Directors' Remuneration Policy

The Committee will consider the Directors' Remuneration Policy ("policy") annually to ensure it remains aligned with strategic objectives. However, subject to approval by shareholders at the 2025 AGM, it is intended that the policy set out below will apply for three years from 2025; if the policy is proposed to be revised within that timeframe, it will first be presented to be voted upon by shareholders. Where there have been changes to elements from the last policy, these are set out for each element in the table below. Subject to shareholder approval, the policy will take effect immediately following the 2025 AGM.

The process used by the Committee to review the policy, and the reasons for changes made, are set out on pages 159 to 166. No Director or employee participates in discussions or decisions relating to their own remuneration in order to manage conflicts of interest.

+ The policy will be available to view at **www.ihgplc.com/investors** under Corporate Governance.

Future policy table

Salary	100% cash — No change in policy
Link to strategy	To attract and retain the key talent responsible for delivering our strategic objectives. Recognise the value of the role and the individual's skill, performance and experience.
Operation	Base salary is normally reviewed annually and fixed for 12 months from 1 April. In reviewing salaries, the Committee may consider factors including but not limited to: – business performance; – personal performance, skills and expertise; – the average salary increases for the wider IHG workforce; and – current remuneration assessed against comparable opportunities for an individual to ensure competitiveness.
Maximum opportunity	There is no maximum salary. Salary increases for current Executive Directors will be subject to the factors including the above and will not normally exceed the range of increases applying to the corporate UK and US employee population, except where there is a change in role or responsibility, or another need arises to reassess the competitiveness of salary which warrants either a lesser or a more significant increase. Any such change will be fully explained. Newly promoted or recruited Executive Directors may, on occasion, have their salaries set below the targeted remuneration level while they become established in role. In such cases, salary increases may be higher than those for the corporate UK and US employee population until the desired positioning is achieved.
Performance framework	An individual's performance is considered when reviewing salary levels.

Benefits	No change in policy
Link to strategy	To attract and retain the key talent responsible for delivering our strategic objectives with competitive benefits which are consistent with an individual's role and location.
Operation	IHG pays the cost of providing the benefits on a monthly basis or as required for one-off events. Benefits may include the cost of independent financial advice, car allowance/company car, private healthcare for themselves and their immediate family, medical assessments, life insurance, and other benefits provided from time to time. Direct payment or reimbursement of reasonable expenses incurred in performance of duties for IHG will be met, including any tax and social security due on expenses. Benefits would generally reflect typical practice for the role and location of an Executive Director. Benefits may include relocation and expatriate or international assignment and/or international living costs where appropriate, including, for example, cost of living allowance, travel costs, housing and related costs, professional advice, education allowance, tax equalisation, medical expenses and relocation allowance. Executive Directors are eligible to participate in any all-employee share plans that may be introduced, on the same basis as all other employees. These would be operated within the parameters of the applicable legislation. Currently none of the Executive Directors participate in any such plan.
Maximum opportunity	There is no defined maximum. The Remuneration Committee periodically reviews the cost of benefits to ensure they remain affordable. The value of benefits is dependent on location and market factors. Relocation and expatriate or international assignment costs would generally reflect typical practice for the role and location of an Executive Director.
Performance framework	None.

Directors' Remuneration Policy continued

Future policy table continued

Pension	No change in policy
Link to strategy	To attract and retain the key talent responsible for delivering our strategic objectives with appropriate contribution rates to provide funding for retirement.
Operation	UK Executive Directors are eligible to join the IHG UK Defined Contribution Pension Plan (UK Plan). A cash allowance in lieu of pension contributions can be elected by the individual, for example, where pension contributions would be less efficient than cash. Non-UK Executive Directors may be eligible for an alternative local company retirement plan, for example, a DC 401(k) Plan and a DC Deferred Compensation Plan currently operating in the US.
Maximum opportunity	Salary is the only element of remuneration that is pensionable. The maximum employer contribution rate, or cash allowance in lieu of pension contribution, for new and incumbent Executive Directors will not exceed the maximum employer contribution rate available to all other participants in the UK plan, currently 12% of salary. Other contribution rates in excess of this may apply to non-UK Executive Directors in alternative non-UK local retirement plans. The Committee has the discretion to reduce or increase employer contribution rates for Executive Directors in exceptional circumstances where conditions so warrant, or to meet any statutory minimum contribution rate.
Performance framework	None.

Annual Performance Plan (APP)	Part cash and part IHG PLC shares deferred for three years, under the rules of the Deferred Award Plan (DAP)
Link to strategy	– Drives and rewards annual performance normally against both financial and non-financial metrics. – Aligns individuals and teams with key strategic priorities. – Aligns short-term annual performance with strategy to generate long-term returns to shareholders. – Deferral into shares reinforces retention and enhances alignment with shareholders.
Operation	– Awards are made annually, 50% in cash after the end of the relevant financial year and 50% in the form of share awards which vest after three years subject to leaver provisions. Subject to meeting the minimum shareholding requirement, up to 70% of the award may be paid in cash and at least 30% in deferred shares. – The Committee has discretion to make awards wholly in cash rather than part-cash and part-shares, in exceptional circumstances. – The share awards are made in the form of conditional awards or forfeitable awards of shares. – Malus and clawback apply to awards. See page 174 for details. – The Committee applies judgement and discretion where necessary to ensure approved payout levels are reflective of overall business performance and has the ability to exercise discretion in adjusting the formulaic outcome of the APP to ensure the outcome is reflective of the performance of the Company and the individual over the period. The performance and vesting outcomes and any use of discretion will be fully disclosed and explained in the relevant Directors' Remuneration Report. – The Committee may make adjustments to targets and/or measures if a significant one-off event occurs that makes any of the existing targets and/or measures no longer appropriate. Any amended performance targets will be at least as challenging as the ones originally set.
Maximum opportunity	– The maximum annual award is 300% of salary for CEO and 250% of salary for other Executive Directors. – The target award is normally 50% of the maximum award.
Performance framework	– Normally, 70% of the award is based on the achievement of an operating profit measure and 30% is based on a mixture of strategic and/or personal measures which are reviewed annually and the weighting, measures and targets are determined by the Committee and set in line with key strategic priorities. – Threshold is up to 50% of target award for each measure.
New for 2025 policy	With effect from the 2025 financial year, the maximum APP award has increased from 200% to 300% for CEO, and from 200% to 250% for other Executive Directors. See pages 164 to 165 for the rationale.

Long-Term Incentive Plan (LTIP)	100% IHG PLC shares under the rules of the DAP
Link to strategy	Drives and rewards delivery of sustained long-term performance on measures that are aligned with the interests of shareholders.
Operation	– Annual grants of conditional awards or forfeitable awards of shares subject to a performance period normally of at least three years, subject to the achievement of corporate performance targets. – The Committee will normally also impose such post-vesting holding periods to ensure at least a total five-year period from grant of the awards to the date they are free from any restrictions. These holding periods normally continue to apply post cessation of employment. – The Committee has discretion to make cash awards in exceptional circumstances. – Malus and clawback applies to awards. See page 174 for details.
Maximum opportunity	The maximum annual award is up to 800% of salary for the CEO and up to 500% of salary for other Executive Directors.
Performance framework	– The majority of the LTIP will normally be based on the achievement of financial performance measures. – The measures and targets are reviewed and may be changed by the Committee annually to ensure alignment with strategic objectives. Normally 20% of the maximum pays out for threshold performance but the Committee may increase this to up to 25% of maximum if this is considered appropriate. – All targets are typically measured over a performance period of at least three years. – The Committee may make adjustments to targets and/or measures if a significant one-off event occurs that makes any of the existing targets and/or measures no longer appropriate. Any such adjustments would be disclosed at the first appropriate opportunity. Any amended performance targets will be at least as challenging as the ones originally set. – The Committee will review the vesting outcomes under the LTIP measures at the end of each three-year cycle against an assessment of several factors, including, but not limited to Group earnings, the quality of financial performance and growth over the period, including relative growth against the market, and the efficient use of capital. If the Committee determines that the vesting outcomes do not appropriately reflect the performance of the Group (the Company and its subsidiaries), it may exercise reasonable discretion to override award outcomes, in particular to override formulaic outcomes, to increase or reduce the number of shares that vest. – The performance and vesting outcomes and any use of discretion will be fully disclosed and explained in the relevant Directors' Remuneration Report.
New for 2025 policy	The maximum opportunity has been increased from 500% to 800% of salary for CEO and from 300% to 500% of salary for other Executive Directors. See pages 164 to 165 for the rationale.

Restricted Stock Units (RSU)	100% IHG PLC shares under the rules of the DAP
Link to strategy	Provides share-based incentivisation aligned with the long-term interests of shareholders, subject to satisfactory underpin performance.
Operation	– Annual grants of conditional awards or forfeitable awards of shares subject to a vesting period normally of at least three years, subject to the achievement of underpin conditions. – The Committee will normally also impose such post-vesting holding periods to ensure at least a total five-year period from grant of the awards to the date they are free from any restrictions. These holding periods normally continue to apply post cessation of employment. – The Committee has discretion to make cash awards in exceptional circumstances. – Malus and clawback applies to awards. See page 174 for details.
Maximum opportunity	The maximum annual award is up to 150% of salary for the CEO and up to 100% of salary for other Executive Directors.
Performance framework	– RSU awards will be subject to an underpin, set at the time of grant. – The Committee will review the underpin outcomes at the end of each three-year cycle when determining the appropriate level of vesting. – The underpin and vesting outcomes and any use of discretion will be fully disclosed and explained in the relevant Directors' Remuneration Report.
New for 2025 policy	RSU is a new element under the 2025 policy, and aligns the incentive structure for Executive Directors with that for the rest of the senior management population.

Directors' Remuneration Policy continued

Shareholding requirements	
Minimum shareholding requirement	– The minimum shareholding requirement is 1,000% of salary for the CEO and 400% of salary for other Executive Directors. This shareholding can include the net value of unvested shares that are not subject to any further performance conditions or underpins. – Ordinarily the shareholding of the CEO should be built up over five years to 700% of salary. The balance of the revised shareholding requirement up to 1,000% of salary should be reached over a further period agreed with the Chair of the Board. – Ordinarily the shareholding of other Executive Directors should be built up over five years to 300% of salary. The balance of the revised shareholding requirement up to 400% of salary should be reached over a further period agreed with the Chair of the Board. – The full minimum shareholding requirement will normally remain in force for two years post-cessation of employment.
New for 2025 policy	The requirement has been increased in 2025 from 500% to 1,000% for the CEO and from 300% to 400% for other Executive Directors. See pages 164 to 165 for the rationale.

Performance measures for 2025

APP

The measures for 2025 will be operating profit from reportable segments, room signings and room openings.

Why have we chosen these measures?

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 2025, it continues to be 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 is a recognised key performance measure across the industry, while 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 targets are commercially sensitive and will be disclosed in the Directors' Remuneration Report following the year for which the bonus is earned.

The Committee retains the flexibility to change the measures and/or weightings during the life of the policy and will consult with shareholders as appropriate on any proposed changes.

How are performance targets set?

Targets may be set relative to budget and/or by reference to prior results and may contain a performance range to incentivise outperformance and minimum performance levels relative to budget and/or prior experience to ensure that poor performance is not rewarded. The 2025 targets are set by the Committee, taking into account IHG's growth ambitions, market expectations and the circumstances and relative performance at the time, with the aim of setting stretching targets for senior executives, which will reflect successful outcomes for the business based on its strategic objectives for the year.

LTIP

Measures for the 2025–27 cycle are: relative Total Shareholder Return, relative net system size growth, cash flow, adjusted earnings per share (EPS), and carbon and people metrics.

Why have we chosen these measures?

Relative total shareholder return will remain a measure for 2025–27, reflecting our aim to deliver competitive shareholder returns as well as aligning the interests of Executive Directors with those of shareholders.

A net system size growth measure will also remain and, reflecting our industry-leading growth in our scale ambition, will continue to have a relative performance target measured against our closest competitors.

There is no change to the cash flow measure to deliver consistent, sustained growth in cash flows and profits over the long term.

The carbon and people metrics have been simplified for 2025 with two key measures aligned to our growth strategy: Adoption of energy conservation measures (ECMs) in hotels, and Talent Interventions. Aligned to our decarbonisation strategy, the carbon measure is focused on supporting owners to reduce energy costs and drive better hotel performance via adoption of ECMs. The people measure relates to our primary hotel leadership programme, Journey to GM, to focus attention on developing high quality talent to fuel our long-term growth.

An EPS measure will continue to be used for 2025–27. EPS is a key business metric, prominent in company results reporting and commonly used for valuation purposes. It provides a measure of the efficiency of the capital structure, in that returns of capital can be captured within EPS performance, as well as promoting further alignment with shareholder experience.

How are performance targets set?

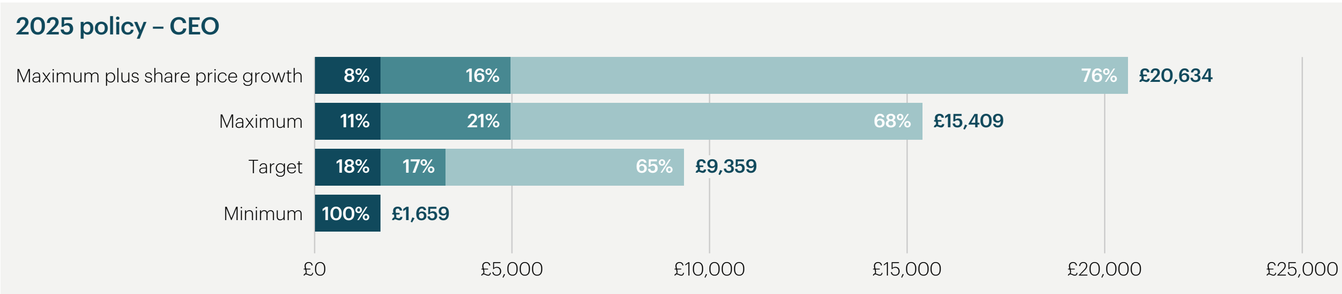
Targets may be set relative to the expected outcomes of IHG's long-range business plan and other long-term strategic objectives and may contain a performance range to incentivise outperformance and minimum performance levels to ensure that poor performance is not rewarded. The targets for the 2025–27 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 targets for senior executives, which will reflect successful outcomes for the business based on its long-term strategic objectives.

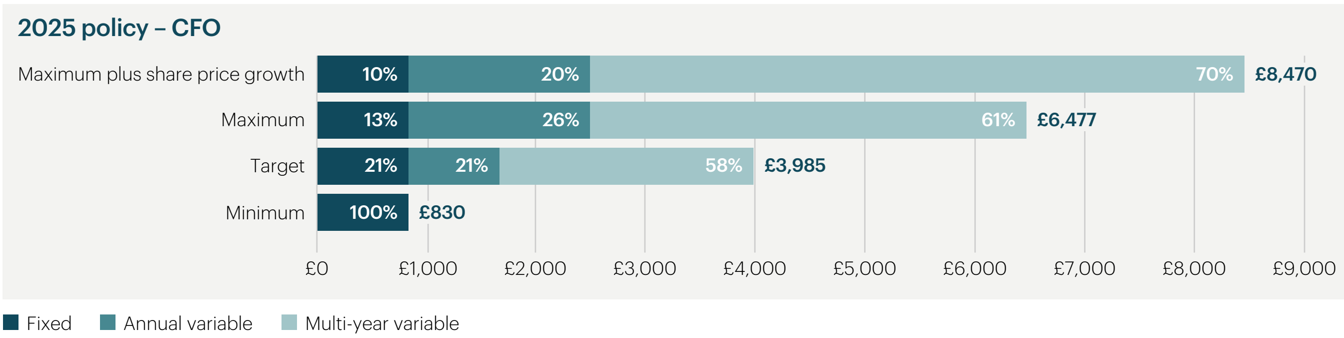
Illustrative scenarios

The graphs below illustrate the value that could be received by Executive Directors under the policy in respect of 2025, showing:

- minimum, which includes salary, benefits and employer pension contributions only (total fixed pay);
- target, which includes total fixed pay (including salary, benefits and pension) and an on-target outcome for the APP (150% of salary for CEO and 125% of salary for CFO), 50% of maximum LTIP vesting and 100% RSU vesting;
- maximum, which includes total fixed pay and a maximum outcome under the APP, LTIP and RSU; and
- maximum plus share price growth, which includes a 50% share price increment for the LTIP and RSU.

Salaries are those proposed to apply from 1 April 2025. The benefit values included are estimates based on the 2024 values.





Consideration of shareholder views

In updating the policy, we undertook a comprehensive review of executive remuneration, including how it could support the Company's strategy and better align with shareholders' interests.

The Committee followed a detailed decision-making process to design the new policy which included discussions on the proposals at six Remuneration Committee meetings. The Committee considered multiple approaches and their appropriateness for IHG, and sought input from management as well as advice from its independent advisers on market practice and shareholder expectations to inform the discussions. An extensive shareholder consultation exercise was also undertaken. To avoid any conflict of interest, no Executive Directors were present for Committee conversations relating to their own pay.

Engagement with our largest shareholders and proxy bodies has been key to this review and the Committee chair has consulted with shareholders to develop the policy, starting in 2024 and continuing into early 2025. In total we have engaged with almost 60% of the shareholder register to date.

This process has allowed the Committee to hear and reflect on shareholder feedback while developing the policy and helped shareholders better understand our business, the competitive environment for talent and the challenges we face. We have valued this engagement with shareholders and the policy has been refined in direct response to the feedback we received.

We remain committed to continuing the dialogue in the run-up to the 2025 AGM and beyond.

Consideration of employment conditions elsewhere in the Group

Whilst decisions on remuneration for employees outside the Executive Committee remain a management responsibility, in line with the UK Corporate Governance Code, the Committee has reviewed pay and employment conditions beyond those of the Executive Committee and takes this into consideration when establishing and implementing policy for Executive Directors.

The Committee also reviews the Company's reward philosophy and alignment of pay with culture, values and behaviours, as well as salary and incentives policies and practice, including how reward practices are aligned across all levels of the organisation. This has shown a consistent approach to reward and has informed the Committee's views on the structure and approach to executive pay.

Directors' Remuneration Policy continued

It is the view of the Committee that Executive Director remuneration should be subject to robust and stretching performance conditions supported by strong shareholding and governance requirements.

We remain committed to paying our employees fairly with respect to their relative responsibilities both internally and externally. Throughout the Group, base salary and benefit levels are set in accordance with prevailing market conditions, policies, practice and relevant regulations in the countries in which employees are based. Differences between Executive Director pay policy and that of other employees reflect the position and responsibilities of the individuals, as well as corporate governance practices in respect of Executive Director remuneration. In particular, a key difference in policy for Executive Directors and other senior management is that a greater proportion of total remuneration is delivered as performance-based incentives.

Some of the key ways in which we invest in the reward arrangements for our employees are:

- We have regularly provided additional bonus funding to enable managers to reward the best performers in our business;
- We have changed our approach to workforce pay to more closely align outcomes with performance;
- We use a consistent approach to benchmarking pay across the organisation, including reviewing the global peer group for the most senior population below Board; and
- For the UK leased hotel estate, budgeted salary rises have typically been higher than those for the corporate workforce, with higher increases for frontline workers. The Real Living Wage has been applied as a minimum for all staff in line with the Real Living Wage Foundation level.

While the Company did not consult directly with employees on the new policy, feedback from employee surveys and through direct engagement provides views on a range of employee matters including pay. The Company's approach to wider workforce engagement is set out in the Directors' Remuneration Report.

Approach to recruitment or promotion remuneration

The remuneration of any newly recruited or promoted Executive Director will be determined in accordance with this policy and relevant maximum limits, and the elements that would normally be considered by the Group for inclusion are:

- salary and benefits, including defined contribution pension participation for a UK Executive Director or cash in lieu of pension, or equivalent local plan for an Executive Director not located in the UK;
- participation (or increased participation) in the APP, typically pro-rated for the year of recruitment or promotion to reflect the proportion of the year remaining after the date of commencement of employment (or promotion); and
- participation in the LTIP and RSU:
  - pro-rated awards (or increased awards in the case of promotions) would normally be made in relation to LTIP and RSU cycles outstanding at the time of recruitment (or promotion); but
  - no pro-rated award (or increased award) would normally be made for an LTIP or RSU cycle that has less than nine months to run at the date of commencement of employment or promotion.

The maximum annual variable pay opportunity for a new or promoted Executive Director is 1,250% of salary.

In addition to this, the Committee may, at its discretion, compensate a newly recruited Executive Director for relevant contractual rights forfeited when leaving their previous employer and/or remuneration forgone as a result of leaving their previous employer. The Committee would seek validation of the value of any potential incentives or contractual rights foregone. Awards would be made on a comparable basis to the extent possible, typically taking account of performance achieved (or likely to be achieved), the proportion of the performance period remaining and the form of the award. Compensation would, as far as possible, be in the form of LTIP and/or RSU awards in order to immediately align a new Executive Director with IHG performance.

Policy on payment for loss of office

Executive Directors normally have a 12-month notice period from both the Group and Executive Director.

However, neither notice nor a payment in lieu of notice will be given in the event of gross misconduct. In the event of an Executive Director terminating employment, any compensation payable will be determined in accordance with the terms of their service contract and the rules of any relevant incentive plan. Where possible, the Group will seek to ensure that, if a leaver mitigates their losses, for example, by finding new employment, there will be a corresponding reduction in compensation payable for loss of office. An Executive Director may have an entitlement to compensation in respect of their statutory rights under employment protection legislation in the UK or other relevant jurisdiction.

The Committee reserves the right to make any other payments in connection with a Director's cessation of office or employment where the payments are made in good faith in discharge of an existing legal obligation (or by way of damages for breach of such an obligation) or by way of settlement of any claim arising in connection with the cessation of a director's office or employment, or otherwise. Any such payments may include, but are not limited to, paying any fees for outplacement assistance and/or the director's legal and/or professional advice fees in connection with their cessation of office or employment.

The following table sets out the basis on which payments for loss of office may be made:

Remuneration component	Circumstances and approach taken (including, but not limited to):
Salary and contractual benefits, including pension	**Good leaver:** paid up to date of termination or in lieu of notice. Alternatively, the Company may continue to provide benefits that would otherwise have been paid, normally until the end of the notice period. **Other leaver:** paid up to date of termination or in lieu of notice, if applicable (other than in the case of gross misconduct). **Death:** paid up to date of death.
APP award for year of termination	**Good leaver:** award settled on usual date, pro-rated for time and subject to the extent that performance conditions are met, in each case unless the Committee decides otherwise in its discretion or if earlier settlement is required in order to comply with applicable tax legislation. Award settled 50% cash and 50% in shares deferred for three years from grant, or such other proportions as permitted under the policy subject to Committee discretion. **Other leaver:** no award for year of termination, other than in case of termination after end of performance period but before award settlement, in which case only the cash portion of an award will be settled on the usual date, unless the Committee decides otherwise in its discretion. The share settled portion shall lapse. **Death:** award settled fully in cash immediately, pro-rated for time and subject to the extent that performance conditions are met, in each case unless the Committee decides otherwise in its discretion.
Unvested APP deferred share awards	**Good leaver:** award vests on usual date to the extent that any conditions are met, unless the Committee decides otherwise in its discretion or if earlier settlement is required in order to comply with applicable tax legislation. **Other leaver:** award forfeited. **Death:** award settled immediately to the extent that any conditions are met, unless the Committee decides otherwise in its discretion.
Unvested LTIP and RSU awards	**Good leaver:** award vests on usual date, pro-rated for time and subject to the extent that performance conditions, underpins and/or other conditions are met, in each case unless the Committee decides otherwise in its discretion or if earlier settlement is required in order to comply with applicable tax legislation. **Other leaver:** award forfeited. **Death:** award vests immediately, pro-rated for time and subject to the extent that performance conditions and/or other conditions are met, unless the Committee decides otherwise in its discretion.

Good leaver status will be applied in accordance with the relevant plan rules, and will normally include death, injury, ill-health or disability, or the individual's employing company or business ceasing to be part of the Group. In addition, the Committee has discretion to apply good leaver status and, in doing so, will consider factors such as personal performance and conduct, overall Group performance and the specific circumstances of the Executive Director's departure including, but not restricted to, whether the Executive Director is leaving by mutual agreement. The Committee would only seek to exercise this and its other discretions under the plan rules in exceptional circumstances and the application of any such discretion would be disclosed in full as required in the relevant announcement and Annual Report on Remuneration. To the extent that unvested share awards do not lapse and are not forfeited on leaving, any holding period will continue to apply unless the Committee decides otherwise, other than on death, where any holding period will cease to apply.

Legacy arrangements

The Committee reserves the right to make any remuneration payments and/or payments for loss of office (including exercising any discretions available to it in connection with such payments) notwithstanding that they are not in line with the policy, where the terms of the payment were agreed: (i) before 2 May 2014 (the date the Company's first shareholder-approved directors' remuneration policy came into effect); (ii) before the policy set out above came into effect, provided that the terms of the payment were consistent with the shareholder-approved Directors' Remuneration Policy in force at the time they were agreed; or (iii) at a time when the relevant individual was not a Director of the Company (or other persons to whom the policy set out above applies) and, in the opinion of the Committee, the payment was not in consideration for the individual becoming a Director of the Company or such other person.

Directors' Remuneration Policy continued

For these purposes, 'payments' include the Committee satisfying awards of variable remuneration and, in relation to an award over shares, the terms of the payment are 'agreed' no later than at the time the award is granted. This policy applies equally to any individual who is required to be treated as a Director under the applicable regulations.

Use of discretion by the Remuneration Committee

Malus and clawback in incentive plans

The APP terms and DAP rules (under which deferred bonus, LTIP and RSU awards are granted) allow the Committee discretion to reduce (including to nil) or recover incentive plan awards if circumstances occur that, in the reasonable opinion of the Committee, justify a reduction (including to nil) or recovery of one or more awards granted to any one or more participants.

Malus provisions relate to unvested awards whilst clawback applies for the three years post-payment or vesting (including the cash element of the APP).

The circumstances in which the Committee may consider it appropriate to exercise its discretion for malus and/or clawback include the following:

- an event or series of events occurs which the Committee consider to constitute corporate failure of the Company or the Group;
- there has been a material misstatement, error, or misrepresentation in the financial statements of the Group, any member of the Group, or any business unit or undertaking for which the participant has significant responsibility (other than as a result of a change in accounting practice);
- an award was granted or vests on the basis of erroneous or misleading information, assumptions or calculations;
- the action or conduct of a participant, in the reasonable opinion of the Committee, amounts to fraud or gross misconduct;
- the participant leaves office or employment by reason of summary dismissal by any member of the Group or where the Committee subsequently determines that, prior to leaving, circumstances had arisen which would have justified the participant's summary dismissal;
- serious reputational damage or significant financial loss to the Company, any member of the Group or a relevant business unit arises as a result of the participant's conduct, misconduct or otherwise; or
- any other triggers or circumstances occur which the Committee determines justifies the application of malus and/or clawback. This may include, where appropriate, negligence on the part of the Executive Directors.

These features help ensure alignment between executive reward and shareholder interests and are in line with the UK Corporate Governance Code. All Executive Directors are required to sign (including electronically) forms of acceptance at the time of grant to indicate their acknowledgement and agreement that awards are subject to malus and clawback.

Other uses of discretion

The Committee reserves certain discretions in relation to the outcomes for Executive Directors under the Group's incentive plans. These operate in two main respects:

- enabling the Committee to ensure that outcomes under these plans are consistent with the underlying performance of the business; the conduct, capability or performance of the individual; any windfall gains; the total value that would otherwise be received compared to the maximum value intended (or any other reason at the discretion of the Committee); and the experience of stakeholders, at the same time as providing a high degree of clarity for shareholders as to remuneration structure and potential quantum; and
- enabling the Committee to treat leavers in a way that is fair and equitable to individuals and shareholders under the incentive plans.

The Committee has discretion to adjust the extent to which an APP award is settled, or LTIP or RSU award vests if it considers such extent would otherwise not be appropriate.

The discretions that can be applied in the case of leavers in respect of the APP, LTIP and RSUs are set out in the section 'Policy on payment for loss of office' on page 172.

The discretions that can be applied in respect of the APP, LTIP and RSUs in the event of corporate transactions, such as a takeover or merger, include the ability to determine:

- the period for which awards may be pro-rated;
- whether awards are payable as cash or shares;
- the vesting date for APP;
- the application of performance conditions and the extent to which those performance conditions have been met;
- in the event that a transaction involves the exchange of IHG PLC shares for shares in another company, whether existing share awards may be replaced by a new award granted on such terms and over such shares or other types of securities as appropriate; and
- any such action as it may think appropriate if other events happen which may have an effect on awards.

In addition, in the event of any variation in the share capital of the Company, a demerger, special dividend or distribution or any other transaction which will materially affect the value of shares, the Committee may make an adjustment to the number or class of shares subject to awards. Any exercises of discretion by the Committee will be fully disclosed and explained in the relevant year's Annual Report on Directors' Remuneration.

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 six 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 Directors	Date of original appointment to the Board	Notice period
Michael Glover	20 March 2023	12 months
Elie Maalouf	1 January 2018	12 months

Dilution of Company shares

Our DAP rules provide that issuance of new shares or re-issued treasury shares, when aggregated with all other share schemes, must not exceed 10% of issued share capital in any rolling 10-year period. The total number of shares issued in connection with this 10% under any discretionary employee share plans (including the DAP) must not exceed 5% of the ordinary share capital, unless shareholder approval is obtained to amend this limit.

Non-executive directorships of other companies

The Group recognises that its Executive Directors may be invited to become Non-Executive Directors of other companies and that such duties can broaden their experience and knowledge and benefit the Group. IHG therefore permits its Executive Directors to accept one non-executive appointment (in addition to any positions where the Director is appointed as the Group's representative), subject to Board approval and as long as this is not, in the reasonable opinion of the Board, likely to lead to a conflict of interest. Any fees from such appointments may be retained by the individual Executive Director.

Remuneration Policy for Non-Executive Directors

The policy for Non-Executive Directors, set out below, will apply for three years from the date of the 2025 AGM.

+ The policy for Non-Executive Directors is available to view at **www.ihgplc.com/investors** under Corporate Governance in the Committees section.

If the policy is proposed to be revised within that time frame, it will be presented to be voted upon by shareholders.

Fees and benefits	100% cash	No change in policy
Link to strategy	– To attract Non-Executive Directors who have a broad range of skills and experience that add value to our business and help oversee and drive our strategy. – Recognises the value of the role and the individual's skills, performance and experience.	
Operation	– Non-Executive Directors' fees and benefits are set by the Chair of the Board and Executive Directors; the Chair's fees are set by the Committee. – Fees are normally reviewed annually and fixed for 12 months from 1 January. – Consideration is given to business performance, current remuneration competitiveness and average salary increases for the wider IHG employee population. – Benefits include travel and accommodation in connection with attendance at Board and Committee meetings. The Company may meet any tax liabilities that may arise on such expenses. – Non-Executive Directors are not eligible to participate in IHG incentive or pension plans. – A base fee is determined for the Non-Executive Director role and additional supplemental amounts applied for additional responsibilities such as Committee membership and Chairing roles.	
Maximum opportunity	– While there is no maximum, fee increases will take into account the circumstances of the business, increases in remuneration across the Group and relevant market practice, other than where there is a change in role or responsibility or another need arises to reassess the competitiveness of fee level that warrants either a lesser or a more significant increase. Any such change will be fully explained. – IHG pays the cost of providing benefits as required.	
Performance framework	– Non-Executive Directors are not eligible to participate in any performance-related incentive plans.	

Non-Executive Directors have letters of appointment, which are available upon request from the Company Secretary's office.

Deanna Oppenheimer, appointed Non-Executive Chair on 1 September 2022, is subject to 12 months' notice. Other Non-Executive Directors are not subject to notice periods.

All Non-Executive Directors' appointments and subsequent re-appointments are subject to election and annual re-election by shareholders at the AGM.