

Compliance with QCA Corporate Governance Guidelines

IHC will not be subject to the Combined Code applicable to companies listed on the Official List of the United Kingdom Listing Authority. The Board does, however, intend to comply (as far as practicable and subject to what is said below) with the Corporate Governance Guidelines, which state that “the purpose of good corporate governance is to ensure that the company is managed in an efficient, effective and entrepreneurial manner for the benefit of all shareholders over the longer term”. The Corporate Governance Guidelines set out a code of best practice for AIM companies by providing guidance on which aspects of the Combined Code may be departed from by AIM companies. The Corporate Governance Guidelines require that:

- certain matters be specifically reserved for the board’s decision;
- the board should be supplied in a timely manner with information (including regular management financial information) in a form and of a quality appropriate to enable it to discharge its duties;
- the board should, at least annually, conduct a review of the effectiveness of the group’s system of internal controls and should report to shareholders that they have done so;
- the roles of chairman and chief executive should not be exercised by the same individual or there should be a clear explanation of how other board procedures provide protection against the risks of concentration of power within the company;
- a company should have at least two independent non-executive directors and the board should not be dominated by one person or group of people;
- all directors should be submitted for re-election at regular intervals subject to continued satisfactory performance;
- the board should establish audit, remuneration and nomination committees; and
- there should be a dialogue with shareholders based on a mutual understanding of objectives.

The role of chairman is exercised by Jason Ader and the role of chief executive officer is exercised by Ravi Deol and, as a result, IHC is in compliance with the Corporate Governance Guidelines in this respect. The Board is also satisfied that there are other mechanisms in place to provide protections against the risk of concentration of power within IHC. The Board also includes two independent non-executive directors, each of whom has experience in the hospitality industry and who have both been appointed to IHC’s audit, remuneration and nomination committees.

IHC has established properly constituted audit, remuneration and nomination committees of the Board with formally delegated duties and responsibilities, which will meet regularly in following the consummation of the Acquisition and which will comprise the Board’s two independent non-executive directors together with one of the Sellers’ Board representatives. The audit committee comprises Richard Foyston, as chairman, Andrew Sasson and Anthony Juliano. It will receive and review reports from management and IHC’s auditors relating to the interim and annual accounts and the accounting and internal control systems being used. Where appropriate, the committee will monitor the progress taken in relation to such matters. The audit committee will have unrestricted access to IHC’s auditors.

The remuneration committee comprises Andrew Sasson, as chairman, Anthony Juliano and Bruno Seghin. It will make recommendations to the Board on matters relating to the remuneration and terms of employment of the executive directors of IHC and on proposals for the granting of share options and other equity incentives pursuant to any share option scheme or equity incentive scheme in operation from time to time, having due regard to the interests of the shareholders as a whole and the performance of IHC. The remuneration and terms and conditions of the non-executive directors will be set by the Board.

The nomination committee comprises Andrew Sasson, as chairman, Anthony Juliano and Nicholas Bloy. It will meet as and when necessary to assess the suitability of candidates proposed for appointment to the Board. In exercising this role, the committee shall have regard to the recommendations put forward in the Corporate Governance Guidelines. IHC has adopted a model code for directors and employee share dealings which is appropriate for a company whose securities are traded on AIM and is in accordance with Rule 21 of the AIM Rules.