IHG Defined Contribution Pension Plan

Member Handbook

2020 Edition

For today and tomorrow...

We would all like to think of retirement as something to look forward to. All that free time, the chance to spend it catching up on things we didn't have time to do when working. To make sure that we have enough money to enjoy our retirement we need to start saving for it as early as possible.

The IHG UK Defined Contribution Pension Plan ("the Plan") is designed to do exactly that – help you save while you work. It's an easy, tax-efficient way to save for your retirement.

A Matching Credit of £2 for every £1 of Core Contribution paid by members is made on their behalf by the Company.

To make the most of this opportunity you need to do two things:

- JOIN. If you don't join the Plan, it can't work for you.
- Decide how much you want to save each month.

If you're not an experienced investor, don't worry. The Plan offers you a range of investment approaches so you can find an investment strategy that you are comfortable with. Read on to find out more.

We have tried to keep this booklet as jargon free as possible, with technical terms only included when necessary. The technical terms used throughout this document and the "Your Fund Options" document which accompanies this booklet are described in the jargon buster.

Your guide to the IHG UK Defined Contribution Pension Plan ("the Plan")

This booklet is intended to provide a general guide to the IHG UK Defined Contribution Pension Plan ("the Plan"). Although every effort has been made to ensure that the contents are accurate as at the time of writing, this booklet cannot include every detail and legislative change, potentially including retrospective changes, affecting the Plan and its benefits can and do occur from time to time.

The information contained in this booklet neither imposes any legal obligation on you nor gives you any legal rights as these only arise in accordance with the Trust Deed and Rules of the Plan. Should there be any discrepancy between the information contained in this booklet and the Trust Deed and Rules, which are the legal documents governing the Plan, the Trust Deed and Rules take precedence. If you require a copy of the Trust Deed and Rules, you should contact the IHG Pensions Team.

IHG®

Six steps to sucessful saving

1. Decide at what age you want to retire:
You can currently retire from the Plan at any time from age 55. The Normal Retirement Age in the Plan is 65.

2. Decide how much retirement income you'll need:
Remember to include living expenses and some luxuries, and remember that your income will be taxed at prevailing rates.
You can use the online facilities (details on page 4) to estimate how much income you might need in retirement.

3. Review your current savings:
You may have already started saving for your retirement and have money put aside in other pension arrangements. You can also find out how much pension you are likely to receive from the State by contacting the State Pensions Forecasting Team (details on page 9) for a pension forecast.

4. Decide how much you need to save each month and start saving immediately:
Once you've worked out your target retirement income, you'll need to work out how much you should contribute to your account to achieve your target. Again, the online facilities (referred to in point 2) can assist you with this.

But remember: the more income you need and the sooner you plan to retire, the more you'll need to save each month.

5. Invest your savings wisely:
By taking the time to understand the investment options available to you now, you will be in a better position to make investment decisions that are appropriate for you and for your circumstances.

6. Regularly monitor your savings:
Once you've started, it is important you keep a close eye on your savings to make sure you're saving enough to achieve your target retirement income. You will receive a statement every year showing how much you have saved to date and estimating the income you may receive when you retire.

...invest in your future

How the Plan works

The IHG UK Defined Contribution Pension Plan is a savings plan for your retirement. It is a defined contribution ("DC" - also known as money purchase) pension plan and is set up under trust. This means that the assets of the Plan (including any contributions paid by you and any Matching Credits made on your behalf) are held by the Trustee, separate from the assets of the Company. The way it works is simple:

When you join, an account is opened in your name. You build up your savings by making contributions to your account. A match will be made on your behalf for every Core Contribution you make.

Subject to the Annual Allowance, tax relief is available on contributions to the Plan of up to 100% of your taxable remuneration (including benefits in kind) in any Pension Input Period.

You then invest your account with the aim of boosting your savings. The Plan offers various investment options which are explained in detail on page 10 and in the separate "Your Fund Options" document which accompanies this booklet.

When you retire you can take up to 25% of your account as a tax-free cash sum. You will be able to choose how you receive the remainder of your account from a number of different options. Please see page 7 for more information.

The maximum benefits that you can receive from all UK registered pension schemes, without triggering an extra tax charge is the Lifetime Allowance. If you are concerned that you are close to the Lifetime Allowance or Annual Allowance you should contact the IHG Pensions Team immediately to discuss your position.

How the Plan works

Your Plan benefits include:

- A tax-efficient way of saving for retirement with the added advantage that the Matching Credit will be made on your behalf;
- The opportunity to invest your contributions in a carefully selected range of investment funds;
- The flexibility to choose when you retire, subject to HM Revenue & Customs rules.
- The freedom of knowing that should you leave the Company before retirement, your savings (inclusive of Matching Credits and investment returns) are yours to take with you to another pension arrangement.

Plan Administrator

The Trustee has chosen Aegon UK ("Aegon") as the Administrator of the Plan.

Aegon will help you to keep track of your savings. You will receive a statement every year showing how much you have saved to date and estimating the pension you may receive when you retire. You also have the option to manage your savings online with Aegon, which means you can check your current balance, manage your contributions and keep a close eye on your investments all from your computer. You should contact Aegon (details on page 4) if you want to set up access to your account online.

How the Plan works

Investment Platform Provider

The Trustee has chosen Aegon as the Investment Platform Provider of the Plan. Aegon is one of the world's leading providers of Life Insurance, Pensions and Asset Management. Aegon manage over EUR 898 billion in assets on behalf of savers and investors worldwide (as at Feb 2020).

The Investment Platform Provider offers a diverse range of funds to suit members' needs under an insurance policy with the Trustee. The Trustee will regularly monitor the performance of these funds and where deemed appropriate will review their on-going future suitability as a fund choice.

You can obtain fund fact sheets that include performance data for the available funds by calling Aegon's helpline or downloading them from the on-line facility, details of which are shown below.

Any queries who do I ask?

If you have any queries about the Plan, you can contact Aegon by:

calling the Helpline on 01733 353 418 Available between 9am and 5pm, Monday to Friday

accessing your account online via the Aegon "TargetPlan" website
Available through the pensions area of the InterContinental Hotels Group corporate website at www.ihgplc.com/business/pensions

writing to Aegon, at Aegon Workplace Investing, PO Box 17486, Edinburgh EH12 1NU

Building up your savings

Joining the Plan

The first step towards saving is to join the Plan, which you can do if you're between age 16 (18 for Executive section membership) and 75.

To join you must elect to pay contributions using the "Change Retirement Savings" option in the Benefits section of the myHR system which is available via the IHG intranet, Merlin. If you have any problems accessing the myHR system you should call 0800 026 0642 between 9am and 7pm, Monday to Friday.

If you do not choose to join the Plan you may be automatically enrolled if you meet certain age and earnings criteria. Please see the separate addendum in Automatic Enrolment. You will receive communications from Aegon if you are automatically enrolled.

Making contributions to your account

Once you've joined the Plan, an account is opened in your name. You build up your savings by the contributions you make to your account and the Matching Credits made on your behalf by the Company.

You can choose to pay a Core Contribution of 3%, 4%, 5% or 6% of your Plan Pay and a Matching Credit will be made on your behalf, immediately increasing your savings. The minimum contribution you can make is 3% of your Plan Pay. The value of your Matching Credit depends on your job grade, as per the table below:

Employee Grade	Employee Contribution	Matching Contribution Multiple	Maximum Matching Contribution
Corporate Bands 2-8 & Hotel Employees	3 – 6%	2	12%

Building up your savings

The Plan is a tax-efficient way to save for your retirement. Your contributions are deducted from your pay before tax, which means it costs you less. The table below shows how much it costs an example member to save with the Plan for different levels of Plan Pay.

Monthly gross basic pay	Core Contribution	Matching credit paid by IHG	Tax relief and National Insurance saving	Cost to you (after tax relief and National Insurance saving)	Amount Invested
£2,000	3% 4% 5% 6%	6 8% 10% 12%	£19.20 £25.60 £32.00 £38.40	£40.80 £54.40 £68.00 £81.60	£180 £240 £300 £360
£3,000	3% 4% 5% 6%	6 8% 10% 12%	£28.80 £38.40 £48.00 £57.60	£61.20 £81.60 £102.00 £122.40	£270 £360 £450 £540

*Assumes a basic rate tax payer (20% for the 2020/2021 tax year). If you pay tax at the higher rate, saving with the Plan may cost you even less.

You can change your Core Contribution at any time in the myHR system and your Matching Credit will be changed accordingly. Your Matching Credit will continue while you are paying a Core Contribution up to age 75. If you stop making a Core Contribution at any time (except during temporary unpaid leave), you will in effect be leaving the plan (see page 20).

Making Additional Voluntary Contributions

You can give your savings a boost by making Additional Voluntary Contributions (AVCs). As their name suggests, AVCs are entirely optional but are a useful way of increasing your retirement savings when you can afford to, and of maximising the tax relief available.

AVCs can be paid monthly or as one-off lump-sums. Any AVCs you choose to make will be deducted from your pay with your Core Contribution. You can elect to pay AVCs in the myHR system.

Retirement benefits

Retirement Age

The earliest age that you can currently take your pension benefits (other than through ill health) is 55. This is expected to increase to age 57 in 2028 (to be 10 years before State Pension Age). When you retire, you can use the money in your account to provide a choice of benefits to suit you and your family. The Normal Retirement Age in the Plan is 65

Your retirement benefits

Major changes to the way defined contribution (DC) retirement savings can be accessed were introduced with effect from 6 April 2015. When you retire, you will be able to make use of one or more of the following options:

- Buy a pension (Annuity)
- Flexi-access Drawdown
- Take one or more cash sums

There is currently no charge from the Plan for taking any of these options, although you should note there may be initial and/or ongoing charges if you transfer to an external drawdown product.

These options are described in more detail below.

1. Buy a pension (Annuity)

This was the only option available to most individuals prior to 6 April 2015. The option to purchase an Annuity with a DC fund (and take up to 25% of the fund as a tax free cash sum) is still available. If you choose this option, the size of your pension will depend on:

- The value of your account. The amount you have in retirement will depend on how much you have contributed to your account, how well your investments have performed and how long your account has been invested.

- Your age at retirement. The younger you retire, the more expensive your Annuity will be, because it will be providing you with an income over a longer period.

- The cost of buying an Annuity when you retire. The price of annuities varies from time to time depending on market interest rates and the type of Annuity that you buy (see page 21).

You can choose which company you want to buy your Annuity from. This company (normally an insurance company) will then pay you a regular income for the rest of your life.

When making this decision it's important to shop around for the best deal as different companies will charge different amounts for the same pension. When you retire, you can receive guidance from a specialist Annuity bureau appointed by the Trustee to help you make this decision. The charge for this guidance is currently met by the Company. Aegon will provide you with full details of this facility before you retire.

Retirement benefits

Choosing your Annuity

You can choose the Annuity that will best meet your needs from the following range of provisions:

- pension increases
- pension on your death for surviving spouse, civil partner or one or more dependants
- a guarantee that the pension is paid for a minimum period

Under current legislation, your pension income is subject to tax under PAYE (Pay As You Earn) just like your normal pay.

How much does an Annuity cost?

Insurance companies base their Annuity rates on a number of factors including life expectancy. So the younger you are when you retire, the lower your pension will be – because it's expected you will be paid this income for a longer period of time. Also, the more benefits you choose, the lower your pension becomes. For example, adding benefits such as indexed-linked pension increases or a pension payable to someone else (e.g. a spouse) linked to your own pension income is likely to increase the cost. Long-term interest rates have a major effect on the cost of buying an Annuity. Generally, the lower interest rates are, the lower the pension is and you'll get less pension income for your money. Because of all these factors, it is difficult to predict how much your Annuity will cost when you retire. To help you plan and as an indication only, your annual benefit statement will include an illustration of the pension that your account may buy you at retirement in current day terms.

2. Flexi-access drawdown (flexible income)

Under a flexi-access drawdown arrangement, you can take up to 25% of your DC fund as tax-free cash when you designate your DC fund as being available for drawdown. Payments from the flexi-access drawdown account can then be taken as and when you choose, while the rest of your fund remains invested. Each payment under a flexi-access drawdown account is subject to tax at your marginal rate.
Under this option, you retain control of your pension pot in retirement and you can take income as and when you choose. However, you should consider whether this income will last through retirement. Also, as your funds remain invested, it is possible that they could fall in value which will affect the amount of income that you can receive. Currently you need to transfer your account out of the Plan to an alternative pension arrangement in order to take advantage of this option.

Retirement benefits

3.Take one or more cash sums (UFPLS)

Also called 'uncrystallised funds pension lump sums' (UFPLS), this is similar to flexi-access drawdown except that each time you take a payment, one quarter of the payment is tax free with the rest taxed at your marginal rate. This means the 25% tax-free cash can be spread over a period of time, rather than taken in one go. With this option, you can take as much or as little of your account as and when you want. With UFPLS, you'll also have the option to take your entire fund in one go as cash at retirement. Again, 25% of your fund will be tax free and the rest will be taxed at your marginal rate. You are able to take advantage of this option directly from the Plan although there are restrictions on the amounts and the number of payments you can receive. If you decide to take this option, particularly if you are considering taking your entire account in one tax year, you will need to consider the potential tax consequences and also how you are going to provide an income throughout your retirement.

Pension Wise

You now have more freedom when taking your pension money. To help you understand your options, the government has set up a free and impartial service called Pension Wise for people aged 50 or over with a defined contribution pension.

Pension Wise gives:

- guidance on your pension options and how to make the best use of your money
- information about tax when taking money from your pension
- tips on getting the best deal, including how to compare products, get financial advice and avoid scams

Go to www.pensionwise.gov.uk or call 0800 138 3944 to book a free phone or face-to-face appointment for specialist guidance on what you can do with your pension pot.

State pensions

Your Plan benefits will be paid on top of any State pensions you may receive. It is unlikely that the State pension alone will give you enough for a comfortable retirement. To find out how much State pension you are likely to receive, you should request a pensions forecast by contacting the State pensions forecasting team at:

Future Pension Centre, The Pension Service 9, Mail Handling Site A, Wolverhampton WV98 1LU.

Alternatively, you can request a forecast by phoning the State pension forecasting team on 0800 731 0175 or completing an online application by visiting the government's pensions website at www.gov.uk/check-state-pension

Investment for retirement

When you are building up your retirement savings, the way in which you invest your account can make a difference to the amount of money you have in retirement, so making appropriate investment choices is important. The Plan offers two broad approaches to saving:

- LifeStyle is designed for people who would prefer not to make their own investment decisions.
- FreeStyle is designed for the more confident investor. With FreeStyle you choose how your account is invested from a range of different funds.

With LifeStyle, you do not have to decide which funds to invest in or when to change your choice. You simply need to decide how you are most likely to access your benefits on retirement, although the way in which the LifeStyle strategies work means how you are likely to access your benefits is not particularly important until you are close to your retirement date and there is currently help available to assist you with making the decision. Your account then is invested according to a set pattern based on your Normal Retirement Age and the type of retirement benefit you have targeted. This aims to reduce your exposure to prevailing market conditions at the date you retire. If you would like your LifeStyle option to be based on a different retirement age or target benefit, perhaps because you intend to retire earlier than your Normal Retirement Age, you can amend your "Target Retirement Age" and which LifeStyle strategy you are in via the Aegon TargetPlan website. A full description of LifeStyle and FreeStyle is shown on pages 11 and 12 and it is suggested that you read this before making your decision. You are free to change your investment choices at any time by calling Aegon, or by accessing your account via the Aegon TargetPlan website. You can also change from FreeStyle to LifeStyle, or between LifeStyle options at any time.

You should always ensure that you have read and understood the terms of any fund in which you choose to invest, including any of the funds used in the LifeStyle options. The terms may include information that will be important to you in deciding which funds to invest in. A full description of each fund is available from Aegon via the TargetPlan website or on request. You should note that the fund range available to members is determined by the Trustee and these funds may be changed by the Trustee which could impact your current fund and future contributions.

Each time you pay a contribution into your account it is invested in your chosen investment fund, or funds, and you are allocated a number of units in return. The number of units in each investment fund is calculated by dividing the amount invested by the dealing price of units on the day they are allocated. The value at any time of your holding in any investment fund can be calculated by multiplying the total number of units in that fund by the fund's current dealing price. The dealing price of units will change from day to day as the value of the underlying investments rises or falls. So, if the value of the underlying investments rises, the value of your units will also rise and vice versa. You can view your account balance at any time on the TargetPlan website.

Investment for retirement

How LifeStyle works

With LifeStyle, your account is automatically invested for you so you do not have to make any further investment decisions. You simply need to decide how you are most likely to access your Plan benefits on retirement. (See page 7 for more information about the different retirement options.) The Plan offers a choice of LifeStyle strategies which are based on the different retirement options available. LifeStyle is based on the general principle that your investment needs change as you approach retirement. This aims to reduce your exposure to prevailing market conditions at the date you retire.

LifeStyle is intended to suit most people but may not be right for you as it depends on your financial circumstances and your attitude to risk. You may prefer to make your own investment choices in which case you should select FreeStyle.

LifeStyle aims to increase the value of your account by investing in equities until 15 years before your Normal Retirement Age (if you would like your LifeStyle option to be based on a different retirement age, you can do so via the Aegon "Target Plan' website). The investments are then switched into a Diversified Assets Fund over a five year period and then remain invested in this fund for at least further five years. Over the final years up to retirement the investments are progressively switched to a mix of funds which depend on which LifeStyle strategy you choose. Further information is given in the "Your Fund Options" document which accompanies this booklet.

The Diversified Assets Fund is invested in a variety of assets with the aim of achieving a return of cash interest rate plus 3.5% per year over three year periods.

LifeStyle does not eliminate the possibility of poor investment returns and the value of your account can still go down as well as up, so it should not be considered a low risk option.

It is important to note that the LifeStyle strategies are designed to meet the needs of a 'typical' Plan member. They may not fit your individual circumstances or preferences. If you want to tailor your benefits to meet specific requirements, then you may prefer to use FreeStyle.

Investment for retirement

How FreeStyle works

With FreeStyle, you choose how your account is invested from the Plan fund range, which is described in the "Your Fund Options" document which accompanies this booklet. In deciding whether to opt for LifeStyle or FreeStyle you should think about how confident you are at making investment decisions. You should assess your own attitude to risk and consider the following types of risk:

- Inflation Risk: If you are a reasonable time away from retirement you should seek to minimise the risk that the growth in your investments will not keep pace with inflation.

- Market Risk: This is the risk that the monetary value of your investments goes down. If you are investing over a fairly long period of time (say 5 to 10 years), you would not normally be concerned by daily or short term fluctuations in the value of your investments. You would be much more interested in ensuring that the overall value of your investments grew over the medium to long term.

- Conversion Risk: This is the risk as you approach retirement that the cost of buying a pension rises without a matching increase in the value of your investments. This is a particular concern if you are planning to use your account to buy an Annuity.

You cannot avoid risk altogether. However, in making your investment choice, you should be comfortable with the level of risk you accept. The level of risk appropriate to you will depend upon a number of considerations, including your personal attitude to the types of risk described above.

The relative importance of these investment risks would typically vary as your personal circumstances change and as you progress through your working lifetime towards retirement. In particular:

- When you are a long way from retirement you will usually be looking for good investment growth. Market risk and conversion risk would normally be less important. You would probably be concerned to limit the inflation risk in the investments you choose.

  This is because you are still earning and have time on your side. You probably have the time to ride out, and hopefully recover from, any ups and downs of the financial markets and can aim for higher returns without the increased concern you would have if you were nearing retirement. At this point you can consider investing in equity-based funds and any other funds you think may generate higher returns.

Investment for retirement

- When you are closer to retirement you will probably want to protect the value of your investments from falls in the markets by investing in lower risk funds.

When making your decision, you should be aware of the risks involved in investing in the different funds. To help you understand the funds' relative risk values, each fund has been given a risk rating of low, medium to low, medium, medium to high or high (refer to the "Your Fund Options" document which accompanies this booklet).

Higher risk funds are more volatile. They can produce higher returns on your investments but, in adverse circumstances, could significantly reduce the value of your savings. Higher risk funds are a particularly risky investment if you are nearing your retirement age.

Lower risk funds can help protect the value of your savings. This is important when you are close to retirement. But, if you are some years away from retiring, lower risk funds may not produce the returns you need to build up your retirement savings.

Keeping track of your investments

Saving for your retirement is a long-term commitment and your money is likely to be tied up in investments for quite some time. So whichever investment option you choose, it's important you keep a close eye on your investments.

Even if you choose a LifeStyle option, you should monitor your investments on a regular basis to ensure you are saving enough for your retirement and ensure that you are invested in the right LifeStyle option for the retirement benefit you are targeting. If your investments are not providing the returns you need, you may want to boost your savings by increasing your Core Contributions or by making AVCs.

Your investment returns are detailed on your account statement, which Aegon will send to you once a year. Fund performance reports are also available every quarter to help you monitor your investments. Just call Aegon to request the latest performance reports for your investment choice.

A simpler way to keep a close eye on your investments is via Aegon's TargetPlan website (available through www.pensions.ichotelsgroup.com). You can view the latest performance reports and a statement showing the value of your investments over a period of your choice - all from your computer. And, if you are a FreeStyle investor, these online facilities help you to manage your funds.

If you are unsure about your options or wish to obtain personal advice, you should consult an independent financial adviser who may charge you a fee. Aegon and the Trustee are unable to provide advice. The Trustee will not be responsible for any loss you may incur from any investment options you choose.

Investment for retirement

Investing your savings

Investments fall into different asset classes. Each asset class has different characteristics - some are more risky to invest in but offer potentially better returns, while others may be safer but won't offer the potential for such high returns.

The Plan offers a range of funds covering a range of asset classes including equities, gilts, corporate bonds, property and cash. A detailed description of each of these funds can be found in the "Your Fund Options" document which accompanies this booklet. More detailed information, including performance data is available from Aegon (details on page 4).

When choosing how to invest your savings, you do not have to choose specific companies, government gilts, corporate bonds, property or cash investments. Instead, you are offered investment funds made up of one or a combination of the different asset classes.

Equity funds, in particular, can come in many shapes and sizes. For example, a UK equity fund invests in the shares of UK companies, and a global equity fund invests in overseas companies with the proportion invested in each company determined by the fund manager.

Each asset type has a particular role to play when it comes to investing your retirement savings. Equity funds, for example, may be a more suitable investment if you are a long way away from retiring. This is because their value tends to fluctuate over a short period of time, which means you need to invest in equity funds over a long term to have the best chance of maximising your investment returns. The risk involved in each asset class and the role it plays in investing for your retirement is described on pages 16 to 18.

Fund management styles

There are two styles of fund management: passive and active.

Funds that are managed passively invest in a particular index, for example, the FTSE All-Share Index. With passive fund management, the aim is to track the performance of the index as accurately as possible - hence 'index-tracking' funds. By investing in all shares that make up an index, there is less risk of one poorly performing share affecting the overall performance of the fund.

Active fund management is an investment style which aims to achieve consistently better returns than those of a relevant Benchmark. In other words it tries to outperform that Benchmark. This is done by taking positions (i.e. investing in different sectors and/or specific stocks) away from that Benchmark. For example, some managers favour Small Cap stocks (i.e. companies with a smaller stock market capitalisation) over Large Cap stocks (the largest companies, for example those in the FTSE 100). By taking active positions away from the Benchmark, an investment manager is exposing the fund to the risk of underperformance as well as outperformance relative to that Benchmark.

Investment for retirement

How secure are my investments?

Your investments are held in a self-contained fund which is designed so that no third party could have access to them.

From a legal perspective, the Plan is an insurance policy between the Trustee and the Investment Platform Provider and your contributions are treated as a premium on that policy. The premium and any assets of the funds belong to the insurance company, therefore the security of your investments depends on the solvency of the Investment Platform Provider. Such insurance policies are popular products and commonly used as investment vehicles for Defined Contribution assets of UK pension schemes.

As an insurance company, the Investment Platform Provider is regulated in the UK by the Financial Conduct Authority and is subject to regulatory oversight and restrictions on its activities. If you are invested in a fund which is operated by the Investment Platform Provider and the Investment Platform Provider becomes insolvent, the Trustee may be eligible under the Financial Services Compensation Scheme (FSCS) to make a claim for the value of the policy. In the first instance in insolvency situations the FSCS will usually try to transfer the policy to another insurance company to carry on the insurance policy. If this is not possible, the FSCS will currently pay cash compensation to eligible claimants covering the full value of the policy. There is no maximum limit to the compensation. This compensation would be paid to the Trustee, who would hold it on behalf of all Plan members, including yourself.

How much will this cost me?

The administration costs of maintaining and investing your account are paid on your behalf whilst you are employed by the Company. An Annual Management Charge will become payable by you once you have left the Company, or opt-out of the Plan and your account is retained in the Plan. Details of the Annual Management Charges and a description of each fund are contained in the "Your Fund Options" document which accompanies this booklet. The charges you pay may change in the future and the Trustee will let you know of any changes in advance of them being implemented.

What if I have other pension funds?

If you have benefits in any other pension arrangements you may, with the Trustee's agreement, be able to transfer these into your account and have the money invested along with your other savings. If you are interested in this option, you should contact Aegon for further information.

Investment for retirement

Risk and role of asset classes

The following describe how some of the main asset classes work, their typical risk profiles and how they might be used in retirement saving.

Asset type	Equities
What are they?	Company shares
How do they work?	By investing directly in a company's equity, you own part of that company. If the value of the company increases so will the value of the company shares. But, if the company drops in value, so will the value of your shares.
Risk Profile	While some equity funds are less volatile than others, all tend to fluctuate in value. This means they can rise or fall in value quite sharply from day to day. However, the past performance of equities shows that over longer investment time horizons, equities have a better chance of outpacing inflation than other types of investments. But equities are more unpredictable in the short term.
Main Role	To build up the value of your retirement savings over the long term.

Asset type	Gilts
What are they?	Loans issued to the UK government
How do they work?	In return for your investment, the government promises to pay back the money on a certain date and, in the meantime, they pay interest on your investment either at a fixed rate or with the value of the investment linked to the Retail Prices Index (known as index-linked gilts).
Risk Profile	Because the UK government is normally regarded as creditworthy, gilts provide a safer investment than most corporate bonds (see below) but the interest rate paid is correspondingly lower. Gilts that are not index-linked may not keep pace with inflation over the long term.
Main Role	To protect your savings against changes in the cost of providing a pension as you approach retirement.

Investment for retirement

Asset type	Corporate Bonds
What are they?	Loans to companies
How do they work?	The bond represents money loaned to a company, which it promises to repay to the bondholder at a future date. In addition, interest is payable on the loan until the loan is repaid.
Risk Profile	Corporate bonds fluctuate in value in a similar manner to gilts. There is the additional risk that the company defaults on the loan ("credit risk") and the loan and any future interest are not repaid. To compensate for this additional risk, corporate bonds tend to offer an additional return over that available on gilts. Corporate bonds are rated on the likelihood of default and it is usually the case that the higher the risk, the higher the return offered.
Main Role	To build up the value of your retirement savings over the long term.

Asset type	Property
What are they?	Physical assets such as buildings and land.
How do they work?	The fund owns part of a physical asset such as an office block, a piece of land or a shopping centre. The value of the holding depends on how property prices change and any rental income generated.
Risk Profile	Property prices can fluctuate in value, increasing or falling by large amounts over relatively short periods of time and can be affected by new developments and changes in business patterns. Property is costly to buy and sell, and deteriorates over time requiring refurbishment and maintenance which impacts returns. Rental income is only paid if a building is let and the tenant is solvent, and leases need to be periodically renewed. Historically property has shown good returns but with periods of downturns.
Main Role	To build up the value of your retirement savings over the long term.

Investment for retirement

Asset type	Cash
What are they?	Various cash based investments.
How do they work?	Money is deposited with a bank, building society or a similar organisation or used to buy cash investments. You receive interest on your investment.
Risk Profile	Cash funds do not normally fall in value but the rate of interest you earn can vary and may not keep up with inflation over the long term.
Main Role	To protect your savings against any short-term falls in value just before your retire.

Events before retirement

Being a member of the IHG UK Defined Contribution Pension Plan will provide you with the comfort of knowing that you and your family will have some financial security if the worst happens.

What if you die?

If you die in pensionable service, subject if necessary to the Life Assurance Trustee obtaining suitable insurance cover, your beneficiaries will receive a life assurance lump sum of 4 times your Benefit Pay, plus the accumulated funds in your Plan account. If the Life Assurance Trustee is not able to obtain insurance cover on terms it considers reasonable, the life assurance lump sum can be restricted to the extent the Life Assurance Trustee decides.

The payment of the life assurance lump sum is at the discretion of the Life Assurance Trustee. So that the Life Assurance Trustee is fully aware of your wishes as to the recipients of the cash sum benefits, it is very important that you complete and return a Beneficiary Form. Your personal circumstances may change and you should review your nomination regularly by completing another form so that the Life Assurance Trustee can take account of your latest wishes. Payment of benefits will be delayed if there is no Beneficiary Form or if it is obviously out of date. Beneficiary Forms are available from the UK pensions area of the Company's corporate website at www.ihgplc.com/business/pensions

What if you're ill?

If you are unable to work for a period of time due to illness or injury, the Company provides insured benefits which may be able to assist you. You should refer to your local HR contact or the IHG Pensions Team at enquiries.pensions@ihg.com

If you have to stop working altogether and your illness is serious, you may be able to access your account before the minimum retirement age, currently 55.

If your life expectancy is less than one year, and the Trustee has received evidence from a doctor to that effect, you may be able to take the value of your account as a cash lump sum (which will be subject to tax).

Events before retirement

What if you leave the Company?

Once you have left the Company, you cannot continue to pay Core Contributions or AVCs to the Plan, and you will receive no further Matching Credit. Also you will no longer be eligible for ill-health or life assurance benefits. Aegon will write to you to confirm what options you have in respect of the funds invested in your account. If you die after leaving the Company but before you access your benefits, your account will be used to provide a cash sum or pension for your beneficiaries. This would be paid at the discretion of the Trustee.

What if you decide to leave the Plan?

If you decide to leave the Plan, whilst you are still working for the Company, the same options apply as if you were leaving the Company. If you decide to leave, you should give one month's notice by completing an opt-out form (available from the IHG Pensions Team).

You can opt-out of the Plan at any time. If you do, you cannot continue to pay Core Contributions or AVCs to the Plan, and you will receive no further Matching Credit. You should also be aware that your life assurance cover will reduce to your Benefit Pay at date of death.

You can rejoin at a later date (up to your 75th birthday) but you may not be eligible for the 4 times Benefit Pay life cover. You may be automatically re-enrolled into the Plan if you stay with the Company and meet certain age and earnings criteria.

What if you take maternity or adoption leave?

If you go on maternity or adoption leave your Core Contribution and Matching Credit will continue at the rate you selected before going on leave (3%, 4%, 5% or 6% of your Plan Pay).

While you are on paid maternity or adoption leave, the Matching Credit will be based on your Plan Pay calculated as if you were working normally. You will make your Core Contribution based on your maternity or adoption pay.

Events before retirement

During any period of ordinary unpaid maternity leave the Matching Credit will continue to be made (based on your Plan Pay calculated as if you were working normally) but you do not have to continue to pay a Core Contribution to your account if you don't want to.

If you take additional unpaid maternity leave, your Matching Credit will stop and you will not be required to pay any Core Contribution.

When you return to work after a period of unpaid additional maternity or adoption leave you can make up for any Core Contributions you missed out on during additional unpaid maternity or adoption leave and a Matching Credit will be made on your behalf.

Throughout your maternity or adoption leave you will still be entitled to 4 times Benefit Pay lump-sum life assurance cover, provided that you do not leave the Company.

What if you take family leave?

If you go on family leave your Core Contribution and Matching Credit continue at the rate selected before going on leave (3%, 4%, 5% or 6% of your Plan Pay).

If you go on parental leave, ordinary adoption leave or paternity leave, your Core Contribution will be based on your Plan Pay actually received (if any) and your Matching Credit on your Plan Pay calculated as if you were working normally.

If you go on paid additional adoption leave or any other form of paid family leave, your Core Contribution and Matching Credit will be based on your Plan Pay actually received.

During any other period of unpaid family leave, the Matching Credit will stop and you will not be required to pay any Core Contribution.

When you return to work after a period of unpaid family leave you can make up for any Core Contributions you missed out on during unpaid leave when no Matching Credit was made and a Matching Credit will be made on your behalf.

Throughout your family leave you will still be entitled to the 4 times Benefit Pay lump-sum life assurance cover as long as you do not leave the Company.

Events before retirement

What if you get divorced?

If you get divorced and the Plan receives a pension sharing order, your ex-spouse may become entitled to a share of your account, called a pension credit. The Trustee will require your ex-spouse to transfer this pension credit out of the Plan (unless he or she is also a member at the time the order is received). The Plan will make a charge to implement any pension sharing order. Further information about pension sharing is available from Aegon.

What if you are in a Registered Civil Partnership?

If you are in a registered civil partnership that dissolves and the Plan receives a pension sharing order, then the position will be the same as that outlined above in relation to divorcing couples.

The technicalities

Registered Status
The Plan is registered under the Finance Act 2004. Under current legislation this gives favourable tax treatment to benefits and contributions but also means that certain rules apply. If HM Revenue & Customs benefit or contribution allowances are exceeded, you will have to pay tax on any excess over the maximum allowance. The government may change the legislation as it applies to registered pension schemes in the future.

Annual Report and Accounts
Each year the Trustee produces an annual report that will include the Plan's audited accounts for the year, a report on the investments, statements by the actuary and auditor, and a governance statement from the Chair of Trustees. A copy of the full report is available to Plan members and beneficiaries on request to Aegon, or can be viewed and downloaded from the pensions area of the InterContinental Hotels Group corporate website at www.ihgplc.com/business/pensions

Amendment or Termination
The Company has the power to discontinue the Plan without replacing it or, with the consent of the Trustee, to amend it at any time in the future. On discontinuance your benefits would be paid as required by the trust deed and rules.

Dispute resolution
The Plan operates an internal dispute resolution procedure. This aims to ensure that, if a dispute arises, it is properly investigated and, where possible, resolved to the satisfaction of all parties.

If you have a problem, you should first of all contact Aegon, who will attempt to resolve it to your satisfaction. If the problem is not resolved, you can make a formal complaint to the Head of Pensions.

You can contact the Head of Pensions by writing to IHG UK Defined Contribution Pension Plan, No. 1 First Avenue, Centrum 100, Burton-on-Trent, Staffordshire, DE14 2WB, or by email at enquiries.pensions@ihg.com

You then have the right to appeal to the Trustee if necessary and if your dispute remains unresolved, you can contact the Pensions Ombudsman.

Full details of the formal internal disputes resolution procedure can be obtained from the Trustee Secretary at IHG UK Defined Contribution Pension Plan, No. 1 First Avenue, Centrum 100, Burton-on-Trent, Staffordshire, DE14 2WB, or by email at enquiries.pensions@ihg.com

The Pensions Advisory Service (TPAS)
TPAS is available to assist members and beneficiaries with pensions questions and resolving their difficulties with the administrators or Trustee of the Plan. TPAS can be contacted on 0800 011 3797 or at 11 Belgrave Road, London SW1V 1RB.

Pensions Ombudsman
The Pensions Ombudsman may investigate any complaint or dispute of fact or law, including interpretation of the rules of the Plan. The Pensions Ombudsman can be contacted at helpline@pensions-ombudsman.org.uk or on 0800 917 4487 or at 10 South Colonnade, Canary Wharf E14 4PU.

The technicalities

The Pensions Regulator

The Pensions Regulator is responsible for supervising and enforcing the laws governing occupational pension schemes. The Pensions Regulator has wide-ranging powers, including the authority to intervene in the running of schemes where trustees, employers or professional advisers have failed in their duties. The Regulator may be contacted at Napier House, Trafalgar Place, Brighton BN1 4DW.

Tracing your benefits

The Plan is registered with the Registrar of Occupational and Personal Pension Schemes, who acts as a central tracing agency to help individuals keep track of benefits they have in previous employers' schemes. If you would like to track down savings in previous employers' pension plans, you can contact the Pension Tracing Service at The Pension Service 9, Mail Handling, Site A, Wolverhampton WV98 1LU.

Pension Wise

Pension Wise is a free and impartial guidance service for people aged 50 and over with a Defined Contribution Pension. Go to www.pensionwise.gov.uk or call 0333 258 0709 to book a free phone or face-to-face appointment for specialist guidance on what you can do with your pension pot.

Data Protection And Confidentiality

Personal data privacy statement

As Trustee of the Plan, we hold personal information about members of the Plan and, where applicable, their dependants and beneficiaries. The Trustee is the 'data controller' of the Plan's personal data.

What personal data is held

We hold some, or all, of the following types of personal information about you:

- Your name, date of birth, gender, National Insurance number and bank account information.
- Your home address and other contact details.
- Details of your employment history with IHG including details of your salary.
- Your marital status and marital history, your nominated beneficiaries and other information the Trustee may need to pay any death benefits due in relation to you.
- If your benefits from the Plan form part of a divorce settlement, details of that settlement.
- Your membership details of pension arrangements outside of IHG.

How that information is used and who it is shared with

The Trustee needs to hold and process information about you in order to run the Plan and pay benefits. In legal terms, this means that we have a legitimate interest in holding and processing the above information. Our legitimate interests may include:

- providing any clarification or assistance in response to your communications;
- improving our service to you as a Plan member or beneficiary;
- ensuring that you are aware of your benefits and entitlements;
- complying with our record-keeping duties;
- ensuring that we pay the correct benefits at the correct time;
- managing the risks to the Plan so that we can help to make your pension safe;
- complying with all laws, guidance and codes that apply to the Trustee and/or the Plan, as well as with data requests from regulators, governments, courts and law enforcement authorities;
- minimising disruption to the Plan if there is ever a change to our business; and
- monitoring the way in which our website is used, to help us improve your experience on the website.

We also keep the above information in order to allow us to comply with our obligations to members under the Plan's governing documents, as well as under relevant legislation. The data is generally collected from you or your employer, however we may also receive personal data from other parties such as HM Revenue & Customs, the Pensions Ombudsman or someone acting on your behalf, such as an independent financial adviser.

We may use your information for the following purposes:

- to administer the Plan including to process data to calculate and pay benefits;
- to carry out our obligations arising from any agreement that we have with, or concerning, you and to provide you with the information, benefits and services;
- in relation to any correspondence related to the administration of the Plan (including queries relating to membership of the Plan;
- to notify you about our services and changes to our services;
- for internal record keeping;
- risk management;
- complying with any present or future law, rule, regulation, guidance or directive, and complying with any industry or professional rules and regulations or any applicable voluntary codes;

- complying with demands or requests made by local and foreign regulators, governments and law enforcement authorities, and complying with any subpoena or court process, or in connection with any litigation;
- in connection with any sale, merger, acquisition, disposal, recognition or similar change involving the Plan;
- to process Trustee nominations; and
- to analyse and improve the activities, services and information offered by the Plan administrator's online administration site.

We will only use your personal information for the purposes for which we collected it, unless we reasonably need to use it for a different reason that is compatible with the original purpose. If we need to use your personal information for an unrelated purpose, we will explain the legal basis which allows us to do so.

Personal data relating to the Plan is held on paper and on computer systems. As the "data controller", we must process this information fairly and lawfully.

The Trustee is not allowed to share personal data about you with other organisations and people, unless the law allows us to do so or you have given your consent. As we need to share information with others in order to provide you with benefits, there is a legitimate interest in the Trustee sharing this information. Therefore, we may share your personal information with various people, including: any new trustees; employers; the Plan administration team; the Plan's professional advisers; auditors; insurers; HMRC; the Pensions Ombudsman; printers; mortality tracing agencies; IT service providers, and other third parties as required by law – for example, local or foreign regulators, governments and law enforcement authorities; local and foreign courts, tribunals and arbitrators or other judicial committees. If your pension is transferred to another scheme, we will also need to provide the administrators of that scheme with information about you.

If we share your personal information in this way, we require the transferee to implement appropriate security measures to protect your personal information and to treat it in accordance with the law. Except where the transferee is a data controller in its own right, we only permit the transferee to process your personal information in accordance with our instructions.

When we need to use information about your health (or other very personal information), we may ask for your consent. However, sometimes there may be reasons of public interest or law which enable us to use this information without consent, and we will do so where that is necessary to run the Plan in a sensible way. In the event that we ask for consent, you can withdraw your consent at any time by contacting us using the contact details given below. This may affect what we can do for you, unless we have another lawful reason for using your information.

We may also share your personal information with someone else where you have given your consent – for example, where you transfer your benefits out of the Plan.

How long we keep personal data for

We must keep all personal data safe and only hold it for as long as necessary. To meet the requirements of both UK tax and pensions law, we must keep certain personal data (for example, details about the date a member joins the Plan, their name and address, and details of benefits paid) for a minimum of 6 years. But, given the nature of pension schemes, the Trustee may be required to keep some of your personal information for the lifetime of the Plan and/or any future replacement pension arrangements so that we have the information we need in order to pay your benefits and to answer queries relating to your benefits.

We review the personal data held in relation to the Plan on a periodic basis in accordance with our data retention policy. If we conclude that certain personal data is no longer needed, that personal data will be destroyed.

Keeping your personal data safe

We have put in place appropriate security measures to prevent your personal information from being accidentally lost, used or accessed in an unauthorised way, altered or disclosed. We also have procedures in place to deal with any suspected data security breach, should one arise.

We may transfer, store, or process your personal information at a destination outside the European Economic Area (EEA). Where the countries to which your personal information is transferred may not offer an equivalent level of protection for personal information to the laws of the UK, we will take reasonable steps to ensure that your personal information is treated securely and in accordance with this notice. This may include entering into data transfer agreements based on the model clauses approved by the European Commission, to ensure that third parties to whom we transfer personal information in those countries commit to ensuring an adequate level of protection for your personal information.

Your rights in relation to your personal information

You have rights in relation to the personal information we have about you. You have the right to:

- make a request to have your personal information corrected if it is inaccurate, and completed if it is incomplete;
- in particular circumstances, restrict the processing of your information;
- in particular circumstances, ask to have your information erased;
- request access to your information and to obtain information about how we process it;
- in particular circumstances, move, copy or transfer your information;
- in particular circumstances, object to us processing your information;
- not be subject to automated decision-making including profiling where it produces legal or other significant effects on you.

You should be aware that taking any of the above steps could impact on the payment of your benefits and/or your participation in the Plan.

Information will generally be provided to you free of charge, although the Trustee can charge a reasonable fee in certain circumstances.

Queries and further information

If you would like more information about what we do with your personal information and what your rights are, you can contact the IHG Pensions Team:

Email: enquiries.pensions@ihg.com

Post: IHG Pensions Team, No 1 First Avenue, Centrum 100, Burton upon Trent, DE14 2WB

You have the right to complain to your local data protection authority, or to a court of law, if your data protection rights are violated. You may be entitled to claim compensation as a result of unlawful processing of your personal information.

If you have concerns about the way we handle your personal data, you can contact the Information Commissioner's Office or raise a complaint at www.ico.org.uk/concerns, or call its helpline on 0303 123 1113.

From time to time, we may update this privacy notice and the data protection arrangements described above. If we make any substantial changes, we will provide you with a new version of this notice.

Jargon buster...

Annual Allowance
This is the maximum personal allowance for tax relief you can obtain on pension contributions paid into a UK tax registered pension arrangement. This allowance includes the value of contributions paid by you (Core Contributions and AVCs) and the Company.

Annuity
An Annuity is an investment that gives you a regular income (or pension) during your retirement. You would normally buy an annuity from an insurance company.

Benchmark
An index relating to shares in particular stock markets, or to particular categories of bonds, or other assets, or combinations of these, against which the performance of an investment strategy is measured.

Benefit Pay
Benefit Pay is the definition of pay used to calculate your ill-health and death benefits. It is your annual rate of basic pay at the date you leave due to ill-health or die, or your total Plan Pay for the previous twelve months if this is greater.

Company
This term refers to Six Continents Limited, the principal employer, InterContinental Hotels Group PLC and any other employer that participates in the Plan.

Core Contribution
You can pay a Core Contribution of 3%, 4%, 5% or 6% of your Plan Pay into your account. 3% is the minimum you must pay to join the Plan.

Fixed-Term Employee
An employee whose contract of employment will terminate on the expiry of a specific term, on the completion of a particular task, or on the occurrence of a particular event.

FreeStyle
An investment approach in which you choose how your account is invested from a range of different funds.

Investment Platform Provider
Aegon UK, a pension, insurance and investment company based in Edinburgh, Scotland. Aegon UK is the brand name for Scottish Equitable plc and it is a subsidiary of Aegon N.V. a multi-national life insurance, pension and asset management company headquartered in The Hague, Netherlands.

Life Assurance Trustee
Trustee of the IHG Excepted Group Life Assurance Scheme.

LifeStyle
An investment approach designed for members who prefer to have their investment choices made for them.

Lifetime Allowance (LTA)
The maximum capitalised value of pension that you can receive from all UK registered pension schemes (including any registered personal pension arrangements), without triggering an extra tax charge. Any UK registered pension benefits that you receive in excess of the LTA will currently incur an overall tax charge of 55%.

Matching Credit
Contribution paid by the Company or from the assets of the Plan in return for each Core Contribution you make.

Normal Retirement Age
Age 65 for all members.

Pension Input Period
This has been set as the year to 5 April and is the period over which your contributions and AVCs are tested against the Annual Allowance.

Plan
IHG UK Defined Contribution Pension Plan.

Plan Pay
Your basic monthly pay before tax. In some cases, it may include other earnings. Your employer will tell you if this applies to you.

Trustee
Independent Trustee Services Ltd - the sole, professional, independent trustee of the Plan.