

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.** If you are in any doubt as to what action to take, you should consult your stockbroker, solicitor, accountant or other appropriate independent professional adviser authorised under the Financial Services and Markets Act 2000. If you have sold or otherwise transferred all your shares in Intermediate Capital Group PLC, please forward this document and the accompanying Form of Proxy to the person through whom the sale or transfer was effected, for transmission to the purchaser or transferee.

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## **Intermediate Capital Group PLC**

Annual General Meeting

Tuesday, 13 July 2010

A Form of Proxy for the Annual General Meeting is enclosed and should be completed and returned so as to reach the Company's registrar no later than 10 am on 9 July 2010. Completion and return of the Form of Proxy will not prevent you from attending and voting at the Meeting in person, should you so wish.

The Board of Intermediate Capital Group considers all of the proposed resolutions to be in the best interests of shareholders and accordingly recommends that shareholders vote in favour of all of the resolutions proposed.

Intermediate Capital Group PLC  
Incorporated and Registered in England and Wales No. 2234775  
Registered Office: 20 Old Broad Street, London EC2N 1DP

# Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of Intermediate Capital Group PLC will be held at 20 Old Broad Street, London EC2N 1DP on 13 July 2010 at 10 am to consider and, if thought fit to pass, the following resolutions.

It is intended to propose Resolutions 11, 12, 15 and 16 as special resolutions. All other resolutions will be proposed as ordinary resolutions. Voting on all resolutions will be by way of poll.

## Ordinary Business

### Resolution 1

1. To receive the financial statements and reports of the Directors and auditors for the financial year ended 31 March 2010.

### Resolution 2

2. To approve the Report of the Remuneration Committee for the year ended 31 March 2010.

### Resolution 3

3. To declare a final dividend of 11p per ordinary share for the financial year ended 31 March 2010 be paid on 20 August 2010 to all holders of ordinary shares on the register of members of the Company at the close of business on 16 July 2010 in respect of all ordinary shares then registered in their names, save that no such cash dividend (save as provided otherwise in the terms and conditions of the scrip dividend scheme adopted by the Company at its annual general meeting in 2009) shall be paid on ordinary shares in respect of which a valid acceptance for scrip dividend has been received by the Company.

### Resolution 4

4. To reappoint Deloitte LLP as auditors of the Company to hold office as the Company's auditors until the conclusion of the Company's Annual General Meeting in 2011.

### Resolution 5

5. To authorise the Directors to set the remuneration of the auditors.

### Resolution 6

6. To reappoint Peter Gibbs as a Director.

### Resolution 7

7. To reappoint Francois de Mitry, who retires by rotation, as a Director.

### Resolution 8

8. To reappoint James Nelson, who retires by rotation, as a Director.

### Resolution 9

9. To reappoint Philip Keller, who retires by rotation, as a Director.

## Special Business

### Resolution 10

10. That the Directors be generally and unconditionally authorised for the purposes of section 551 of the Companies Act 2006 (the "Act"), to exercise all the powers of the Company to allot shares and grant rights to subscribe for, or convert any security into, shares:
  - (a) up to an aggregate nominal amount (within the meaning of section 551(3) and (6) of the Act) of £26,009,255 (such amount to be reduced by the nominal amount allotted or granted under (b) below in excess of such sum); and
  - (b) comprising equity securities (as defined in section 560 of the Act) up to an aggregate nominal amount (within the meaning of section 551(3) and (6) of the Act) of £52,018,510 (such amount to be reduced by any allotments or grants made under (a) above) in connection with or pursuant to an offer by way of a rights issue in favour of holders of ordinary shares in proportion (as nearly as practicable) to the respective number of ordinary shares held by them on the record date for such allotment (and holders of any other class of equity securities entitled to participate therein or if the Directors consider it necessary, as permitted by the rights of those securities), but subject to such exclusions or other arrangements as the Directors may consider necessary or appropriate to deal with fractional entitlements, treasury shares, record dates or legal, regulatory or practical difficulties which may arise under the laws of, or the requirements of any regulatory body or stock exchange in any territory or any other matter whatsoever,

these authorisations to expire at the conclusion of the next Annual General Meeting of the Company (or, if earlier, on 30 September 2011), (save that the Company may before such expiry make any offer or agreement which would or might require shares to be allotted or rights to be granted, after such expiry and the Directors may allot shares, or grant rights to subscribe for or to convert any security into shares, in pursuance of any such offer or agreement as if the authorisations conferred hereby had not expired).

### Resolution 11

11. That, subject to the passing of Resolution 10 set out in this Notice of the 2010 Annual General Meeting of the Company, the Directors be given power pursuant to sections 570(1) and 573 of the Companies Act 2006 (the "Act") to:
  - (c) allot equity securities (as defined in section 560 of the Act) of the Company for cash pursuant to the authorisation conferred by that Resolution; and
  - (d) sell ordinary shares (as defined in section 560(1) of the Act) held by the Company as treasury shares for cash, as if section 561 of the Act did not apply to any such allotment or sale, provided that this power shall be limited to the allotment of equity securities for cash and the sale of treasury shares:
    - (i) in connection with or pursuant to an offer of or invitation to acquire equity securities (but in the case of the authorisation granted under Resolution 10(b), by way of a rights issue only) in favour of holders of ordinary shares in proportion (as nearly as practicable) to the respective number of ordinary shares held by them on the record date for such allotment or sale (and holders of any other class of equity securities entitled to participate therein or if the Directors consider it necessary, as permitted by

the rights of those securities) but subject to such exclusions or other arrangements as the Directors may consider necessary or appropriate to deal with fractional entitlements, treasury shares, record dates or legal regulatory or practical difficulties which may arise under the laws of or the requirements of any regulatory body or stock exchange in any territory or any other matter whatsoever; and

- (ii) in the case of the authorisation granted under Resolution 10(a) above (or in the case of any transfer of treasury shares), and otherwise than pursuant to paragraph (i) of this Resolution, up to an aggregate nominal amount of £3,901,388

and shall expire at the conclusion of the next Annual General Meeting of the Company (or, if earlier, on 30 September 2011), save that the Company may before such expiry make any offer or agreement that would or might require equity securities to be allotted, or treasury shares to be sold, after such expiry and the Directors may allot equity securities, or sell treasury shares in pursuance of any such offer or agreement as if the power conferred hereby had not expired.

#### **Resolution 12**

12. That the Company is generally and unconditionally authorised for the purposes of section 701 of the Act to make market purchases (within the meaning of section 693(4) of the Act) of any of its ordinary shares of 20p each in the capital of the Company on such terms and in such manner as the Directors may from time to time determine provided that:

- (a) the maximum number of ordinary shares which may be purchased is 39,013,882 representing approximately 10 per cent. of the issued ordinary share capital at 26 May 2010;
- (b) the minimum price that may be paid for each ordinary share is 20p which amount shall be exclusive of expenses, if any;
- (c) the maximum price (exclusive of expenses) that may be paid for each ordinary share is an amount equal to 105 per cent. of the average of the middle market quotations for the ordinary shares of the Company as derived from the Daily Official List of the London Stock Exchange plc for the five business days immediately preceding the day on which such share is contracted to be purchased;
- (d) unless previously renewed, revoked or varied, this authority shall expire at the conclusion of the next Annual General Meeting of the Company (or, if earlier, on 30 September 2011); and
- (e) the Company may, before this authority expires, make a contract to purchase ordinary shares that would or might be executed wholly or partly after the expiry of this authority, and may make purchases of ordinary shares pursuant to it as if this authority had not expired.

#### **Resolution 13**

13. That:

- (a) the Intermediate Capital Group Omnibus Plan (the "Omnibus Plan") proposed to be implemented by the Company, a summary of which is attached at Appendix 1 of this Notice of the Annual General Meeting, be and is hereby approved and established, and the Directors be authorised to do all acts and things which they may consider necessary or desirable to bring the Omnibus Plan into effect and make such modifications to the

Omnibus Plan as they may consider necessary or desirable to bring it into effect and/or to take account of the requirements of the UK Listing Authority and best practice but not to materially affect the principal terms of the Omnibus Plan;

- (b) the Directors be authorised to establish further plans based on the Omnibus Plan and contained in schedules to the Omnibus Plan, but modified to take account of local tax, exchange control or securities laws in overseas territories, provided that any shares made available under such further plans are treated as counting against the limits on participation in the Omnibus Plan; and
- (c) the transfer to, or acquisition from, the Directors, or any future Directors, of beneficial interests in shares in Intermediate Capital Fund Management Company Limited, under the terms of the Omnibus Plan, be approved.

#### **Resolution 14**

14. That:

- (a) the Intermediate Capital Group PLC BSC Plan (the "BSC Plan") proposed to be implemented by the Company, a summary of which is attached at Appendix 2 of this Notice of the Annual General Meeting, be and is hereby approved and established, and the Directors be authorised to do all acts and things which they may consider necessary or desirable to bring the BSC Plan into effect and make such modifications to the BSC Plan as they may consider necessary or desirable to bring the BSC Plan into effect and/or to take account of the requirements of the UK Listing Authority and best practice and including authority to convert the BSC Plan into a partnership but, in all cases, not to materially affect the principal terms of the BSC Plan; and
- (b) the Directors be authorised to establish further plans based on the BSC Plan, but modified to take account of local tax, exchange control or securities laws in overseas territories.

#### **Resolution 15**

15. That:

- (a) the Articles of Association of the Company be amended by deleting all the provisions of the Company's Memorandum of Association which, by virtue of section 28 of the Companies Act 2006, are to be treated as provisions of the Company's Articles of Association; and
- (b) the amended Articles of Association produced to the meeting and initialled by the chairman of the meeting for the purpose of identification be adopted as the Articles of Association of the Company in substitution for, and to the exclusion of, the existing Articles of Association.

#### **Resolution 16**

16. That a general meeting of the Company (other than an Annual General Meeting) may be called on not less than 14 clear days' notice.

By order of the Board



**A Polk**

Company Secretary  
2 June 2010

# Notes

## 1. Proxies

Only holders of ordinary shares are entitled to attend and vote at this meeting. A member is entitled to appoint another person as his proxy to exercise all or any of his rights to attend to speak and to vote at the meeting.

A member may appoint more than one proxy in relation to the meeting, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by him. A proxy need not be a member of the Company. A proxy form which may be used to make such appointment and give proxy instructions accompanies this notice. Forms of proxy need to be received by post or by hand (during normal business hours only) with the Company's registrar, Computershare Investor Services PLC at The Pavilions, Bridgwater Road, Bristol BS99 6ZY not later than 48 hours before the time of the Annual General Meeting (or if the Annual General Meeting is adjourned 48 hours before the time of the adjourned meeting). In calculating this time period no account shall be taken of any part of a day that is not a working day. Completion of a form of proxy will not preclude a member attending and voting in person at the meeting.

## 2. Electronic proxies

As an alternative to completing and returning the printed proxy form, you may submit your proxy electronically by accessing [www.eproxyappointment.com](http://www.eproxyappointment.com). For security purposes, members will need to provide their control number, shareholder reference number (SRN) and personal identification number (PIN) to validate the submission of their proxy online. Members' individual control, SRN and PIN numbers are shown on the printed proxy form. For further information, see the instructions printed on the proxy form. You may not use any electronic address provided in this notice to communicate with the Company for any purposes other than those expressly stated. If a member wishes to appoint more than one proxy, the member should contact the Computershare Contact Centre on telephone number 0870 7071064. In any case your proxy form must be received by the Company's registrars no later than 10 am on 9 July 2010 (or, if this meeting is adjourned, 48 hours before the time of any adjourned meeting). In calculating this time period no account shall be taken of any part of a day that is not a working day.

CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the Annual General Meeting and any adjournment(s) thereof by using the procedures, and to the address, described in the CREST Manual (available via [www.euroclear.com/CREST](http://www.euroclear.com/CREST)) subject to the provisions of the Company's Articles of Association. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK and Ireland Limited's ("Euroclear") specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID 3RA50) not less than 48 hours before the time of holding of the Annual General Meeting. In calculating this time period no

account shall be taken of any part of a day that is not a working day. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, their CREST sponsors or voting service provider(s) should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service provider(s) are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

## 3. Documents on display

Copies of the following documents are available for inspection at the Company's registered office during normal business hours from the date of this notice until the close of the Annual General Meeting (Saturdays, Sundays and public holidays excepted) and will be available for inspection at the place of the Annual General Meeting for at least 15 minutes prior to and during the meeting: Directors' service agreements; terms and conditions of appointment of Non-Executive Directors; the Intermediate Capital Group Omnibus Share Plan; the Intermediate Capital Group BSC Plan; the proposed new Articles of Association of the Company and the existing Articles of Association marked up to show the changes being proposed in Resolution 15.

## 4. Right to attend and vote

Pursuant to regulation 41 of the Uncertificated Securities Regulations 2001, the Company specifies that in order to have the right to attend and vote at the meeting (and also for the purpose of determining how many votes a person entitled to attend and vote may cast), a person must be entered on the register of members of the Company at 6.00 pm on 9 July 2010 or, in the event of any adjournment, at 6.00 pm on the date which is two working days before the day of the adjourned meeting. Changes to entries on the register of members after this time shall be disregarded in determining the rights of any person to attend or vote at the meeting.

## 5. Corporate members

Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares.

## **6. Nominated persons**

Any person to whom this notice is sent who is a person nominated under section 146 of the Companies Act 2006 to enjoy information rights (a "Nominated Person") may have a right, under an agreement between him/her and the member by whom he/she was nominated, to be appointed (or to have someone else appointed) as a proxy for the meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may have a right, under such an agreement, to give instructions to the member as to the exercise of voting rights.

The statement of the above rights of the members in relation to the appointment of proxies does not apply to Nominated Persons. Those rights can only be exercised by members of the Company.

## **7. Website publication of audit concerns**

Shareholders should note that it is possible that, pursuant to requests made by members of the Company under section 527 of the Companies Act 2006, the Company may be required to publish on a website a statement setting out any matter relating to: (i) the audit of the Company's accounts (including the auditor's report and the conduct of the audit) that are to be laid before the Annual General Meeting; or (ii) any circumstance connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual accounts and reports were laid in accordance with section 437 of the Companies Act 2006 (in each case) that the members propose to raise at the relevant Annual General Meeting. The Company may not require the members requesting any such website publication to pay its expenses in complying with sections 527 or 528 of the 2006 Act. Where the Company is required to place a statement on a website under section 527 of the Companies Act 2006, it must forward the statement to the Company's auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the Annual General Meeting includes any statement that the Company has been required under section 527 of the Companies Act 2006 to publish on a website.

## **8. Total number of shares and voting rights**

As at 26 May 2010 (being the last practicable date prior to the publication of this notice) the Company's issued share capital consists of 390,138,826 ordinary shares, carrying one vote each. Therefore, the total voting rights in the Company as at that date are 390,138,826.

## **9. Right to ask questions**

Any member attending the Annual General Meeting has the right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the meeting but no such answer need be given if (a) to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information, (b) the answer has already been given on a website in the form of an answer to a question, or (c) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.

## **10. Communication**

You may not use any electronic address (within the meaning of section 333(4) of the Companies Act 2006) provided in this Notice of Meeting (or in any related documents including the covering letter and proxy form) to communicate with the Company for any purposes other than those expressly stated.

## **11. Electronic copies**

A copy of this notice, and other information required by section 311A of the Companies Act 2006, can be found at [www.icgplc.com](http://www.icgplc.com).

# Explanatory notes

## 1. Resolution 1 – Annual Report and Accounts

The Directors are required to present to shareholders at the AGM the Annual Report and Accounts for the year ended 31 March 2010 (the “Annual Report and Accounts”). The Annual Report and Accounts will be mailed on 14 June 2010 to those shareholders who have elected to receive it in hard copy form. Any shareholder who has not made an election to receive the Annual Report and Accounts in hard copy may from 14 June 2010 access it on the Company’s website ([www.icgplc.com](http://www.icgplc.com)) or may obtain a copy on application to the Company Secretary at 20 Old Broad Street, London EC2N 1DP.

## 2. Resolution 2 – Report of the Remuneration Committee

The Directors are required to seek approval of the shareholders for the Report of the Remuneration Committee. The resolution is an advisory vote, as permitted by law, and no entitlement to remuneration is made conditional on the resolution being passed. The Report of the Remuneration Committee will be set out in full in the Annual Report and Accounts, which will be mailed on 14 June 2010 to those shareholders who have elected to receive it in hard copy form. Any shareholder who has not made an election to receive the Annual Report and Accounts in hard copy may from 14 June 2010 access it on the Company’s website ([www.icgplc.com](http://www.icgplc.com)) or may obtain a copy on application to the Company Secretary at the postal address shown at explanatory note 1 above.

## 3. Resolution 3 – Dividend

The Directors recommend a dividend of 11p per share. The final dividend cannot exceed the amount recommended by the Directors. If approved by shareholders, the final dividend will be paid on 20 August 2010 to those shareholders on the register as at 16 July 2010.

Under the terms of the scrip dividend scheme approved at last year’s annual general meeting shareholders have the opportunity to elect to receive their cash dividend in shares. Shareholders who have previously submitted a valid acceptance to receive a scrip dividend and who would like to receive the final dividend for the year ended 31 March 2010 (the “2010 Final Dividend”) in shares do not need to take any further action. If you have not previously submitted a valid mandate form but would like to receive the 2010 Final Dividend in shares, pursuant to the terms of the scrip dividend scheme, a valid mandate form must be received by the Company’s registrar, at the address outlined below, prior to 6 August 2010. If you have previously submitted a valid acceptance for scrip dividend but do not want to receive the 2010 Final Dividend in shares a written notice of withdrawal in respect of those shares must be received by the Company’s registrar prior to 6 August 2010. Full details of the scrip dividend scheme, together with a mandate form can be found on the Company’s website ([www.icgplc.com](http://www.icgplc.com)) or can be requested by contacting the Company’s registrar, Computershare Investor Services PLC at The Pavilions, Bridgwater Road, Bristol BS99 6ZY or by calling 0870 7071064.

The scrip calculation price will be the average of the middle market quotations for the Company’s ordinary shares for the five business days commencing on 14 July 2010 and ending on 20 July 2010 (inclusive). The Scrip Calculation price for the 2010 Final Dividend will be announced by the Company to the London Stock Exchange on 21 July 2010 and detailed on the Company’s website ([www.icgplc.com](http://www.icgplc.com)). The first day of dealings in any new ordinary shares issued pursuant to the scrip dividend scheme will be 23 August 2010.

## 4. Resolutions 4 and 5 – The auditors

The shareholders are asked every year to approve the appointment of the auditors. Deloitte LLP and agree that the Directors may approve their remuneration.

## 5. Resolution 6 – Appointment of Peter Gibbs

Peter Gibbs was appointed as a Director of the Company by the Company’s Board of Directors on 25 March 2010. In accordance with the Articles of Association of the Company he will retire and stand for reelection at the Annual General Meeting. Biographies of all the Directors will appear in the Annual Report and Accounts, which will be posted on 14 June 2010 to those shareholders who have elected to receive it in hard copy form. Any shareholder who has not made an election to receive the Annual Report and Accounts in hard copy may from 14 June onwards access it on the Company’s website ([www.icgplc.com](http://www.icgplc.com)) or may obtain a copy on application to the Company Secretary at the postal address shown at explanatory note 1 above.

## 6. Resolutions 7, 8 and 9 – Reappointment of Directors

Francois de Mitry, James Nelson and Philip Keller are retiring by rotation in accordance with the Articles of Association of the Company and will be standing for reelection. Biographies of all the Directors will appear in the Annual Report and Accounts, which will be posted on 14 June 2010 to those shareholders who have elected to receive it in hard copy form. Any shareholder who has not made an election to receive the Annual Report and Accounts in hard copy may from 14 June onwards access it on the Company’s website ([www.icgplc.com](http://www.icgplc.com)) or may obtain a copy on application to the Company Secretary at the postal address shown at explanatory note 1 above.

## 7. Resolution 10 – Allotment of shares

Your Directors may allot relevant securities only if authorised to do so by shareholders. The authority granted at the last Annual General Meeting is due to expire at this year’s Annual General Meeting. Accordingly, Resolution 10 will be proposed as an ordinary resolution to grant new authorities to allot shares and grant rights to subscribe for, or convert any security into, shares. If given, these authorities will expire at the Annual General Meeting in 2011 or on 30 September 2011, whichever is the earlier.

Paragraph (a) of Resolution 10 will allow the Directors to allot ordinary shares up to a maximum nominal amount of £26,009,255, representing approximately one third (33.33 per cent.) of the Company's existing issued share capital and calculated as at 26 May 2010 (being the latest practicable date prior to publication of this document). In accordance with the latest institutional guidelines issued by the ABI, paragraph (b) of Resolution 10 will also allow Directors to allot, including the ordinary shares referred to in paragraph (a) of Resolution 10, further ordinary shares in connection with a pre-emptive offer by way of a rights issue to ordinary shareholders up to a maximum nominal amount of £52,018,510, representing approximately two thirds (66.67 per cent.) of the Company's existing issued share capital calculated as at 26 May 2010. The Directors have no present intention of exercising this authority. However, if they do exercise the authority, the Directors intend to follow emerging best practice as regards its use (including, where appropriate, the Directors standing for reelection) as recommended by the ABI.

#### **8. Resolution 11 – Issue of shares**

Your Directors also require a power from shareholders to allot equity securities or sell treasury shares for cash and otherwise than to existing shareholders pro rata to their holdings. The power granted at the last Annual General Meeting is due to expire at this year's Annual General Meeting. Accordingly, Resolution 11 will be proposed as a special resolution to grant such a power. Apart from offers or invitations in proportion to the respective number of shares held, the power will be limited to the allotment of equity securities and sales of treasury shares for cash up to an aggregate nominal value of £3,901,388 (being 5 per cent. of the Company's issued ordinary share capital at 26 May 2010, the latest practicable date prior to publication of this notice). If given, this power will expire on 30 September 2011 or at the conclusion of the Annual General Meeting in 2011, whichever is the earlier.

#### **9. Resolution 12 – Repurchase of own shares**

This resolution will give the Company authority to repurchase its own shares in the markets up to a limit of 10 per cent. of its issued ordinary share capital. The maximum and minimum prices are stated in the resolution. Your Directors believe that it is advantageous for the Company to have this flexibility to make market purchases of its own shares. Your Directors will exercise this authority only if they are satisfied that a purchase would result in an increase in expected earnings per share and would be in the interests of shareholders generally.

In the event that shares are repurchased, they would be cancelled (and the number of shares in issue would be reduced accordingly).

#### **10. Resolution 13 – The Omnibus Plan**

Resolution 13 is required to approve a new long term incentive plan, the proposed Omnibus Plan, a summary of the terms of which are attached at Appendix 1 of this Notice of Annual General Meeting. The resolution also asks shareholders to approve, pursuant to section 190 Companies Act 2006, the transfer of beneficial interests in shares in Intermediate Capital Fund Management Company Limited to the Directors, or any future Directors, of the Company, where this is required to make an award, and the acquisition of those beneficial interests from such Directors.

#### **11. Resolution 14 – The BSC Plan**

Resolution 14 is required to approve a new long term cash bonus plan, the proposed BSC Plan, a summary of the terms of which are attached at Appendix 2 of this Notice of Annual General Meeting.

#### **12. Resolution 15 – Articles of Association**

It is proposed in Resolution 15 to adopt new Articles of Association (the "New Articles") in order to update the Company's current Articles of Association (the "Current Articles"). The New Articles primarily take account of changes made under the Companies (Shareholders' Rights) Regulations 2009 and the implementation on 1 October 2009 of the last parts of the Companies Act 2006.

The principal changes introduced in the New Articles are summarised in Appendix 3 of this Notice of Annual General Meeting. Other changes, which are of a minor, technical or clarifying nature and also some more changes which merely reflect changes made by the Companies Act 2006 and the Companies (Shareholders' Rights) Regulations 2009 have not been noted in Appendix 3. The New Articles showing all the changes to the Current Articles are available for inspection, as noted on page 4 of this document.

#### **13. Resolution 16 – General meetings**

Resolution 16 is required to meet the requirements of the Shareholder Rights Directive (the "Directive") which requires the notice period for general meetings of the Company to be 21 days. The Directive provides that the Company must have shareholder approval to have the ability to call general meetings (other than an Annual General Meeting) on 14 days' notice. Resolution 16 seeks such approval. The power granted at the last Annual General Meeting to allow the Company to call general meetings (other than an AGM) on 14 clear days' notice is due to expire at this year's Annual General Meeting. If granted, the approval will be effective until the Company's next Annual General Meeting, or the 30 September 2011, whichever is the earlier. The Company will also need to meet the requirements for electronic voting under the Directive before it can call a general meeting on 14 days' notice.

# Appendix 1

## Summary of the Intermediate Capital Group Omnibus Plan (the “Omnibus Plan”)

### 1. General

The Company is implementing the Omnibus Plan as part of its new incentive arrangements, designed to support the Company’s long term objectives. The Omnibus Plan allows the grant of three different types of awards:

- FMC Equity Awards;
- PLC Equity Awards; and
- Deferred Share Awards.

FMC Equity Awards are unapproved awards over shares in Intermediate Capital Fund Management Company Limited (the “Fund Management Company”, a wholly owned subsidiary of the Company). FMC Equity Awards may take the form of either an award of the beneficial interest in shares in the Fund Management Company subject to restrictions or a contingent right to receive shares in the Fund Management Company. PLC Equity Awards and Deferred Share Awards are contingent rights to receive shares in the Company.

The Remuneration Committee of the Board of Directors of the Company will supervise the operation of the Omnibus Plan. Awards may be granted under the Omnibus Plan by the Board or the Trustees of the Intermediate Capital Group PLC 2002 Employee Benefit Trust or by any other employee benefit trust established by the Company. The Trustees may only grant awards after consultation with, and taking account of the wishes of, the Board. In all cases, where awards are not made by the Board, their terms must be approved by the Board. The Board (which shall include the Remuneration Committee or other duly authorised committee) and the Trustees are together referred to as the “Grantor”.

### 2. Eligibility

At the discretion of the Grantor, all employees of Group companies will be eligible to participate.

### 3. Grant of awards

Awards may be granted during the period of 42 days immediately following the adoption of the Omnibus Plan by shareholders and, thereafter, within 42 days following the announcement by the Company of its annual or half year results.

Awards may also be granted at any other time when the circumstances are considered by the Grantor to be exceptional but may not be granted during a prohibited period for dealings by Directors or certain employees of the Company or Group (whether by the Listing Rules of the United Kingdom Listing Authority or otherwise, except where this is permitted under the Model Code or the Company’s own code on insider dealing). If the grant of awards is prohibited by such restrictions on dealings, awards may be granted during the period of 42 days beginning on the first day on which such restrictions are lifted.

An award is personal to the award holder and is not transferable (other than on death when it may become exercisable by the award holder’s personal representative).

Awards may not be granted after the tenth anniversary of the date the Omnibus Plan is approved by shareholders.

### 4. Limits on issue of shares

The aggregate value of awards granted under the Plan shall be subject to a limit determined by the Board.

In addition, on any grant date the total number of new shares in the Company issued or committed to be issued under awards granted under the Plan, together with shares issued or committed to be issued during the preceding 10 year period pursuant to options and awards granted under any other:

- discretionary employees’ share schemes of the Company, may not exceed 5 per cent. of the issued ordinary share capital of the Company; and
- employees’ share schemes of the Company (including “all-employee” schemes), may not exceed 10 per cent. of the issued ordinary share capital of the Company.

Shares which have been the subject of options or awards granted under any share plan which have lapsed shall not be taken into account for the purposes of these limits.

The totals above include treasury shares to be re-issued, as long as this is in accordance with the Association of British Insurers Investment Committee guidelines published from time to time.

### 5. Vesting of awards

Except in certain specific circumstances such as those detailed in paragraphs 6 and 7 below, the first grant of awards will vest as follows:

- FMC Equity Awards will vest in equal proportions on the 1st, 2nd and 3rd anniversaries of grant (although shares will not be released to participants until the 3rd anniversary of grant);
- PLC Equity Awards will vest in equal proportions on the 3rd, 4th and 5th anniversaries of grant (and delivered to participants on vesting); and
- Deferred Share Awards will vest in equal proportions on the 1st, 2nd and 3rd anniversaries of grant (and delivered to participants on vesting).

It is currently intended that subsequent grants of awards will be subject to the same vesting terms.

### 6. Cessation of employment

The treatment of awards on termination of employment will depend on the type of award in question and the circumstances of the termination. If an employee dies or leaves employment due to disability or long term ill-health, awards granted to such an employee will vest. Awards may also be retained (subject, in the case of unvested FMC Equity Awards, and Deferred Share Awards, to the discretion of the Remuneration Committee) if the employee leaves employment due to redundancy.

If an employee leaves employment for any other reason, whether awards vest or are forfeited will be subject to the discretion of the Remuneration Committee.

### 7. Change of control

If there is a change of control of the Company, awards will vest immediately unless the change of control is the result of an internal reorganisation.



## **8. Pensionable remuneration**

Awards under the Plan shall not count towards pensionable remuneration for a defined benefit pension scheme or calculating a mandatory employer contribution under a defined contribution pension scheme.

## **9. Rights attaching to shares**

Ordinary shares in the Company awarded under the Plan shall rank equally with the ordinary shares of the Company already in issue (save as regards any rights attaching to such shares by reference to a record date prior to the date of issue).

Shares in the Fund Management Company awarded under the Plan shall have no rights to vote or participate in dividends.

These shares will have the right to participate in the proceeds of a sale of the Fund Management Company in certain circumstances, and, following vesting, the right to require the Grantor to purchase the shares for their fair market value at that time. It is intended that the consideration for such purchases will be satisfied in the form of market purchased shares in the Company.

## **10. Adjustment of awards**

In the event of any variation in the Company's share capital, the number of shares in the Company subject to a PLC Equity Award or a Deferred Share Award and the award prices, if any, may be adjusted in such manner as the Grantor and the Board together determine.

## **11. Delaying or accelerating awards**

If it is necessary or desirable in relation to a particular law or regulation, the Remuneration Committee has the discretion to accelerate or delay certain events under the Omnibus Plan, including the grant and vesting of awards.

## **12. Amendments to the Plan**

The Board may at any time amend the Plan in any respect provided that:

- no such amendment shall adversely affect the rights of existing award holders unless such amendment has been approved by at least 75 per cent. of award holders with the same type of awards; and
- the prior approval of the Company in general meeting is obtained for any amendment made which is to the advantage of award holders to those provisions of the Omnibus Plan relating to eligibility, the limitations on the number of shares in the Company, cash or other benefits subject to the Omnibus Plan, an award holder's maximum entitlement or the basis for determining an award holder's entitlement under the Omnibus Plan and the adjustment thereof in the event of a variation in capital, except in the case of minor amendments to benefit the administration of the Omnibus Plan and amendments to take account of changes in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for award holders or for any member of the Group.

## **13. Employee Benefit Trust**

The Omnibus Plan may be operated in conjunction with an employee benefit trust established by the Company. Any such employee benefit trust may be used to hold shares for the purposes of the Omnibus Plan or other employee shares schemes established by the Group from time to time.

## **14. Overseas Plans**

The Company may establish separate plans to operate in overseas territories or in respect of overseas employees which are on substantially the same terms as the Omnibus Plan but which make such modifications to the terms as are necessary or expedient to take account of local tax, exchange control or securities laws in any one or more overseas territories. Awards granted under such a separate Omnibus Plan will be included in the limits described above on the number of shares which may be placed under award.

# Appendix 2

## **Summary of the Intermediate Capital Group PLC BSC Plan (The “BSC Plan”)**

### **1. General**

The Company is implementing the BSC Plan as part of its new incentive arrangements, designed to support the Company's long term objectives.

The BSC Plan is a long term cash bonus plan which will take the form of a synthetic “carried interest” plan. As a consequence, the rights acquired by participants under the BSC Plan will be contractual bonus rights only and the cash bonuses (the “carry payments”) made to participants will be linked to the returns from investments made by ICG and its associates on their balance sheet. These are investments made by the Intermediate Capital Group PLC group of companies (the “Group”) with its own monies as opposed to investments made by the various external funds which the Group manages.

The investments included in the BSC Plan will be investments held by ICG investing parties, namely Intermediate Capital Group PLC and its associates, but excluding temporary investments (comprising government securities, bank deposits and other similar short term investments) and investments made in ICG CFM funds.

The carry payments that the participants receive will be calculated in the same way as if they were limited partners in in-house investment funds established for each financial year and holding the balance sheet investments made in that financial year.

Awards will be granted under the BSC Plan by the Board of ICG PLC (the “Grantor”).

### **2. Eligibility**

At the discretion of the Grantor, all ICG employees will be eligible to participate but awards will only be made to selected employees involved in the management of the balance sheet investments.

### **3. Grant of awards**

The BSC Plan will operate on a “vintage year” basis. This means that a new notional in-house fund will be created for each financial year for the purposes of enabling the calculation of any payments due under the BSC Plan. The performance of the notional fund will track the performance of the balance sheet investments made during that vintage year.

Each vintage will have a specific pool of carry points, which, along with the performance of the notional fund, will determine the size of the carry payments to individuals. A portion of the carry points will be allocated to participants within six months of the start of the relevant financial year and broadly speaking, the remaining points will be allocated after the financial year has ended.

An award is personal to the award holder and is not transferable (other than on death when it may become exercisable by the award holder's personal representative).

### **4. Limits on issue of awards**

The number of carry points that can be allocated to participants under the BSC Plan in respect of a vintage year shall be subject to a limit determined by the Board, not exceeding 20,000.

### **5. Vesting of awards**

Except in certain specific circumstances such as those detailed in paragraphs 6 and 7 below, awards will vest in three equal tranches on the first, second and third anniversaries of the date of grant. It is proposed that the first grant of awards will be made on 2 June 2010

It is currently intended that subsequent grants of awards will be subject to the same vesting terms.

### **6. Cessation of employment**

The treatment of awards on termination of employment will depend on the circumstances of the termination. If an employee dies or leaves employment due to permanent disability, or long term ill-health, both vested and unvested awards, and in respect of redundancy, vested awards only, will be retained.

In respect of any unvested awards of an employee who is made redundant, and both vested and unvested awards of an employee who leaves employment for any other reason, whether such awards are retained or forfeited will be subject to the discretion of the Remuneration Committee. However, such leavers will retain any carry payments previously made to them.

### **7. Change of control**

If there is a change of control of the Company, awards will vest immediately and the BSC Plan will continue to operate as normal with participants receiving carry payments as and when they become payable. Participants will retain such vested awards even if they subsequently leave employment, irrespective of the circumstances.

### **8. Pensionable remuneration**

Awards under the BSC Plan shall not count towards pensionable remuneration for a defined benefit pension scheme or calculating a mandatory employer contribution under a defined contribution pension scheme.

### **9. Calculation of payments under the BSC Plan**

The amounts payable under the BSC Plan will be calculated in a similar way to the way in which payouts under a “traditional” carried interest arrangement would be calculated. Participants will be able to participate in a share of the profits of the notional fund subject to repayment of the ICG investing parties' capital and the preferred return being achieved. The required preferred return for a particular vintage year will be determined by the Board prior to the allocation of any awards for that vintage year. Each participant's share in the notional profits will be determined by reference to the number of carry points they hold in respect of the relevant vintage year.

After the preferred return is achieved, participants will be entitled to a catch-up until they have received up to 20 per cent. of the aggregate returns on investments in a particular vintage year. Thereafter, participants will be entitled to receive up to 20 per cent. of any further returns on those investments.

Carry payments will be made to participants on a quarterly basis in respect of both their vested and unvested awards unless the Board determines a different payment schedule.

### **10. Amendments to the Plan**

The Board may at any time amend the BSC Plan in any respect, including for the purposes of establishing a sub-plan for the benefit of employees located overseas or facilitating participation by eligible employees in a limited partnership in substitution for the BSC Plan, provided the material terms of any such limited partnership are not more favourable.

No amendment shall adversely affect the rights of existing award holders unless a majority of them have approved such amendment.

# Appendix 3

## **Explanatory notes of principal changes to the Company's Memorandum and Articles of Association**

### **1. The Company's objects**

The provisions regulating the operations of the Company are currently set out in the Company's memorandum and Articles of Association. The Company's memorandum contains, among other things, the objects clause which sets out the scope of the activities the Company is authorised to undertake. This is drafted to give a wide scope.

The Companies Act 2006 significantly reduces the constitutional significance of a company's memorandum. The Companies Act 2006 provides that, with effect from 1 October 2009, a memorandum shall record only the names of subscribers and the number of shares each subscriber has agreed to take in a company. Under the Companies Act 2006, the objects clause and all other provisions which are contained in a company's memorandum, for existing companies at 1 October 2009, are deemed to be contained in a company's Articles of Association but the Company can remove these provisions by special resolution.

Further, the Companies Act 2006 states that, unless a company's articles provide otherwise, a company's objects are unrestricted. This abolishes the need for companies to have objects clauses. For this reason the Company is proposing to remove its objects clause together with all other provisions of its memorandum which, by virtue of the Companies Act 2006, are treated as forming part of the Company's Articles of Association as of 1 October 2009. Resolution 15 confirms the removal of these provisions for the Company. As the effect of this resolution will be to remove the statement currently in the Company's Memorandum of Association regarding limited liability, the New Articles also contain an express statement regarding the limited liability of shareholders.

### **2. The Companies Act 2006 (General)**

Statutory references have been amended to bring them into line with the Companies Act 2006 where references previously referred to the Companies Act 1985.

### **3. Articles which duplicate statutory provisions**

Provisions in the Current Articles which replicate provisions contained in the Companies Act 2006 are in the main amended to bring them into line with the Companies Act 2006.

### **4. Redeemable shares**

Under the Companies Act 1985, if a company wished to issue redeemable shares, it had to include in its articles the terms and manner of redemption. The Companies Act 2006 has, from 1 October 2009, enabled Directors to determine such matters instead provided they are so authorised by the articles. The New Articles contain such an authorisation. The Company has no plans to issue redeemable shares but if it did so the Directors would need shareholders' authority to issue new shares in the usual way.

### **5. Authorised and unissued share capital**

Since the Companies Act 2006 abolishes the requirement for a company to have an authorised share capital, articles relating to increase in authorised share capital and cancellation of unissued share capital as well as other references to unissued share capital have also been removed from the New Articles.

### **6. Voting by proxies on a show of hands**

The Companies (Shareholders' Rights) Regulations 2009 have amended the Companies Act 2006 so that it now provides that each proxy appointed by a member has one vote on a show of hands unless the proxy is appointed by more than one member in which case the proxy has one vote for and one vote against if the proxy has been instructed by one or more members to vote for the resolution and by one or more members to vote against the resolution. The New Articles reflect these changes and clarify how the provisions of the Companies Act 2006 giving a proxy a second vote on a show of hands would apply to discretionary instructions.

### **7. Voting by corporate representatives**

The Companies (Shareholders' Rights) Regulations 2009 have amended the Companies Act 2006 in order to enable multiple representatives appointed by the same corporate member to vote in different ways on a show of hands and a poll. The New Articles contain provisions which reflect these amendments.

### **8. Notice of general meetings**

The Companies (Shareholders' Rights) Regulations 2009 amend the Companies Act 2006 to require the Company to give at least 21 clear days' notice of general meetings unless, in the case of general meetings that are not Annual General Meetings, the Company offers members an electronic voting facility and a special resolution reducing the period of notice to not less than 14 clear days has been passed. Annual General Meetings must continue to be held on at least 21 clear days' notice. The New Articles reflect these new requirements.

### **9. Delegation of Directors' powers**

The New Articles contain provisions to clarify the scope of Directors' ability to delegate, by the addition of words to the effect that as well as being able to delegate to a committee of one Director or more they can, in the absence of express provision to the contrary in the power of delegation, sub-delegate to one or more Directors who are not a committee or to an employee or agent of the Company.

### **10. Written resolutions**

The New Articles contain amended provisions clarifying that a written resolution is only effective if signed by those Directors for the time being entitled to receive notice and who would have been entitled to vote on it at the meeting and provided that those signing or agreeing would have met the quorum requirements at such a meeting.

### **11. Adjournments for lack of quorum**

Under the Companies Act 2006 as amended by the Companies (Shareholders' Rights) Regulations 2009, general meetings adjourned for lack of quorum must be held at least 10 clear days after the original meeting. The New Articles reflect this requirement.

## Appendix 3 continued

### **12. Other changes required by the Shareholder Rights Directive**

The Companies (Shareholders' Rights) Regulations 2009 came into force on 3 August 2009 and implemented the EU Shareholder Rights Directive in the UK by way of amendments to the Companies Act 2006. Certain changes are introduced in the New Articles to reflect the new rules.

The article relating to ordinary and special business has been removed as section 311(2) of the Companies Act 2006 has been amended so that traded companies must now state the general nature of their business in the notices of their general meetings. Previously the legislation, subject to the Articles of Association, permitted that only special business need be described in the notices.

A provision has been included in the New Articles to clarify that there is no obligation on the Company to check that a proxy or corporate representative is voting in accordance with instructions. This follows the introduction of a new section in the Companies Act 2006 which requires a proxy to vote in accordance with instructions.

The New Articles contain amended provisions in relation to service of notice during any curtailment of postal services. Section 308 of the Companies Act 2006 only allows a notice to be in hard copy, in electronic form or by website, and section 308 is not subject to the Articles of Association. This brings into doubt whether a notice may be given by way of a newspaper advert. However, under section 310, to whom a notice is sent can be subject to the Articles of Association, and therefore the updated provisions try to offer maximum flexibility by expressing those people to whom a notice must be sent during a curtailment of postal services.