('Annual Report') is reproduced below. Words and expressions defined for the purpose of the Annual Report shall have the same meaning for the purpose of this appendix.

Measures for 2020/22 LTIP cycle

Measure	Definition	Weighting (%)	Performance objective
Relative Total Shareholder Return (TSR)	IHG's performance against a comparator group of global hotel companies. TSR is the aggregate of share price growth and dividends paid, assuming reinvestment of dividends in the Company's shares during the three-year performance period.	30	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.
Relative Net System Size Growth with ROCE underpin	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., 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.	30	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. This measure is subject to the achievement of a Return on Capital Employed underpin. See below for further details.
Absolute Cash Flow	Cumulative annual cash generation over three-year performance period.	20	Threshold – US 1.91bn (20% of cash flow element vests); Maximum – US 2.54bn (100% of cash flow element vests); and Vesting will be on a straight-line basis in between the two points above.
Absolute Total Gross Revenue (TGR)	Cumulative increase over three-year performance period.	20	The targets for this measure are, in the opinion of the Directors, commercially sensitive, and will therefore be disclosed in full retrospectively at the end of the LTIP cycle. Disclosures in advance would give IHG's major competitors an unfair commercial advantage, providing them with access to key financial and growth targets from IHG's three-year plan. These competitors would not be subject to the same obligation to make such information available, as they are either unlisted or listed on a stock exchange other than the London Stock Exchange.

Operation of Return on Capital Employed (ROCE) underpin

The Committee has the discretion to reduce the amount of the award vesting under the net System Size growth measure by any amount, including to zero, in the event that a Return on Capital Employed (ROCE) falls below a predetermined level over the period of an LTIP cycle. The extent of reduction would be determined taking into consideration criteria including:

- the reason the ROCE underpin has not been met;
- the impact on other metrics, including cash flow and total gross revenue; and
- the materiality of the circumstances under which the underpin has not been met.

ROCE is defined as operating profit from reportable segments divided by Capital Employed. For Capital Employed, we expect to define this as Total Assets less Current Liabilities, adjusted for deferred revenue and deferred tax assets/liabilities. At the end of each cycle, the Committee will agree the appropriate capital base of the Company taking into account any short-term impacts that are not part of the long-term capital of the business.

For the 2020/22 LTIP cycle, the underpin has been set at an appropriate level in order to protect shareholder interests without disincentivising the pursuit of long-term strategically advantageous return-enhancing opportunities, which could have a short-term impact on ROCE. The underpin level will be disclosed in the 2020 AGM notice and performance and vesting outcomes and any use of discretion will be fully disclosed and explained in the relevant Directors' Remuneration Report.

Why have we chosen these measures?

We believe that TSR continues to be a key measure of long-term success and aligns the interests of Executive Directors with those of shareholders. A net System Size growth (NSSG) measure will remain but, reflecting our industry-leading growth ambition, this will have a

relative performance target measured against our closest competitors and the weighting for this measure will increase from 20% to 30%. To balance the delivery of strong growth whilst maintaining high returns, the NSSG measure will be subject to a Return on Capital Employed underpin, as described opposite.

There is no change to the 2020/22 cash flow measure to deliver consistent, sustained growth in cash flows and profits over the long term and the total gross revenue measure, which includes food and beverage income from owned and managed hotels and reflects our diverse income sources. Together, we believe these measures represent the right balance of focus on growth and quality and position our executive remuneration in line with both our long-term strategic aims and the expectations of our shareholders.

How are performance targets set?

Targets may be set relative to the expected outcomes of IHG's long-range business plan and other long-term strategic objectives and may contain a performance range to incentivise outperformance and minimum performance levels to ensure that poor performance is not rewarded. The targets for the 2020/22 LTIP are set by the Committee, taking into account IHG's long-range business plan, market expectations and the circumstances and relative performance at the time, with the aim of setting stretching achievement targets for senior executives which will reflect successful outcomes for the business based on its long-term strategic objectives.

The comparator group of companies against which TSR outcomes are measured for the 2020/22 cycle comprises of 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 Hotel Group; and Wyndham Hotels & Resorts Inc. The Committee reviews the comparator group each year and may make changes for future cycles if appropriate.

Notes

