Dear Shareholders

I am writing as Chairman for the first time, having assumed this role following the resignation (due to suddenly increased time commitments elsewhere) of Lord Davies of Abersoch on 4 March. Lord Davies had been a knowledgeable and greatly valued leader of our Board since his appointment in late 2019, and we thank him for his contribution to the Company.

The work of the Board during the year is set out in detail overleaf. A key part of the Board's agenda during the year was a Strategy offsite, during which we undertook a detailed review of the current strategy and business plan in the context of current and projected macroeconomic, geopolitical and environmental developments. These discussions were an important backdrop for setting long term and strategic challenges for management.

We have enjoyed discussing our strategy with a number of shareholders this year; as part of a programme of engagement Lord Davies participated in meetings with 11 of our largest shareholders without management present. It was pleasing to receive a clear message of support and confidence from those meetings, with shareholders remarking on their support for management and our growth agenda. I will continue to engage with a range of stakeholders to ensure that their views are reflected in our board considerations. Sustainability and people matters have become ever more prominent at Board level, and a number of the sessions at our Strategy offsite were focused on considering such issues. Your Board believes that the Group should act as a responsible participant in society and that our strategy should reflect this objective.

Sustainability considerations are an important part of the Board agenda, and during the year we have received regular detailed reports from the executive team on ESG matters such as our Net Zero commitment and ESG Investment Criteria. We also invited external governance and ESG specialist to present to the Board. Stephen Welton continues to act as the NED responsible for ESG matters, liaising with management on a regular basis.

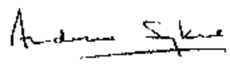
Our Board has a diverse membership in terms of gender, ethnicity, experience and background, and Board members' diversity of thought contributes both to broad and wide-ranging discussions and to carefully considered outcomes. The Board's effectiveness depends on this breadth of debate, and I am delighted to note that our two newest Board members, Rosemary Leith and Matthew Lester, have made significant contributions to our proceedings during the year. All of your Board members are very actively engaged in our discussions.

A culture of open discussion and diverse perspectives is an important component of ICG's success to-date, and will be a significant contributor to the future development of the company. Culture is challenging to measure, but it is of course underpinned and reinforced by effective corporate governance. In her capacity as the NED responsible for employee engagement, Amy Schioldager has continued to meet employees at various offices remotely and in person throughout the year, and has reported back to the Board on a regular basis. Along with our regular discussions with the Executive Committee on people matters, this input helps the Board oversee the practical functioning of ICG's culture.

The Board also considers its own future with long-term succession planning. During the year, the Board agreed that Rusty Nelligan should (after nearly six years of service) step down as Chair of the Audit Committee from 1 July 2022, to be succeeded by Matthew Lester. An experienced NED, who has chaired other Boards and Audit Committees, and with a professional background as a CFO, Matthew will continue the thorough work of his predecessor. Rusty will remain on the Board and the Audit Committee, continuing to bring his experience and knowledge of ICG's business, and supporting continuity, which we believe will be of benefit to both management and the Board.

Throughout the year, the Board and its Committees carefully considered the requirements of the revised Corporate Governance Code. We complied with those requirements for the year ending 31 March 2022. We also recognise the importance of our wider stakeholders in delivering our strategy and business sustainability. We are conscious of our responsibilities and duties to our stakeholders as part of our duty under section 172 of the Companies Act 2006. The impacts of our decisions on different stakeholder groups are uppermost in our minds when discussing issues at Board meetings. You can read more detail on how various stakeholders were considered as part of the Board's decision-making process on page 23.

The Board remains grateful for the support we have had from our stakeholders throughout the year, and we look forward to continuing our constructive dialogue.



Andrew Sykes
Interim Chairman

25 May 2022

THE BOARD'S YEAR

The work of the Board during the year was conducted through seven formal meetings and regular informal engagement with executive management. The activity at formal meetings was reflective of a number of themes.

Strategic review and oversight

In September 2021, the Board held a two-day offsite, designed to focus on strategic matters away from the normal flow of Board activity. The first day featured a number of challenging presentations from guests on macro-economic, geopolitical and market topics, with time for reflection from the Board on how changing global dynamics may impact the future direction of the Group's business. All aspects of our Group were considered in this light, including potential new funds and products, geographic expansion and the impact of technology on our operating platform. The centrepiece of our second day of discussions was a presentation from the Executive Directors of a five-year plan, including a detailed review of each business unit's potential for growth. We also received input from external advisers on the views of our shareholders, investors and other stakeholders.

Subsequent meetings included a number of follow-up discussions and debates, such as a Board discussion with the Head of Marketing and Client Relations to assess the opportunities for new fundraising routes.

Financial performance, outlook and capital

Progress against the Group's Board-approved budget and the market-consensus view of our financials was a topic on each Board agenda, and was discussed in detail by the CFOO in his formal updates to each meeting. The budget for the financial year ended 31 March 2023 was also reviewed and challenged by the Board during the year, and ultimately approved after discussion. The Board was also responsible for reviewing the recommendations of the Audit Committee as to reporting financial results at full year and half year, and as to final and interim dividends, and approving these after appropriate challenge. The balance sheet capital position was also kept under review during the year in a series of presentations by the CFOO and the Group's Treasurer, culminating in the issuance of a €500m sustainability linked bond in January 2022.

Products, investments and markets

At each meeting, the Board received a detailed update from executive management in respect of the overall markets and the macroeconomic situation, progress in respect of fundraising, business development, deployment and realisations. The ongoing effect of the Covid-19 pandemic on the Group's portfolio and investment pipeline was a particular area of focus and was discussed in detail at each meeting. The Board received detailed presentations from portfolio managers during the year in respect of the performance of and outlook for key investment strategies; this was part of the ongoing oversight programme of investment areas and was not solely related to the pandemic. The presentations included detailed reviews of established business areas such as Real Estate and Private Equity Solutions, as well as new areas such as Life Sciences and the opportunities within the Global Wealth Management space.

Operations, risk management and systems

The Board continued to demonstrate a strong oversight of the Group's operating platform during the year, receiving regular updates on how the corporate functions of the Group are adapting to support the continued growth of the business. The Board regularly discussed the importance of scalability as the Group continues to grow over the long term, and received detailed reports on the investments made in the Group's operational capacity, technology and resources, and the enhancements effected across a number of areas. The Board also reviewed and approved key compliance policies, and continued to provide oversight of management's plan prepared to take account of Covid-19 restrictions.

Change of Chairman

Lord Davies of Abersoch resigned as Chairman of the Board at a meeting on 4 March 2022, in response to significantly increased demands on his time from other commitments. The Board acted quickly to consider its leadership, convening a Nominations and Governance Committee meeting immediately. Both that Committee and the Board as a whole concluded that the most appropriate Chair would be Andrew Sykes, the Senior Independent Director. He was therefore invited to become Chair and to consider the longer term picture. In subsequent discussions led by Andrew Sykes, the Committee and the Board concluded that it should search for a long term Chair appointment, and given the current balance of skills and expertise on the Board, there is not an immediate imperative to make an appointment.

Management and leadership

The Board values a culture of transparency and challenge, and as such placed considerable emphasis on considering the findings of the internal board evaluation. The outcome of that evaluation was discussed in full at the start of the year with actions being set, with a follow-up discussion being held six months later to discuss progress against those actions and a further assessment being reported on by the Chairman at the end of the financial year. The Board also recognises the importance of long-term succession planning, and conducted focused discussions in the year in respect of such for NEDs as well as a number of members of senior management.

Culture and values

The Board continued to provide important oversight and leadership in respect of the Group's culture and values. Amy Schioldager, in her role as the designated NED for employee engagement, also provided reports on her engagement activities with employees and her reflections on the culture of the Group, and management provided details of the views outlined by employees in a formal employee survey. The ongoing work of the Diversity and Inclusiveness Champions group was reported on, and the Board provided their insight from experience in other sectors or companies. The Board was also regularly updated on the Group's philanthropy programme and the deployment of the charitable budget, with Andrew Sykes continuing his input as the NED who has led the Charity Working Group since its establishment in 2019; these discussions culminated in a decision to increase our charitable giving to over £2 million for the year and focus on the area of education and social mobility.

Recurring matters

The Board also reviewed and/or approved a number of other standing matters, including reviewing the Terms of Reference of the Board and its Committees, compliance with Terms of Reference on an ongoing basis, the recommendation for re-election of all Directors, the renewal of the Group's insurance policies, the Notice of Annual General Meeting, outside interests of Directors, reviewing fees of all NEDs (excluding the Chairman) and checking the shareholdings of senior executive employees are in line with the internal shareholding policy.

Stakeholders and shareholders

A continual theme in the Board's discussions during the year was the increasing importance of the Group considering its obligations to stakeholders, the environment and society as a whole. Two formal presentations on ESG matters were received during the year, discussing ICG's Net Zero commitment and the integration of ESG factors into investment processes; outside of these presentations, Stephen Welton continued his work as the NED with responsibility for ESG matters, and he and the management team provided ongoing updates to the Board.

The Board also sought external views during the year. The Board was provided with a presentation by a corporate finance and advisory business, concerning the Company's general performance, engagement with shareholders and corporate messaging, and from the Company's brokers (Numis and Citi) on market perceptions of the Group. The Board also received a formal presentation from our largest shareholder, Wellington Asset Management, on areas of shareholder focus. The Board regularly reviewed input from shareholders, with the Head of Investor Relations providing updates to each regular meeting and the Company Secretary providing a summary of governance-related input received from shareholders at the time of the Group's AGM.

Employee-related matters

Our ongoing desire to recruit, retain and develop the best talent meant that employee matters continued to be a top priority for the Board during the year. Each Board meeting received a full update from the Chief People and External Affairs Officer about all relevant matters in respect of our workforce. While this included regular updates on matters such as training and development, workforce diversity and succession planning, a key area throughout the year related to workforce wellbeing, with the Board being continually updated on this area and offering insight on how the Group could continue to best support its employees.

Board of Directors

BROAD AND DIVERSE EXPERIENCE

ANDREW SYKES

Interim Chairman

Joined Board: 2018
(Interim Chairman since March 2022)

Andrew Sykes has a wealth of financial services and non executive experience. He was previously Chairman of Smith & Williamson Holdings Ltd, and Chairman of SVG Capital plc. Andrew spent 26 years of his executive career at Schroders PLC. He is an experienced director of UK listed companies with a deep knowledge of the financial services sector and of corporate governance requirements, which, together with his background as a senior executive in the asset management sector, has proven to be invaluable in helping oversee the Group's continued growth.

Other Directorships

BBGI Global Infrastructure SA; Governor of Winchester College and member of Nuffield College Investment Committee.

BENOÎT DURTESTE

Chief Executive Officer and Chief Investment Officer

Joined Board: 2012
(Chief Executive Officer since 2017)

Benoît Durteste has been ICG's Chief Executive Officer and Chief Investment Officer since 2017. He is an experienced investor with a strong understanding of the markets in which the Group operates. During his time on the Board he has been a strong contributor to the Group's strategic development, including leading its European investment business. He contributes a thorough understanding of financial markets and the Group's investment portfolio to Board proceedings. Benoît joined ICG in September 2002 with previous experience at Swiss Re, GE Capital Private Equity and BNPParibas Levfin.

Other Directorships

ICG entities and Chairman of the BVCA Alternative Lending Committee.

VIJAY BHARADIA

Chief Finance and Operating Officer

Joined Board: 2019

Vijay Bharadia has extensive experience as a Chief Financial Officer in the alternative asset management sector. Prior to joining ICG he spent 10 years as International Chief Financial Officer for Blackstone with responsibility for financial, tax and regulatory reporting across Europe and Asia, as well as holding a wider operational and governance brief. Prior to that, he worked at Bank of America Merrill Lynch in a variety of roles, latterly as Co-Chief Financial Officer for EMEA Equities. Vijay was appointed as ICG's Chief Finance and Operating Officer and joined the Board in 2019.

Other Directorships

ICG entities and Barts Charity.

ANTJE HENSEL-ROTH

Chief People and External Affairs Officer

Joined Board: 2020

Antje Hensel-Roth has a wealth of experience in human capital management; prior to joining ICG she was Global Co-Head of the Investment Management Practice at Russell Reynolds Associates, during which time she acted as an adviser to the global alternative investment community. Since joining ICG in 2018, she has been a strong contributor to the strategic direction of the Group and has led a comprehensive drive for excellence in leadership, talent management and diversity & inclusion.

Antje is responsible for leading strategic human capital with a particular focus on business diversification strategies; she also leads communications and external affairs.

Other Directorships

None.

Board Committees

A Audit	R Remuneration
I Independent	RI Risk
N Nominations and Governance	Committee Chair

ROSEMARY LEITH

Non Executive Director

Joined Board: 2021

Rosemary Leith brings to the Board her deep expertise from 25 years in finance, principal investment, start-up creation and growth in Europe and North America. Rosemary is SID, Remuneration Committee Chair and a member of the Audit Committee of YouGov Plc, and was previously a Non-Executive Director of HSBC (UK) with responsibility for Digital. She is a Trustee of the National Gallery (London) and a Fellow at Harvard University's Berkman Center for Internet & Society. She has extensive experience in the technology and digital fields, including as a co-founding Director of the World Wide Web Foundation, and advises and invests in several technology businesses.

Other Directorships

YouGov plc and World Wide Web Foundation.

MATTHEW LESTER

Non Executive Director

Joined Board: 1 April 2021

Matthew Lester serves as Chairman of Kier Group plc and Chair of the Audit and Risk Committee of Capita plc, as well as a Senior Advisor to Federated Hermes EOS. Matthew is a senior finance leader with extensive public company experience, having previously served as Group Chief Financial Officer of both Royal Mail plc and ICAP plc. He also previously served as a Non-Executive Director of both Man Group plc and Barclays Bank plc. He will succeed Rusty Nelligan as Chair of the Audit Committee on 1 July 2022.

Other Directorships

Kier Group plc and Capita plc

KATHRYN PURVES

Non Executive Director

Joined Board: 2014

Kathryn Purves was previously the Chief Executive of IFG Group plc, a wealth management and financial advisory group, leaving this role in 2020 following the sale and de-listing of IFG. Prior to this, her most recent executive role was as the Chief Risk Officer of Partnership Assurance Group plc. Kathryn brings relevant expertise to the Board from her role as a non executive of a number of financial services companies, including as Chair of Saunderson House and Redington. Kathryn's executive experience, particularly in risk management, has proved a valuable resource to the Board and she enhances oversight in a key area for the Group. She also brings valuable investment experience to the Board. Before joining Partnership in 2008, she worked within the private equity industry for 10 years, most recently at Phoenix Equity Partners.

Other Directorships

James Hay Partnership, Aztec Group and Redington.

MICHAEL 'RUSTY' NELLIGAN

Non Executive Director

Joined Board: 2016

Rusty Nelligan was a partner with PwC, retiring in 2016. As lead client partner for global companies in financial services and pharmaceutical life sciences, he was responsible for direction, development and delivery of services for independent audits, assurance and advisory projects relating to corporate governance, internal controls, risk management, regulatory compliance, acquisitions and financial reporting. Rusty was employed by PwC in the US from 1974, in Europe from 1994, and is a US Certified Public Accountant. His extensive and current experience of working closely with major international financial and corporate institutions on matters of corporate governance, financial reporting and internal controls has proven a valuable addition to the Board and Company's development in a growth environment. After serving as Chair of the Audit Committee for six years, he will step down from this role on 1 July 2022 but continue to serve on the Board and the Committee.

Other Directorships

None.

VIRGINIA HOLMES

Non Executive Director

Joined Board: 2017

Virginia Holmes brings to the Board an extensive knowledge of the financial services industry, including both investment management and banking. Her executive experience includes serving as Chief Executive of AXA Investment Managers in the UK and more than a decade with the Barclays Bank Group. She is an experienced director of a number of UK PLCs (including serving on remuneration committees), who enhances the corporate governance understanding of the Board and aids it in considering its relationships with stakeholders.

Other Directorships

Syncona Ltd and European Opportunities Trust PLC.

AMY SCHIOLDAGER

Non Executive Director

Joined Board: 2018

Amy Schioldager was a senior executive at BlackRock where she was a member of the global executive committee and Head of Beta Strategies. She brings extensive knowledge of international investment markets and a track record of global expansion. She is based in the US, a region that is a key growth area for the Group. She was the Founder of BlackRock's Women's Initiative and Vice Chair of BlackRock's Corporate Governance Committee and brings valuable expertise to the Board in these areas. Amy acts as the Non Executive Director responsible for Employee Engagement, bringing forth employee views to the Board.

Other Directorships

Boardspan, Inc. and Corebridge Financial, Inc.

STEPHEN WELTON

Non Executive Director

Joined Board: 2017

Stephen Welton has over 25 years' experience in the development capital and private equity industry as well as angel investing. He has been the Founder and Chief Executive of the Business Growth Fund (BGF), the UK's largest growth capital investor, since its launch in 2011 until July 2020, having previously spent over 10 years at CCMP Capital. He started his career in banking and has also worked as the Chairman and Chief Executive Officer of various growth companies. His current Executive Chairman role of BGF and deep investment experience mean that he is well placed to contribute to the Board on matters relating to strategy and business development.

Other Directorships

Executive Chairman Business Growth Fund plc (BGF) and director of a number of subsidiaries.

Board Committees

A	Audit	R	Remuneration
I	Independent	RI	Risk
N	Nominations and Governance		Committee Chair

CORPORATE GOVERNANCE FRAMEWORK

Board of Directors

- Comprises the Interim Chairman, Executive and Non Executive Directors (NEDs)
- Has the authority to conduct the business of the Company in accordance with the Company's constitutional documents
- Runs the Group for the long-term benefit of shareholders and other stakeholders

Read more on pages 70 to 72

Executive Directors

- Day-to-day authority (delegated from the Board) for the management of the Group and its business
- General responsibility for:
  - The Group's resources
  - Executing the approved strategy
  - Financial and operational control
  - Managing the business worldwide

Read more on page 118

Audit Committee

- Composed of NEDs
- Oversees external and internal audit and the Group's financial reporting and disclosure

Committee liaises with:

- CFOO
- Head of Finance
- Head of Investor Relations
- Internal Audit

Read more in the report of the Audit Committee on page 77

Risk Committee

- Composed of NEDs
- Oversees the Group's risk management framework and system of internal controls

Committee liaises with:

- Head of Risk
- Global Head of Compliance
- Global Head of Legal and Company Secretary
- Head of Internal Audit

Read more in the report of the Risk Committee on page 85

Remuneration Committee

- Composed of NEDs
- Determines the Group's Remuneration Policy
- Reviews the remuneration of senior management

Committee liaises with:

- CPEAO
- Human Resources
- Global Head of Legal and Company Secretary

Read more in the report of the Remuneration Committee on page 93

Nominations and Governance Committee

- Composed of NEDs
- Evaluates the Board's composition, performance and succession planning
- Oversees the Group's culture and diversity and inclusion initiatives
- Considers candidates for Board positions

Committee liaises with:

- CPEAO
- Human Resources
- Global Head of Legal and Company Secretary

Read more in the report of the Nominations and Governance Committee on page 90

Board roles

Chairman

- Andrew Sykes, who is responsible for:
  - Organising the business of the Board
  - Ensuring its effectiveness and setting its agenda
  - Effective communication with the Group's shareholders and other stakeholders

+ **Read more in the Chairman's letter to shareholders on page 67**

Non-Executive Directors

- Virginia Holmes, Rosemary Leith, Matthew Lester, Rusty Nelligan, Kathryn Purves, Amy Schioldager and Stephen Welton act as NEDs of the Company
- All NEDs are independent
- Responsible for providing independent oversight of, and challenge to, the Executive Directors

+ **Read more on the Directors' profiles on pages 70 to 72**

Chief Executive Officer (CEO)

- Benoît Durteste, who oversees the Group and is accountable to the Board for the Group's overall performance

Chief Finance and Operating Officer (CFOO)

- Vijay Bharadia, who leads and manages the Group's financial affairs and the operating platform of the Group

Chief People and External Affairs Officer (CPEAO)

- Antje Hensel-Roth, who has responsibility for strategic human capital management, communications and external affairs

Senior Independent Director

- Kathryn Purves, who acts as a sounding board for the Chairman and, where necessary, acts as an intermediary for shareholders or other Directors if they feel issues raised have not been appropriately dealt with by the Chairman

Key Board support roles

Company Secretary

- Responsible for advising on legal, governance and listing matters at Board level and across the Group
- Provides advice and support to the Board and its Committees
- Manages the Group's relationships with shareholder bodies
- Each Committee's Secretary provides advice and support within the specialist remit of that Committee; they are responsible for ensuring that the Committee members receive relevant information and that appropriate matters are discussed

Committee Secretaries

- Nominations and Governance Committee: Company Secretary
- Remuneration Committee: Company Secretary
- Audit Committee: Head of Finance
- Risk Committee: Head of Risk

Financial year ended 31 March 2022 Board and Committee meeting attendance

Director	Board	Audit[2]	Risk[2]	Remuneration[2]	Nominations[2]
Lord Davies of Abersoch[1]	6/6	–	–	3/3	2/2
Andrew Sykes	7/7	4/4	3/3	4/4	4/4
Benoît Durteste	7/7	–	–	–	–
Vijay Bharadia	7/7	–	–	–	–
Antje Hensel-Roth	7/7	–	–	–	–
Virginia Holmes	7/7	–	3/3	4/4	2/2
Rosemary Leith	7/7	–	3/3	4/4	–
Matthew Lester	7/7	4/4	2/2	–	2/2
Rusty Nelligan	7/7	5/5	3/3	–	–
Kathryn Purves	7/7	5/5	3/3	–	4/4
Amy Schioldager	7/7	5/5	3/3	–	4/4
Stephen Welton	7/7	–	–	3/4	4/4
Secretary	7/7	5/5	3/3	4/4	4/4

1. Lord Davies of Abersoch served on the Board throughout the year until his departure on 4 March 2022.
2. Some non-members attended part or all of some or all Committee meetings at the invitation of the Committee Chair.

Director induction and development

BOARD DEVELOPMENT

> "My induction provided the information I needed to become effective immediately."

Matthew Lester
Non Executive Director

Key meetings and knowledge-sharing

Matthew Lester was appointed to the Board on 1 April 2021 and received a tailored induction programme. Also during the year we completed the induction for Rosemary Leith, who joined the Board on 1 February 2021 and had begun her induction in the prior financial year.

The NED induction was conducted both virtually and with in-person meetings arranged as follow-ups, and included:

- A Group strategy briefing from the CEO
- An operational matters briefing from the CFOO
- A talent review with the CPEAO
- A Board-practices session with the Company Secretary
- Investment strategy briefings from business unit heads
- Detailed sessions with the heads of key corporate teams such as Finance, Operations, Legal and Compliance, Risk and Investor Relations

Ongoing training and development

Business and market environment

During the year, the main focus of development for the Board has been to continue improving their detailed knowledge of the Group's business and the market environment. Business unit heads present developments in their areas, including risks and opportunities for growth, to the Board on a regular basis. Business areas reviewed during the year included Private Equity Solutions, the Real Estate division, a new Life Sciences strategy, and other established investment strategies. These sessions give the NEDs a deeper understanding of the Group's business, strategies and markets, and an understanding of team structures to assist with succession planning. They also provide greater opportunity for the NEDs to challenge Executive Directors and senior management.

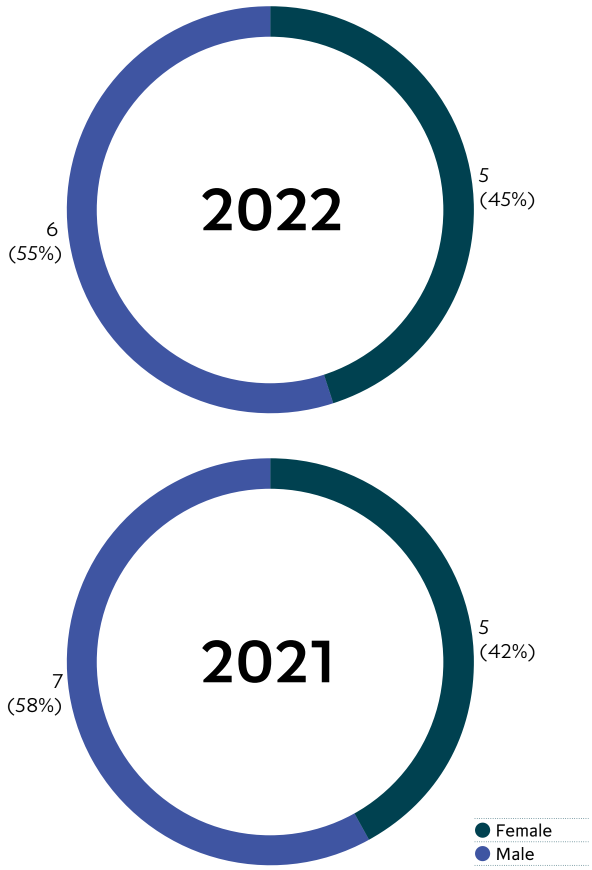
Knowledge-sharing

The heads of the Group's control and oversight functions made regular presentations. The Board and its Committees also received technical updates from external advisers, including financial advisers and brokers, on matters such as ESG considerations, external market conditions and the stakeholder narrative in respect of the Company.

Training

A regular training programme has been established. Training ensures the NEDs receive detailed and more operationally-focused presentations about specialist topics relating to the Group's business (such as incoming regulation or technical market developments). In addition, the Group monitors other external training undertaken by the NEDs, often from leading global advisory companies. The Executive Directors attend Board training and have also undertaken courses on anti-money laundering, anti-bribery and corruption and information security. Each also receives formal and ad hoc updates on statutory and regulatory developments from internal and external parties. The Executive Directors regularly lead business-focused update sessions for all employees on the Group's strategy and markets.

Board gender diversity



BOARD EVALUATION

Process

The Board reviews its own performance annually. The assessment covers the effectiveness and performance of the Board as a whole, the Board Committees and an evaluation of each Director. It is typically led by the Chairman, with support from the Company Secretary, and includes an independent evaluation of the Chairman by the SID.

Following the exercise conducted in 2020 by Consilium and the internal evaluation conducted in 2021, in February 2022 the then Chairman (Lord Davies of Abersoch) commenced a Board Evaluation internally, with Q&A forms being sent to each Director and returned to the Chairman for his review. The Board review exercise was concluded by Andrew Sykes due to the unexpected resignation of Lord Davies on 4 March 2022. The Board has considered the results of the internal evaluation in the light of the departure of Lord Davies, noting that while some points were particularly pertinent to the Board dynamic under his Chairmanship, most remain relevant for the future.

2022 review

The exercise concluded that the Board and each Committee continue to operate effectively. The assessment found that the culture of the Board is transparent and cohesive, and that all board members continue to operate effectively and contribute well to the debate at the Board table. The review noted the Board's commitment to providing support, advice and challenge to Executive Directors; it also concluded that the Board had continued to act effectively and quickly despite the challenges presented by the Covid-19 pandemic, including continued virtual meetings.

The review noted that the findings of reviews from prior years had been wholly or partially addressed, including by a greater focus from the Board on the Group's strategic direction during the year (in particular at the strategy day held during the year) and by the Board receiving a greater insight into ESG matters and their effects on the Group's business.

It was concluded that the main findings of the initial exercise were still pertinent and valuable to the Board's assessment of itself, but that the exercise to be conducted in the financial year to end on 31 March 2023 (which will be externally led) would be important in considering the evolution of the Board under a new Chair. A key priority will be for the Board to ensure that strong relationships are built with a new Chair, including from the CEO.

Some other minor areas of refinement or enhancement were noted following the survey. These will be areas of focus during the forthcoming financial year, alongside any matters identified by a new Chair. The Board will also need to follow through on the impetus provided by the strategy day in September 2021. It was also suggested that Committee attendance be reviewed to ensure consistency.

AUDIT COMMITTEE REPORT

The purpose of the Audit Committee is to assist the Board in fulfilling its oversight responsibilities relative to the integrity of financial reporting and effectiveness of internal controls. We oversee the Group's financial reporting and related elements of its accounting, disclosures, internal controls and regulatory compliance, in addition to the internal and external auditing processes.

AREAS OF FOCUS

Governance
- Committee governance
- Best practice developments
- People and business changes

Financial reporting
- Content and integrity of annual and other periodic financial reporting
- Application of Alternative Performance Measures and reconciliations to IFRS reported financials
- Annual Report presentation: fair, balanced and understandable
- Accounting policies
- Key accounting judgements and estimates
- Going concern and viability

External audit
- Appointment and remuneration of external auditors
- Independence and objectivity
- Audit scope, quality and effectiveness
- Audit firm and leadership rotation and tender process

Internal controls and internal audit
- Financial operations: leadership, effectiveness
- Framework of internal controls over financial reporting
- Material controls underlying overall risk management, in conjunction with the Risk Committee
- Scope, planning, activities and resources of Internal Audit

Committee members
- Matthew Lester
- Kathryn Purves
- Rusty Nelligan (Chair)
- Amy Schioldager

Dear shareholder

I am pleased to present the Committee's report for the year ended 31 March 2022. Separate sections on Committee governance, Review of the year, External audit, Internal controls and Internal audit follow.

It has been another year of significant activity for both the Group and the Committee. In addition to our recurring duties, we have focused on the initiatives in Finance to support the growth of the Group as well as continued enhancement to internal control systems over financial reporting. A key priority for the Committee is that this Annual Report and Accounts published by the Group is an accurate representation of its position, performance and development, and that it provides a reliable basis for decision making. In approving this report the Committee has taken into account the increased macroeconomic risk arising in part from the conflict in Ukraine as well as the aftereffects of the Covid-19 pandemic.

During the year the Committee oversaw the Group's response to the consultation on the White Paper on "Restoring trust in audit and corporate governance" issued by the Department for Business, Energy, and Industrial Strategy (BEIS). The Committee has received regular updates on the work undertaken by the Group to ensure it is appropriately positioned for any new requirements. This has included consideration of an Audit and Assurance Policy, a combined assurance mapping process, and initial outline of activities to further strengthen internal control evaluation.

The Group is required to report in accordance with the Task Force on Climate-related Financial Disclosures (TCFD) in the current year and has presented a TCFD report on a voluntary basis since the financial year ended 31 March 2020. The Committee has carefully considered the disclosure in this area, including the impact of climate change on the financial statements, in particular given the commitment to net zero supported by emissions reductions targets approved and validated by the Science Based Targets initiative which were announced during the year.

The Committee has critically evaluated the significant judgements made by management in preparation of the Group's financial statements. This included a review of valuations and performance fees, in particular to ensure reasonable consideration of developing external factors such as uncertainty as a result of ongoing supply chain constraints and labour shortages, energy supplies, inflation trends, and central bank and related government responses.

Key areas of focus and priorities for the next year

Focus	Outcomes
Current year	
Internal control framework and enhancement of assurance processes	– The Committee has received regular updates on the progress of initiatives in Finance to enhance key components of financial reporting processes, including improvements to cash flow reporting, control assessments of structured entities, including carried interest partnerships, and the ongoing system and platform enhancements to facilitate improved control over the preparation of financial reports.
Financial reporting developments	– Reviewed and implemented changes in response to publications by the FRC and monitored the consultation in respect of the future of corporate reporting.
UK Audit Reform	– Responded to BEIS consultation and ongoing discussion with external auditors on the potential impact on the Group's governance and assurance activities.
Development of Audit and Assurance Policy	– The Committee has overseen management's development of an initial Audit and Assurance Policy which will be considered in the context of the BEIS guidance.
Next year	
Finalisation of Audit and Assurance Policy and ongoing monitoring of developments as a result of the BEIS consultation.	
Continued enhancement of the internal control framework and assurance processes, including further system enhancements	

We also challenged management to confirm appropriate consideration of climate-change risk is incorporated in the portfolio valuations. The Committee has continuously evaluated critical activities, viability and going concern assessments, other financial reporting considerations, internal controls effectiveness, and assurance. Assumptions, judgements, estimates, risks, and uncertainties taken into account in the reporting process were subject to appropriate scrutiny and debate.

High quality assurance, including that provided by internal audit, is a key objective of the Committee. During the year the Committee has monitored ongoing development of the internal audit function under new leadership and considered potential future requirements for assurance in accordance with internal policy and expected changes arising from the BEIS consultation.

In February 2021, the Company received a letter from the Corporate Reporting Review Team of the Financial Reporting Council (FRC) as part of its regular review and assessment of the quality of corporate reporting in the UK, requesting further information in relation to the Company's 2020 Annual Report and Accounts. The letter focused on the significant judgement in respect of non-consolidation of carried interest partnerships and its Statements of Cash Flow.

The Company responded to the enquiries and agreed to make certain prospective enhancements to its disclosures and corrections in its Statements of Cash Flow, none of which were considered material.

The FRC have confirmed that their enquiries in respect of both matters have closed[1].

The Audit Committee has continued to coordinate with the Risk Committee and the Remuneration Committee with the aim of effectively covering pertinent topics in the most suitable forum.

Andrew Sykes resigned from the Committee on his appointment as Interim Chairman. I would like to thank him for his contribution to our work.

The Committee plays a vital role in assisting the Board in its oversight responsibilities for the integrity of financial reporting, effectiveness of internal controls, and assessment of quality of the assurance functions. I would therefore be pleased to discuss the Committee's work with any shareholder.

Lastly I wish to thank my fellow members of the Audit Committee, as well as the entire Board of Directors and management, for their steadfast support during the past six years of my tenure as Chair of the Audit Committee, and I look forward to supporting my successor, Matthew Lester.

Rusty Nelligan
Chair of the Audit Committee

25 May 2022

1. When reviewing the Company's 2020 Annual Report and Accounts, the FRC has asked us to make clear the limitations of its review are as follows: its review is based on the 2020 Annual Report and Accounts only and does not benefit from a detailed knowledge of the Group's business or an understanding of the underlying transactions entered into; communications from the FRC provide no assurance that the Company's 2020 Annual Report and Accounts are correct in all material respects and are made on the basis that the FRC (and its officers, employees and agents) accepts no liability for reliance on them by the Company or any third party, including but not limited to investors and shareholders; and the FRC's role is not to verify information provided but to consider compliance with reporting requirements.

Committee governance

On behalf of the Board, the Committee encourages and seeks to safeguard high standards of integrity and conduct in financial reporting and internal control.

Our work focuses on the evaluation of significant estimates and judgements underlying the financial statements and the overall fairness and clarity of reported financial information.

Roles and responsibilities

The Committee meets regularly, at least four times a year. It is responsible for:

- Reviewing the annual and interim accounts before they are presented to the Board, in particular addressing any significant issues arising from the audit; accounting policies and clarity of disclosures; compliance with applicable accounting and legal standards; and information used in making significant judgements, including fair values, going concern and viability
- Monitoring the integrity of the financial statements of the Group, including its annual and half-yearly reports, trading updates and any other formal announcements relating to its financial performance, and advising the Board whether it considers the Annual Report to be fair, balanced and understandable
- Selecting and recommending the appointment and reappointment of the external auditor, including tenders where necessary; and negotiating and agreeing audit fees and scope of work
- Reviewing the performance of the external auditor in respect of scope of work, reporting, and quality of audit and overall service
- Reviewing independence, including key-partner rotation, and remuneration of the external auditor and the relationship between audit and non-audit work
- Approving the appointment or termination of the Head of Internal Audit; approving the internal audit charter; and monitoring the effectiveness of the internal audit function in the context of the Group's overall risk management framework
- Reviewing and assessing the annual internal audit plan and resources, receiving and evaluating internal audit reports, and monitoring management's responsiveness to internal audit findings and recommendations

In carrying out its duties, the Committee is authorised by the Board to obtain any information it needs from any Director or employee of the Group.

Composition

The Committee consists of independent NEDs only. The current members are Rusty Nelligan (Chair of the Committee), Matthew Lester, Kathryn Purves and Amy Schioldager. Biographical details can be found on pages 70 to 72.

The Committee members have a wide range of business and financial experience, including accounting and auditing, risk management, asset management and investment, regulation and compliance, M&A, tax and international business practices. These skills ensure the Committee has the relevant sector competence to enable it to fulfil its terms of reference in a robust and independent manner. Rusty Nelligan, a US Certified Public Accountant, was previously a partner at PwC working for over 20 years as lead client partner for European-headquartered global companies in financial services and pharmaceutical life sciences. The Board considers that he has competence in accounting and auditing as well as recent and relevant financial experience.

The Executive Directors and Chairman of the Board are not members of the Committee but regularly attend meetings at the invitation of the Chair of the Committee, together with EY, the Group's external auditor, the Head of Internal Audit, the Head of Finance and the Head of Risk.

The Committee meets separately with the external auditors and Head of Internal Audit without management present at least twice a year to ensure that they are receiving full cooperation from management, obtaining all the information they require, and are able to raise matters directly with the Audit Committee if they consider it is desirable to do so.

In addition, the Chair of the Committee meets with the external auditors, Head of Internal Audit, Executive Directors, and other members of financial and operational management separately, and as appropriate, throughout the year.

Terms of reference

The Committee's terms of reference are approved and reviewed by the Board on a regular basis, most recently in May 2022.

@ **The terms of reference are available on the Group's website www.icgam.com, or by contacting the Company Secretary.**

Effectiveness

The operations of the Committee were reviewed as part of the internal Board evaluation led by the Chairman in early 2022; the Committee was found to be operating effectively. For more details of this exercise, please see page 76.

Summary of meetings in the year

The Committee held five meetings during the year. The Committee members attending each of the meetings can be found on page 74.

In addition, there was an ad hoc committee meeting in April 2021 to review key aspects of the 2021 Annual Report.

Review of the year

The agenda of the Committee comprises recurring, seasonal and other business. Over the course of the year, the Committee considered and discussed the following significant matters:

The matter and its significance	Work undertaken	Comments and conclusion
Performance measures Alternative performance measures can add insight to the IFRS reporting and help to give shareholders a fuller understanding of the performance of the business **See KPIs on page 19 and the Financial review on page 45**	The Group uses a number of alternative performance measures, including but not limited to: – Cash and debt position – Cash generated from operating activities – Gearing – Balance sheet investment portfolio – Net investment return – FMC operating margin A full list can be found in the glossary on page 196. Strategic KPIs that are alternative performance measures are detailed on page 19. We discussed the use of alternative performance measures with the Executive Directors and the external auditor and reviewed their continued appropriateness and consistency with prior years. Internal audit provided assurance that the alternative performance measures had been prepared on a basis consistent with prior years and were subject to adequate review and validation controls.	We were satisfied that alternative performance measures, which are widely used in the asset management industry, can provide insight into performance from the perspective of our shareholders and other stakeholders. A review of the alternative performance measures was undertaken and we were satisfied that they did not detract from IFRS measures and were: sufficiently defined; consistently applied; and, where relevant, reconciled to IFRS measures.
Consolidation of investments in structured entities The Group holds investments in a number of structured entities which it manages. Judgement is required in assessing whether these entities are controlled by the Group and therefore need to be consolidated into the Group's financial statements **See note 28 and the Auditor's Report on page 126**	We challenged the information analysed by management to assess which third-party funds, carried interest partnerships, and portfolio companies are either controlled by the Group or over which the Group exercises significant influence.	We concluded that the Group controlled 19 funds and two carried interest partnerships. The Group exercised significant influence over four other entities during the financial year. Accordingly, the controlled entities have been consolidated into the Group's financial statements. This has had the impact of grossing up the balance sheet for IFRS compared to APM, with total assets and total liabilities both increasing by £4.8bn (2021: £4.3bn). The Committee concluded that the accounting policies and disclosures were appropriate and had been updated properly. Based on our inquiries of the Executive Directors and external auditors, we concluded policies are being properly applied in areas such as assessing control and significant influence. We concluded that the areas of judgement (see page 143) are properly explained. We gained comfort from the Executive Directors and the external auditors that the Group complied with its reporting requirements.

The matter and its significance	Work undertaken	Comments and conclusion
Annual Report Taken as a whole, the Annual Report needs to be fair, balanced and understandable so that it is relevant to readers **See page 125**	We held preparatory discussions with the Executive Directors to determine the format of the Annual Report and reviewed the assigned responsibilities for its content and overall cohesion and clarity. The Executive Directors compared our 2022 Annual Report with that of other alternative asset managers and best practice more widely. In light of that work we commented on design and content, taking into account the Financial Reporting Council's (FRC) publications and ensuring that feedback on the prior year Annual Report had been addressed. We reviewed all sections of the 2022 Annual Report having particular regard to the Committee's specific responsibilities for the financial statements. We used the Executive Directors' and the Committee's collective knowledge to determine the overall fairness, balance and understandability prior to final approval by the Board. In this context, we especially considered judgemental matters such as the key risks (see page 57), estimates and the period covered by the viability statement (see page 65).	The Committee received confirmation that individual responsibilities had been fulfilled and confirmed that the overall report was consistent with the Directors' knowledge and understanding of the Group. This supported the Committee's, and the Board's, assessment that the Annual Report taken as a whole is fair, balanced and understandable. We were satisfied that the information presented in the Strategic Report was consistent with the performance of the business reported in the financial statements. In particular, we were satisfied that the estimates and quantified risk disclosures in the financial statements are consistent with those identified in the Strategic Report. The Committee concluded that appropriate judgement had been applied in determining the estimates and that sufficient disclosure had been included to allow readers to understand the uncertainties surrounding outcomes. We were satisfied that the viability statement should consider a three-year time horizon given the period covered by the Group's strategic plan, regulatory capital reporting, shareholder fundraising guidance, deployment duration of larger strategies and the cash resources available to the Group.

The matter and its significance	Work undertaken	Comments and conclusion
Investment valuation Investments in funds managed by the Group, in warehoused assets, in senior and subordinated notes of CLO vehicles and in disposal groups held for sale represent 78.3% of our total assets under IFRS. As the assets are mainly unquoted and illiquid, considerable professional judgement is required in determining their valuation **See notes 5 and 10 to the financial statements and the Auditor's Report on page 126**	The Committee received reports summarising the conclusions of the Group's Valuation Committee (GVC) and challenged the judgements made. The Committee paid particular attention to the valuations requiring considerable professional judgement, with direct input from the Chief Investment Officer on market conditions and relevant sector and company insights. Management determined that the most appropriate valuation methodology was applied to ensure that the investments were valued in accordance with the Group's accounting policies, which remain unchanged, and International Private Equity and Venture Capital Valuation or other relevant guidelines where applicable. The Committee inquired into the progress of ongoing asset realisations after the year end as an indicator of the reliability of the valuation process. In addition to the Executive Directors' procedures and the work of the external auditors, internal audit periodically reviews the valuation process and provides the appropriate assurance to the Committee of the Executive Directors' compliance with the Group's valuation policies, process and procedures.	The Committee reviewed the conclusions of the GVC, carefully considering the impact of the current economic environment on the judgement required. We reviewed the methodologies used to value the Group's investments and concluded that the valuations had been performed in line with the accounting policies. In our review of the financial statements we were satisfied that sufficient disclosures had been provided on the estimates and judgements made in determining the value of the portfolio.
Revenue recognition Revenue recognition involves certain estimates and judgements, particularly in respect of the timing of recognising performance fees, which are subject to performance conditions **See note 3 to the financial statements and the Auditor's Report on page 126**	We reviewed the revenue recognition of management fees, performance fees and investment income to confirm that the treatments were consistent with the Group's accounting policies.	The Committee concluded that revenue has been properly recognised in the financial statements.

In addition to the significant matters addressed above, the Committee maintained a rolling agenda of items for its review including auditor independence and external audit effectiveness, internal audit, capital strategy, financial and management reporting (including any changes to the Group's accounting policies), risk and treasury management capabilities, relevant people changes, the going concern concept of accounting (see pages 120 and 143), the viability statement (see page 65), the Auditor's Report (see page 126), accounting developments and the Auditor's management letter. No issues of significance arose.

External audit

The Group complies with the UK Corporate Governance Code, the FRC Guidance on Audit Committees and the EU Regulation on Audit Reform. In addition, we comply with all aspects of the Competition and Markets Authority Statutory Audit Services Order.

Appointment and rotation

The Group's policy is to submit the external audit to tender every ten years, as a fair balance between the costs and disruption of a tender and the benefits of a potential fresh pair of eyes and challenge, and for the external audit firm to be rotated at least every 20 years. Under transition arrangements of the relevant regulations, the Group was required to rotate its external audit firm for the financial year ended 31 March 2022 at the latest. The Group elected to make this rotation with effect from the financial year ended 31 March 2021 appointing EY as external auditors. The next tender must be completed for the financial year ended 31 March 2031.

Execution

The Committee discusses and agrees the scope of the audit prior to its commencement. For the financial year ended 31 March 2022, the full scope audit coverage amounted to 93% (2021: 96%) of the Group's profit before tax and 94% (202: 96%) of the Group's net assets.

The Committee reviews with EY the risks of material misstatement of the financial statements and confirms a shared understanding of these risks. While planning the audit, EY sets out the key tests that they perform on the higher-risk areas, and the Committee provides input on areas that it wants to receive particular attention.

The Committee Chair meets or calls the lead audit partner generally monthly throughout the year and more frequently at the public reporting periods, to review Group developments and audit progress. The Committee also discusses with EY, prior to recommendation of the financial statements to the Board, the audit findings, including audit differences, and observations on internal controls, operations and resources. This includes discussions in private sessions without the Executive Directors present.

In accordance with relevant independence standards, the external auditors do not place direct reliance on the work of internal audit.

The Committee are satisfied that the audit is probing, challenging and effective and that the approach provides a reliable audit opinion with a reasonable expectation of detecting material errors, irregularities and fraud.

Materiality

The Committee reviews accuracy of financial reporting with EY including both accounting errors of lesser significance that will be brought to our attention and amounts that would need to be adjusted so that the financial statements give a true and fair view. In principle, errors can arise for many reasons ranging from deliberate fraud to estimates made which did not consider all available information.

For the financial year ended 31 March 2022, overall audit materiality was set at £28.3m (2021: £25.5m). This equates to 5% (2021: 5%) of Group profit before tax. This is within the range that audit opinions are conventionally thought to be reliable.

The auditors use overall materiality combined with their knowledge of the Group, controls environment and assessment of significant risks, to determine which Group entities require full-scope audits or specific audit procedures in order to confirm that the financial statements are free of material misstatement. Further details can be found in the Auditor's Report on page 126.

To manage the risk that aggregate uncorrected errors become potentially material, the Committee agreed with EY to draw attention to all identified uncorrected misstatements greater than £1.4m (2021: £1.3m).

Quality and effectiveness

In assessing the quality and effectiveness of the external audit, the Committee looks at the audit team's demonstrated competence, experience, diligence, objectivity, professional scepticism, current knowledge and its relationship with the Executive Directors and senior management. In particular, the Committee assesses the depth of review and level of challenge provided by the external auditors over the significant judgements and estimates made by management.

The Committee observed healthy debate initiated by EY, and received high-quality reports with detailed information on the scope and results of their work, including challenge to management judgements, estimates and assumptions. The Committee gained valuable insight from EY on the nature of operations underlying the Group's production of financial information, and received a current assessment of internal controls over financial reporting, to the extent observed as a by-product of their audit of the consolidated financial statements.

The overall assessment of audit quality includes an annual evaluation of the independence and objectivity of the external auditor and the effectiveness of the audit process, taking into consideration relevant professional and regulatory requirements. This assessment is based in part on results of observation, inquiry and challenge, throughout the year, as well as periodic reflection and input collected separately from Committee members, Executive Directors and other relevant senior management. The annual evaluation of EY was undertaken by the Committee in September 2021.

In addition to the annual evaluation and regular review of reports and the working practices of the EY audit team, the Committee undertakes an ongoing assessment of external audit quality and effectiveness including, but not limited to, the following:

- The content of EY's annual Transparency Report which sets out their commitment to audit quality and governance
- Insights arising from the Audit Quality Review team (AQRt) of the Financial Reporting Council's annual audit of a sample of EY's audits. Following discussion with EY, insofar as any issues might be applicable, the Committee determines that EY has proper and adequate procedures in place for the audit
- The formal terms of engagement with the auditor, and the audit fee. The Committee determined that the Group audit fee of £1.8m (2021: £1.5m) appropriately reflected the scope and complexity of the work undertaken by EY
- The audit status update received from EY at every Audit Committee meeting, including findings, fees, and compliance with independence requirements

On the basis of this review and our ongoing interactions and observations, the Committee remains confident in EY's work.

Non-audit services

The Board has an established policy setting out what non-audit services can be purchased from the firm appointed as external auditors. The Committee monitors non-audit services provided to the Group by EY to ensure there is no impairment to their independence or objectivity.

The policy sets out the categories of non-audit services which the external auditor is and is not allowed to provide to the Group. We received confirmations from the Executive Directors and EY of adherence to this policy and monitor non-audit services against a fee cap.

@ **A copy of the policy can be found on the Group's website, www.icgam.com.**

During the year, the Group paid £0.2m (2021: £0.2m) to EY for the provision of corporate non-audit services. Of the fees, £0.2m is in respect of services in their capacity as auditor. The ratio of non-audit services to 70% of audit fees on a three-year rolling basis was 0.13:1. A detailed analysis of fees paid by the Group to EY is shown in note 12 on page 161.

Internal controls

Risk management and internal control matters are the responsibility of the Group's Risk Committee. Its report is set out on page 85.

The Group has an established control framework, designed to manage but not eliminate risks and provide reasonable but not absolute assurance against material losses or misstatements.

Effectiveness

The Committee reviews the effectiveness of the financial control environment, including controls over our financial reporting and the preparation of financial information included in the Annual Report. That assessment is taken into account by the Board when it undertakes its review of the effectiveness of material controls (see page 87).

The Committee reviews the operation of the finance function to ensure it is sufficiently resourced and has the appropriate processes and controls over financial reporting to fulfil its duties.

Developments

During the year, the Group made significant progress in further enhancing the operating model for finance and other operations, and continued development of its process and control framework. These changes were advocated by the Committee and are considered necessary steps in view of continued regulatory development and business growth.

Internal audit

The Group has an internal audit function led by an experienced Head of Internal Audit, reporting to the Chair of the Audit Committee. The Head of Internal Audit has access to external service providers with specialised skills, to augment internal resources as needed.

Approach

In conformity with the Financial Services Code (Guidance on effective internal audit in the financial services sector), a risk-based planning process is performed annually. This includes consideration of business objectives and a focus on those risks identified as being most likely to impact delivery of the Group's strategy.

The resulting plan is reviewed and approved by the Committee, with regular updates provided. This is kept under constant review, with any significant changes recommended to the Committee for approval.

The Group has a number of regulated entities that have specific requirements for internal audit activities. These requirements are taken into account in the planning process and, as appropriate, relevant reports on audit scope and findings are shared with the Boards of the regulated subsidiaries.

Execution

The Committee considered and approved the updated internal audit strategy and plan for fiscal years 2021 and 2022. Updates on delivery of this plan, together with related status of remedial actions, are reported at each meeting of the Committee.

During the year, in accordance with the plan, 16 risk-based reviews were completed, responded to by management and reviewed by the Committee. We pay particular attention to identified themes across the business, relative importance and relationship of findings, recommended and agreed remedial actions, and compliance with timescales for resolution and follow-up.

The Committee is satisfied that delivery of the approved internal audit strategy and plan is providing timely and appropriate assurance on the controls in place to feasibly manage the principal risks to the Group.

Effectiveness

The Committee monitors the effectiveness of Internal Audit within the context of the function's charter and stakeholder expectations. The Committee will periodically request an External Quality Assessment of Internal Audit to assess conformance with the IIA Standards and the Financial Services Code.

In the current period, the Committee concluded that the Internal Audit function is operating effectively, at the present level of operations. We continue to monitor resourcing in view of regulatory development and business growth.

RISK COMMITTEE REPORT

The role of the Committee is to support the Board in identifying and managing risk, complying with regulations, and promoting good conduct.

AREAS OF FOCUS

Principal and emerging risks
- Identification and management of principal risks
- Risk appetite and tolerances
- Identification of emerging risks

Governance
- Committee governance
- Oversight of risk and compliance policies
- Best practice and governance code developments

Risk management framework
- Effectiveness of risk management systems
- Review of risk events and remedial actions
- Risk function resourcing

Regulatory risks
- Impact and implementation of regulatory change
- ICAAP / ICARA
- Compliance function resourcing

Committee members

- Kathryn Purves (Chair)
- Rusty Nelligan
- Virginia Holmes
- Amy Schioldager
- Matthew Lester
- Rosemary Leith

Dear shareholder

I am pleased to present the Risk Committee Report for the year ended 31 March 2022.

The purpose of the Committee is to support the Board in providing oversight and challenge of risk management processes and the internal control framework to ensure that we meet the expectations of our shareholders, regulators, and clients. The Committee monitors the Group's risks on an on-going basis and supports the Group's agreed risk appetite, covering the extent and categories of risk which the Board considers acceptable for the Group. Using the information and assessments obtained from regular top-down and bottom-up reviews, alongside evaluation of the Group's principal risk exposures, the Committee creates an effective framework for overseeing risks across the Group.

The committee is deeply concerned about the Russian invasion of Ukraine. First and foremost, our thoughts are with the people in Ukraine, and with our colleagues and clients impacted by the crisis. ICG does not have any material financial or operational exposure at the Group level or within the funds we manage, directly or indirectly, to Russia or Ukraine. Since the crisis began, the Group has taken several actions including promptly and fully implementing the sanctions and other measures imposed and rigorously testing our operational resilience to confirm that the day-to-day running of our operations will not be affected. The Committee recognises the potential for heightened geopolitical, macroeconomic uncertainty and other risk contagion, should the crisis be prolonged and / or escalate further and will continue to monitor the situation closely and adapt our approach as appropriate.

Not surprisingly, throughout the financial year the Committee continued to engage extensively with management over the course of the Covid-19 pandemic and oversee the Group's response, seeking to ensure that the risks posed by the pandemic were mitigated. Responding to the operational impacts of the pandemic has become part of our day-to-day operations, which is overseen by the Executive Directors. However, the Committee remains alert to the uncertainties that persist which may present new risks and opportunities for the Group.

There has been heightened attention on the Key Personnel risk profile of the Group in view of the longevity of the pandemic and the impacts to our employees. Additionally, our employees are experiencing elevated levels of activity and complexity because of the growth of the Group and the transformation activity that is underway to deliver our strategy for growth. Consideration has been given to high performing individuals to support the Group's key commitments and the retention risk of certain groups of subject matter experts is being closely monitored. We also continue to focus on our employees' physical and mental well-being. The Committee will continue to provide the necessary risk oversight as the Group manages the ongoing impact of the pandemic, monitors retention, develops new ways of working and develops plans to build the right skills and capabilities for the future.

The risk management development plan (RMDP) that commenced in 2019, has delivered its key objectives, including effective policies, procedures, and frameworks to help direct the Group's risk management strategy and enhance the execution of an effective end-to-end risk management process across all three lines of defence. Focus has now shifted to refining these enhancements to ensure that business actions and decisions are demonstrably influenced by risk management considerations and information, and to ensure the framework is integrated and aligned with day-to-day management, operations, business processes, and the risk culture of the Group. The aim is to attain a fully integrated and embedded Risk Management Framework that will bring benefits to the Group in financial and non-financial terms.

Alongside the Audit Committee, the Committee monitored the audit reform developments made by the UK government, and the proposal that the UK should adopt a strengthened internal controls regime. Although the requirements and timeline for the regulation to come into force are not established at this stage, the Committee believes it is important for the Group to be aware of the potential practical implications and consider what actions to take now. Following pilot activity, a new approach to the RCSA process is being adopted across the Group through a phased plan, the aim of which is to fully integrate the Group's material control assessments into one process. The Committee supports the revised approach, and the required cultural change to ensure successful adoption, as well as the Group's plans for implementation and embedding.

During the year there continued to be high profile cyber incidents for corporates in the UK and elsewhere, and this threat is expected to persist with increasing levels of sophistication anticipated. The cyber security team increased its monitoring activity as a result of the Russia-Ukraine conflict, and to date we have not seen an increase in overall threats to the Group. The Committee remains alert to the Group's continuous monitoring of the external threat environment to ensure that the management of cyber risk remains appropriate to mitigate the continued and changing nature of the cyber threat.

Finally, the Committee welcomed the progress being made in response to the challenges, risks and opportunities arising from climate change and ESG, which are becoming critical components of risk management. In particular, ESG considerations have been further embedded within the investment process and engagement with portfolio companies. The Committee acknowledges that further work is required to better understand how ESG risks of material significance to the Group are effectively incorporated into the Group's existing operational risk assessments and frameworks, to assist in the ongoing maturity of the Group's broader risk management capabilities.

Looking ahead to the next financial year, it is anticipated that the Committee will focus on:

- Monitoring the heightened geopolitical and macro-economic uncertainty, in particular as a result of the Russia-Ukraine conflict and adapting our approach as appropriate
- Further embedding of ESG into the Risk Management Framework
- Risks associated with the Group's transformation agenda, recognising the challenges faced in ensuring both successful delivery and embedding of change
- Overseeing the Group's ongoing response to the Investment Firm Prudential Regime, and operationally the revised processes required, including developing the ICARA
- Supporting the Audit Committee in its oversight of the Group's plans to implement the UK Government's audit reform proposals and strengthening internal controls
- Improving the use of more forward-looking risk information and incorporating risk connectivity into the Group's Risk Management Framework to allow for more proactive management of risk

The Committee will continue to ensure that we are adopting a proactive response to the challenges, risks, and opportunities to which the Group is exposed.

I would be pleased to discuss the Committee's work with any shareholder.

Kathryn Purves
Chair of the Risk Committee

25 May 2022

Governance of risk

On behalf of the Board, the Committee encourages, and seeks to safeguard, high standards of risk management and effective internal controls.

Roles and responsibilities

The Committee meets regularly and is responsible for providing oversight and challenge on:

- The Group's risk appetite, material risk exposures and the impact of these on the levels and allocation of capital
- Changes to the risk appetite framework and quantitative risk limits, ensuring its ongoing integrity and suitability to support the Board's strategic objectives
- The design, structure and implementation of the Group's risk management framework and its suitability to identify and manage current risks and react to forward-looking issues and the changing nature of risks
- Risk reports on the effectiveness of the Group's risk management framework and system of internal controls, including notification of material potential or actual breaches of risk limits and internal control processes and the remedial action taken or proposed
- Risks in relation to major investments, major product developments and other corporate transactions
- Regulatory compliance across the Group, which includes reviewing and approving the Group's compliance policies and monitoring compliance with those policies
- The remit of the risk management and compliance functions, ensuring they have adequate resources and appropriate access to information to enable them to perform their functions effectively

The Committee also reviews and recommends:

- The Internal Capital Adequacy Assessment Process (ICAAP) at least annually and more frequently as necessary, to the Board
- The extent of Directors' and Officers' insurance coverage, to the Board
- The prosecution, defence or settlement of litigation or alternative dispute resolution for material potential liabilities, to the Board
- The effectiveness of the Group's risk management and internal controls systems, to the Board
- Alignment of the remuneration policy with risk appetite, and adjustments to any employee's remuneration for events that have been detrimental to the Group or events that have exceeded the Board's risk appetite, to the Remuneration Committee
- All material statements to be included in the Annual Report, half year report, prospectuses and circulars concerning risk management, to the Audit Committee

Composition

The current members are Kathryn Purves (Chair of the Committee), Virginia Holmes, Matthew Lester, Rosemary Leith, Rusty Nelligan and Amy Schioldager. Biographical details can be found on page 70. The Committee members have a wide range of business and financial experience, including risk management, fund management and investment, regulation and compliance, M&A, tax, and international business practices. In particular, Kathryn Purves was the CRO of Partnership Assurance Group plc. These skills enable the Committee to fulfil its terms of reference in a robust and independent manner.

The Executive Directors of the Board are not members of the Committee but attend meetings at the invitation of the Chair of the Committee. The Head of Risk, Group Head of Compliance, Head of Internal Audit, and the Company Secretary attend all the meetings.

Terms of reference

The Committee's terms of reference are approved and reviewed by the Board on a regular basis, most recently in May 2022.

@ **The terms of reference are available on the Group's website, www.icgam.com, or by contacting the Company Secretary.**

Effectiveness

The operations of the Committee were reviewed as part of the internal Board evaluation led by the Chairman in early 2022; the Committee was found to be operating effectively. For more details of this exercise, please see page 76.

Monitoring the effectiveness of controls

The Risk Committee is provided with several risk reports, which it uses to continually review the Group's risk management framework and works closely with the Audit Committee to review the system of internal controls. The reports enable the Committees to develop a cumulative assessment and understanding of the effectiveness with which internal controls are being managed and risks are being mitigated by management across the Group.

As part of their review the Committees consider whether the processes in place are sufficient to identify all material controls, defined as those critical to the management of the principal risks of the business. Additional reporting on the effectiveness of material controls is provided to the Audit Committee on an annual basis to support the review of the effectiveness of controls in managing the principal risks.

The Board, on recommendation from the Risk and Audit Committees, and considering the work of Internal Audit overseen by the Audit Committee, confirms that the Group's risk management and internal control systems are operating effectively, and material controls operated effectively throughout the year.

Summary of meetings in the year

The Committee held three meetings during the year. In the ordinary course of business, the Committee receives reports from both the Head of Risk (providing an assessment of each principal risk versus appetite, key risk events, key emerging risks, actions taken or being taken to manage the risks), and from the Group Head of Compliance (providing an assessment of global compliance including the Group's monitoring programme and implementation of relevant regulatory developments).

Over the course of the year the Committee considered and discussed the following significant matters:

- The Committee continuously evaluated the Group's principal risks, considering recommendations for promoting additional risks and changes in the scope of existing risks. In addition, the Committee received regular reporting on principal risks, upcoming trends, and emerging risks. Careful attention continues to be paid to the ongoing potential impacts of Covid-19, and the Committee will continue to monitor the potential exposures and overall risk profile of the Group as matters evolve
- Delivery and embedding of the RMDP that commenced in 2019 has remained a key focus, with the Committee receiving regular updates on the continued roll out of the RCSA process. As the Group continues to refine the RCSA process, the Committee will focus on continuing the strengthening of the Group's risk management activities and overseeing the shift and improvement of risk management responsibilities to the Group's first line teams
- The Committee carried out a detailed review of the Group's 2021 ICAAP and was satisfied that the operational risk and financial stress scenarios were appropriately calibrated and also stressed the particular vulnerabilities of the Group. They were further satisfied that the Group would meet internal and regulatory requirements for capital and liquidity in such scenarios
- The Committee considered regular updates on emerging regulatory and legal risks and continued to closely monitor several significant regulatory change and oversight programmes to ensure successful execution, notably the Investment Firm Prudential Regime (IFPR), which came into effect on 1 January 2022. IFPR introduces a wide-ranging set of new requirements spanning capital, liquidity, reporting and disclosure and remuneration. Of particular note is the proposed replacement of the current ICAAP with a new Internal Capital and Risk Assessment (ICARA) process. The Committee was briefed on the Group's readiness to meet the requirements of the regime, which captured all substantive matters and the steps that the Group needs to take to ensure compliance when the ICARA is prepared in 2022
- The Group places significant focus on subsidiary governance and recognises the role subsidiaries have in terms of corporate governance, reporting and managing risk. The Committee welcomed an update from the Group's Global Head of Legal and Compliance regarding the proposals to enhance the subsidiary framework to strengthen accountability and flows of information, appropriate for the Group's subsidiary activities and complexity
- The Group's cyber security lead presented the annual Information Technology and Cyber update to the Committee, which covered the progress made in the development of the Group-wide governance model and strategy for cyber security management and data privacy risks. The Committee looks forward to receiving detailed reporting of key cyber metrics and corresponding risk assessments on a more regular basis
- The Committee was briefed on the progress in terms of plans and preparedness for the Libor transition in respect of the Group and fund to the new risk-free rates and was pleased to hear that key milestones set by the Risk Free Rate Working Group have been met and are in line with FCA expectations, including transitioning existing deals and borrowing facilities in GBP Libor and concluding outstanding system upgrades. The transition of USD Libor exposure will be a key focus in the financial year ending 31 March 2023. The impact on the Group is immaterial
- The Committee was updated on the progress being made to the operational risk framework in response to the challenges, risks and opportunities arising from climate change. The Committee welcomed the progress being made to better understand how climate risks of material significance can be digested into practical risk assessments and incorporated into the Group's existing operational risk framework
- The Committee acknowledged the continued efforts to enhance the Group's supplier risk oversight framework and discussed with the Head of Operations and Information Technology the positive work undertaken to reduce operational risk exposure through improved third-party provider service levels and risk reporting. The Committee considers that these activities will ensure the ongoing resilience of key services to the Group and its investors
- The Group's assurance functions held a dedicated session with the Chair of the Risk Committee and the Chair of the Audit Committee to review and challenge the new Combined Assurance proposal, which aims to provide an integrated and coordinated approach to aligning the Group's assurance activities, focusing on key risk exposures across the Group. The Committee is satisfied with the good progress being made to align the Group's assurance activities

Other matters considered

In addition to the significant matters addressed above, the Committee maintained a rolling agenda of items for its review, including the adequacy of resourcing in the compliance and risk functions, updates on key policies and a review of the annual Whistleblowing report and the Money Laundering Officer's report. The Committee meets privately with both the Head of Risk and the Group Head of Compliance on an annual basis.

Internal Audit, Risk and Compliance monitoring

Internal Audit, Risk and Compliance work closely together to ensure appropriate coverage of the Group's activities.

The Committee supported the Audit Committee in its oversight of the internal audit programme (see page 84), which is risk-based. It is designed to permit changes to the programme in the light of changed circumstances. In conjunction with the Audit Committee, the Committee reviews and approves the programme of compliance monitoring to be undertaken during the following fiscal year and at each of its subsequent meetings reviews the status and output of compliance monitoring undertaken relative to the planned programme.

Where there is a perceived overlap of responsibilities between the Audit and Risk Committees, the respective committee chairs will have the discretion to agree the most appropriate committee to fulfil any obligation. During the year the Committee ensured that appropriate monitoring was undertaken in accordance with the approved programme for the year. No significant matters of concern were identified.

NOMINATIONS AND GOVERNANCE COMMITTEE REPORT

The role of the Committee is to oversee the membership of the Board to ensure a balance of skills, diversity and experience among the Directors, and to oversee senior management succession planning and the governance practices and processes of the Group.

AREAS OF COMMITTEE FOCUS

Culture, diversity and inclusion
- Employee engagement
- Gender diversity considerations

Succession planning
- Non-Executive, Executive and senior management succession planning
- Talent development

Director skills and experience
- Director induction
- Director training

Appointments
- Board composition
- Additional appointments

Committee members
- Lord Davies (until 4 March 2022)
- Virginia Holmes (from 4 March 2022)
- Matthew Lester (from 4 March 2022)
- Andrew Sykes (Chair)
- Kathryn Purves
- Stephen Welton

Dear shareholder

I am pleased to present the Nominations and Governance Committee report for the financial year ending 31 March 2022.

Good governance requires the appropriate balance of skills, diversity of thought and experience, independence and knowledge, making the work of the Nominations and Governance Committee a key part of our oversight.

The Committee's current main focus is on the search for candidates for a long term appointment as Chair of the Board following the departure of Lord Davies of Abersoch. This search is being conducted with regard to a range of skillset, experience and diversity criteria, and taking into account the profiles of the existing Board members. The Committee is satisfied that the interim chair arrangements are appropriate, and will conduct a thorough process to find the best possible candidate. We will keep shareholders updated through market announcements when the search process is concluded.

During the year, the Committee closely monitored the composition of the Board and concluded that the Board remains well balanced and of an appropriate size and diverse skill set. We have, therefore, not recommended any further changes to the Board during the year, although we will continue to keep this under review as part of our longer-term succession planning and this will be reconsidered once a new Chair has been identified. The Committee noted the strong contribution to the Board of all Directors, regardless of their tenure.

The Committee has also continued to monitor the feedback from employees gained through focus group sessions led by Amy Schioldager, as the NED responsible for liaising with employees. Employee views are always important to us and we are pleased to note the effectiveness of Amy's work.

We also regularly hear from management on executive succession planning for key individuals and ensuring development and training for our key talent. In particular, NEDs have worked closely with the Chief People and External Affairs Officer in this area and a strong emphasis has been placed on enhancing bench strength across the organisation, including at the level of emerging future leaders. ICG is a people business and developing our talent is crucial in helping to deliver the Group's strategic objectives.

The output from both internal and external Board evaluations is always front of mind for the Committee as we continue to evaluate the skills, composition and cohesion of our Board. We are confident that your Board is well placed to continue to oversee and provide challenge to executive management.

I would be pleased to respond to any shareholders' questions about the Committee's work either at the AGM or otherwise.

Andrew Sykes
Chair of the Nominations and Governance Committee

25 May 2022

Committee governance
Roles and responsibilities
The Committee is responsible for:

- Identifying, and nominating for the Board's approval, candidates to fill any Board vacancy
- Succession planning, including the progressive refreshing of the Board, and developing executive talent below Executive Director level
- Ensuring that all appointments to the Board are made on objective criteria and that candidates have sufficient time to devote to their prospective responsibilities
- Appointing a NED as the Whistleblowing Champion
- Appointing a NED as the Employee Engagement Champion
- Appointing a NED as the ESG Champion
- Considering the composition of the Board to ensure that the balance of its membership between Executive Directors and NEDs is appropriate
- Overseeing diversity and inclusiveness, culture, employee engagement and other governance-related matters within the Group
- Annually assessing the continued fitness and proprietary of the Senior Management Function (SMF) holders, including the NEDs, together with reviewing the Group's responsibilities map which describes the management and governance arrangements, as required under SMCR
- Ensuring the Group is managed to high standards of corporate governance

Composition
The Nominations and Governance Committee consists of NEDs: Andrew Sykes (Chair of the Committee), Virginia Holmes, Matthew Lester, Kathryn Purves and Stephen Welton. Biographical details can be found on page 70.

The Company Secretary acts as Secretary to the Committee.

Appointments of Executive Directors and NEDs are made as necessary as a result of discussions by the Committee and are subject to full Board approval and election or re-election at a General Meeting of the shareholders.

Terms of reference
The Committee's terms of reference are approved and reviewed by the Board on a regular basis, most recently in May 2022.

@ **The terms of reference are available on the Group's website, www.icgam.com, or by contacting the Company Secretary.**

Effectiveness
The operations of the Committee were reviewed as part of the internal Board evaluation led by the Chairman in early 2022; the Committee was found to be operating effectively. For more details of this exercise, please see page 76.

Summary of meetings in the year

The Committee held four meetings during the year as well as a joint session with the Board on employee engagement. Over the course of the year the Committee considered and discussed the following significant matters:

- The resignation of Lord Davies of Abersoch from his role as Chair of the Company and the appointment of the Senior Independent Director, Andrew Sykes, as Chair and the appointment of Kathryn Purves as Senior Independent Director
- The process to be followed to search for a longer term Chair appointment. The Committee set parameters for a search (having discussed desired skills and experience and the importance of diversity to the Board), and agreed to appoint Russell Reynolds Associates to conduct a search on behalf of the Company
- Whether it may be appropriate to appoint further NEDs to the Board to supplement the existing skill set of the Board and assist with long-term succession planning. It was concluded that in the current year no further appointments were needed, but once a new chair is in place the Committee should continue to seek to enhance the Board to maintain the skill set of the Board and account for long-term succession planning
- The employee engagement NED, Amy Schioldager, provided insights on the culture of the Group and other feedback from the ongoing informal engagement programme to a joint session of the Committee and the Board. This was based on her engagement during the year with several groups and included the views of a wide range of employees drawn from a number of the different geographies in which the Group is active. She had regularly met employees virtually or in person in groups of 10-12 and sought their views on a range of issues; more details are provided on page 68

Other matters considered

The Committee also conducted a review of the size and composition of the Board and its Committees, the skill set of all Directors, their ongoing training and development and the independence of NEDs. No points of concern were raised.

Diversity is very important to our Board. The Board's policy is for at least 33% of members to be female in accordance with the recommendation of the Davies Report. At the date of publication, 45% of the Board is female. The Board does not currently have a policy on ethnic diversity but has determined always to select the best candidate for a role, regardless of race, ethnicity or any other demographic factors. The Board is aware of the recommendations of the Parker Review that at least one member of the Board of a FTSE100 company should be non-white; that recommendation has been met.

The Committee monitors the diversity of the Group with a specific focus on senior management roles and their direct reports (see page 44).

Non Executive Director area of expertise

Name	Asset Management	Investment	UK Corporate Governance	International	Risk Management	Financial
Andrew Sykes (Chair)	●	●	●		●	●
Virginia Holmes	●	●	●	●		
Rosemary Leith		●	●	●	●	
Matthew Lester	●	●	●		●	●
Rusty Nelligan				●	●	●
Kathryn Purves (SID)		●	●	●	●	
Amy Schioldager	●	●		●	●	
Stephen Welton	●	●			●	●

REMUNERATION COMMITTEE REPORT

AREAS OF FOCUS

Remuneration policy
- Continuous assessment of the effectiveness of the Group's remuneration policy
- Consideration of shareholder and representative shareholder bodies' feedback

Key performance indicators
- Setting of KPIs for the Executive Directors
- Monitoring performance against those KPIs

Governance, stakeholders and shareholders
- Consideration of feedback from shareholders
- Adherence to regulatory requirements

Executive remuneration
- Determination of Executive Directors' awards
- Review of awards payable to all material risk takers

Oversight of awards
- Review of the calculation of Pre-Incentive Cash Profit (PICP) to determine the Annual Award Pool (AAP)
- Review of market data on award levels

Committee members
- Virginia Holmes (Chair)
- Lord Davies of Abersoch (until 4 March 2022)
- Rosemary Leith
- Andrew Sykes
- Stephen Welton

Contents:

Dear shareholder

I am pleased to present the Committee's Report for the year ended 31 March 2022.

Directors' Remuneration Policy

Our Directors' Remuneration Policy was approved by shareholders in 2020, with 94.43% of votes in favour. Last year's Directors' Remuneration Report received overwhelming backing, with 98.34% of votes cast in favour. We are pleased that these results indicate strong and continued support from our shareholders for the Policy and its implementation.

Prior to the 2020 AGM, we consulted extensively with major shareholders on our Policy proposals and updated the Policy to take account of the latest changes in the UK Corporate Governance Code as well as guidelines from shareholders and voting agencies. During FY22, we have continued to monitor developments in shareholder guidelines and addressed any shareholder questions directly with those who had raised them.

We are pleased to say that the Policy continues to be well-aligned with our business strategy and shareholder guidelines, and no changes are proposed for FY23.The Committee has also considered the requirements of the new FCA Remuneration Code for investment firms, which will first apply to ICG in FY23. We shall undertake a full review of the Policy prior to the next Policy vote, due at the 2023 AGM. The review will consider business needs, developments in market practice and shareholder guidance.

Corporate Governance Code remuneration requirements

Our remuneration policies and practices comply with the remuneration requirements of the Corporate Governance Code, including in the following areas:

Strategic rationale and remuneration levels

Remuneration policy and practice within ICG is designed to support the strategy of the business, with a clear emphasis on sustainable, profitable growth. The variable pay structure for Executive Directors is simple, with a single performance scorecard containing clear financial and non-financial KPIs.

This drives a single variable pay award of which at least 70% is deferred into ICG shares, vesting over a 5-year period to promote long-term shareholding. Executive directors also have in-service and post-exit shareholding requirements. The policy aligns to our company culture of recognising and rewarding performance and delivering outstanding annual and long-term value for stakeholders.

Each Executive Director has a target and maximum variable pay level, providing clear remuneration levels based on performance. The quantum of total remuneration at ‘threshold’, ‘target’ and ‘stretch’ performance levels is set appropriately and proportionately to ensure that the quantum of total remuneration at each level corresponds with performance. Payment of variable pay is also subject to maintaining robust risk and compliance controls, reinforced by malus and clawback provisions, with key ‘triggers’ as set out in the Directors’ Remuneration Policy. The Committee also considers, prior to each year’s award, whether discretion should be exercised to take account of wider performance or other relevant factors. Base salary, pension and benefits levels are restrained, with pension allowances for executive directors set no higher than the majority of the UK workforce.

Engagement with shareholders and the workforce

The Committee closely monitors shareholder guidance and feedback on remuneration. Shareholder voting on AGM remuneration resolutions is reviewed annually, and major shareholders are directly consulted each year if they have indicated any disagreement with ICG’s remuneration policy or practices. During annual engagement meetings, major shareholders have the opportunity to provide feedback to the Board and Remuneration Committee on ICG’s remuneration approach.

There are a number of existing channels of communication with employees regarding ICG’s remuneration policies, including executive remuneration and its alignment with wider company pay policy. Our company-wide employee engagement survey enables colleagues, on a confidential basis, to provide feedback on a full range of employment issues, including remuneration. The NED responsible for employee engagement also holds a number of formal and informal sessions with employees during the year in individual and group forums. During these sessions employees are invited to provide feedback and comments on any issues of importance to them, including remuneration policies. The Committee also receives regular feedback on how employees perceive the Group’s remuneration policies and practices, and how these have influenced recruitment, retention and motivation of colleagues. This information is used by the Committee in its monitoring and development of remuneration policies.

Variable pay approach

During FY22, we maintained our long-term orientated approach to variable pay, which aligns our executives to the interests of our shareholders. We make a single variable pay award each year to Executive Directors, based on a balanced scorecard of key performance indicators (KPIs) and funded from our capped Group variable pay pool (the Annual Award Pool – ‘AAP’).

We completed an extensive review of the performance criteria for variable pay prior to setting the objectives for FY22. The KPIs were tested robustly and continue to be fully aligned with shareholders’ goals and our Group’s Strategic Objectives of growing AUM, investing selectively, and managing portfolios to maximise value. In anticipation of a strong FY22, the Committee increased the thresholds for quantitative KPIs and refined the deliverables for qualitative ones to ensure both are appropriately stretching. In addition, we expanded our KPI relating to Culture and Diversity & Inclusion, to include Sustainability. This reflects the Board’s strong focus on the Sustainability metric overall and specifically our commitment to reach net zero greenhouse gas emissions for 100% of our relevant investments by 2040.

We have listened to shareholder feedback and have further developed the reporting of our KPIs. This includes continuing to report metrics, weightings and target levels as well as providing additional detail of performance outcomes for each KPI.

The KPIs reflect the Group’s long-term strategic goals and near-term operational priorities against the backdrop of the Group’s continued evolution and the excellent progress in terms of scale and diversification, as well as thought leadership on Diversity & Inclusion and Sustainability. They also reflect our leading position in the alternative investment industry and progress within the FTSE index.

Focus on sustained, long-term performance

Our remuneration approach encourages and reflects sustained, long-term performance. The AAP is based on the cash profits which the Group realises from its fund management business and its investments. It is capped at 30% of realised profits, annualised over a five-year period. Furthermore, for Executive Directors, at least 70% of the variable pay award is deferred over five years into shares, with vesting in three equal tranches after the third, fourth and fifth anniversaries of award.

Each Executive Director has a target level and a maximum cap on their total variable pay. These are expressed in monetary value rather than as a multiple of base salary, in order to discourage upward pressure on base salary. The maximum total variable pay awards are payable for outstanding performance only. The Committee also liaises closely with both the Audit and Risk Committees to ensure that risk and audit matters are taken into account in determining the remuneration levels for the Executive Directors.

Business performance and remuneration for FY22

Business performance in the year ended 31 March 2022 has been outstanding. ICG raised a record $22.5bn in new funds, exceeding the Group’s fundraising target by 181% and last year’s very strong performance by 112%. The FMC (Fund Management Company) operating margin was 55.8% and the Group deployed a record $15.0bn in new investments. Pre-Incentive Cash Profit (PICP) also represented a record, at £566.1m.

We have a long-standing policy of awarding variable pay across the workforce of not more than 30% of PICP, measured on a five-year rolling basis. The Committee has determined that £115.9m should be awarded to eligible employees under the AAP for the year ended 31 March 2022, compared with £87.2m in the prior year. This is the result of excellent individual and corporate performance as well as an increase in bonus-eligible staff of 11.7% year-on-year. The awards are in the form of cash bonuses, deferred ICG share awards, and Deal Vintage Bonus (DVB) awards. DVB awards are a long-term incentive enabling certain investment teams, excluding Executive Directors, to share in the future realised profits from the Group's own balance sheet investments.

The Committee has allocated 24.4% of PICP on a five-year cumulative rolling percentage basis, which is 5.6 percentage points below the maximum 30% permitted under the Policy. This Policy provides a focus on long-term performance and only takes account of cash profits, thus aligning with shareholders' interests fully. It also allows us to smooth out some of the potential volatility in remuneration, and this, as well as the use of our Business Growth Pool (BGP), provides capacity to continue to develop the business through the cycles.

In addition to the AAP, the Committee allocated £6.7m to the BGP to fund incentive awards during the year for teams developing new investment strategies which have not yet completed a fundraise, including our Life Sciences, Real Estate Equity and North American Private Equity strategies. This pool excludes Executive Directors. This year's BGP award compares with £6.9m awarded in the prior year.

As in FY21, we have continued to manage the business through the Covid-19 pandemic by adapting our ways of working to protect the health of our workforce. We are pleased that we have not needed to furlough any of our employees, nor take any form of Covid support from Government or make redundancies. Dividends have been maintained throughout the period of the pandemic and indeed have been increased to a total dividend of 76.0 pence per share for the FY22 year.

Executive Director remuneration

The total remuneration for the year for each Executive Director is shown in the table on page 102.

During the previous three years, the base salary for the CEO has not been increased and has remained at £394,000, which is substantially lower than the typical CEO salary level for a company of ICG's size and complexity as well as similar asset managers. The CFOO's base salary was set at £500,000 on joining in May 2019, and the CPEAO's base salary was set at £425,000 on her appointment to the Board in April 2020. Neither was increased last year. This year and effective for FY23, the CEO's salary has been increased to £410,000 (a 4.06% increase), the CFOO's salary has been increased to £520,000 (a 4% increase) and the CPEAO's salary has been increased to £442,000 (a 4% increase). This is lower than the average workforce salary increase of 6.45% (effective for FY23).

In considering the variable awards to be made to the Executive Directors, the Committee took into account their individual contributions to the overall performance in relation to the quantitative and qualitative objectives. The variable pay awards reflect the outstanding performance across the Executive Director KPIs. The Committee exercised its discretion to make slightly lower awards to the CFOO and CPEAO than strictly formulaic KPI calculations would indicate. This reflects the nature of these roles and their scope to influence Group financial results and other KPIs relative to that of the CEO. Consequently, the Committee made variable pay awards of £5,880,000, £1,840,000 and £1,350,000 respectively to the CEO, CFOO and CPEAO this year.

80% of the CEO's variable pay award and 70% of the CFOO's and CPEAO's variable pay awards were deferred into ICG PLC shares vesting in equal tranches on the third, fourth and fifth anniversaries of award.

Board Changes

As previously announced, Lord Davies stepped down as Board Chairman effective 4 March 2022, and Andrew Sykes, previously the Senior Independent Director (SID), has been appointed as Interim Chairman. Lord Davies' fee payments ceased with effect from the date he stepped down from the Board. For the period during which he is interim Board Chairman, Andrew Sykes will receive a fee at the same rate as the outgoing Board Chairman, in lieu of the fees he previously received as Non-Executive Director and SID. Kathryn Purves has taken on the responsibilities of the SID as of 24 March 2022 whilst Andrew is interim Board Chairman, and will receive the relevant fees for this additional responsibility. Full details of the Board Chairman and Non-Executive Director fee rates are included in the report.

Total Shareholder Return (TSR)

ICG has continued to deliver very strong TSR performance. For the ten years to 31 March 2022, TSR was 825.5% versus 99.5% for the FTSE All Share Index.

Conclusion

Our Policy provides a clear, simple and predictable remuneration model, which helps drive the achievement of our corporate strategy as well as a prudent approach to risk. On behalf of the Remuneration Committee, I would like to thank all of our shareholders for their continued support and welcome any feedback.

Virginia Holmes
Chair of the Remuneration Committee

25 May 2022

REMUNERATION AT A GLANCE

Executive Remuneration Framework and Policy Summary

Purpose and link to strategy	Operation	Maximum opportunity	Outcomes for FY22
Base Salary Adequate to recruit and retain Executive Directors to deliver the strategic objectives of the Group	Normally reviewed annually with any changes generally applying from the start of the financial year	In considering increases, the Committee assesses the range of salary increases applying across the Group, and local market levels	The CEO's salary was increased by 4.06% to £410,000, the CFOO's salary was increased by 4% to £520,000 and the CPEAO's salary was increased by 4% to £442,000. All increases were lower than the average workforce increase of 6.45%.
Benefits Adequate to recruit and retain Executive Directors to deliver the strategic objectives of the Group	Benefits currently receivable by Executive Directors include life assurance, private medical insurance and income protection	Provision and level of benefits are competitive and appropriate in the context of the local market	There have been no changes to the Executive Directors' benefits provision this year
Pension Adequate to recruit and retain Executive Directors to deliver the strategic objectives of the Group	All Executive Directors are entitled to a pension allowance payable each month at the same time as their salary	A pension allowance of no more than the level available to the majority of the Group's workforce in the relevant location is provided	The Executive Directors' pension allowances are set no higher than the majority of the Group's workforce with the CEO and CPEAO at 12.5% and CFOO at 10%; there have been no changes this year
Total variable pay award Adequate to recruit and retain Executive Directors to deliver the strategic objectives of the Group	The total variable pay award consists of the Cash Bonus Award and ICG PLC Equity Award (see below)	Max variable pay awards to Executive Directors are £6m for the CEO/CIO, £2m for the CFOO and £1.5m for the CPEAO	Variable pay awards for the CEO, CFOO and CPEAO were £5.88m, £1.84m and £1.35m respectively. 80% of the CEO's award and 70% of the awards for the other Executive Directors were deferred into shares, vesting over 5 years
ICG PLC Equity Award Rewards achievement of business KPIs, cash profits and employing sound risk and business management and aligns the interests of Executive Directors with those of shareholders	At least 70% of an Executive Director's total variable pay award shall be delivered in ICG PLC Equity Shares normally vest by one third in each of the third, fourth and fifth years following the year of grant	See details above in relation to the overall annual variable award	80% of the CEO's variable pay award and 70% of the CFOO's and CPEAO's variable pay awards were deferred into ICG PLC shares

Business performance

PROFIT BEFORE TAX
£565.4m
(2021: £509.5m)

THIRD-PARTY ASSETS UNDER MANAGEMENT
$68.5bn
(2021: $56.2bn)

ORDINARY DIVIDEND PER SHARE
76.0p
(2021: 56.0p)

UNPRI ASSESSMENT RESULTS
A+A+A
(2021: A+A+A)

Five-year AAP overview

We have a long-standing policy of awarding variable pay across the workforce of not more than 30% of PICP measured on a five-year rolling basis. The Committee has determined that £115.9m should be awarded to eligible employees under the AAP for the year ended 31 March 2022, compared with £87.2m in the prior year.

	FY18	FY19	FY20	FY21	FY22	Cumulative
Percentage of PICP over five years rolling	21.5%	23.6%	22.2%	23.6%	**24.4%**	24.4%
Spend on incentives (£m)	77.7	78.0	70.8	87.2	**115.9**	429.6
Number of employees	294	336	408	470	**525**	

KPI performance outcomes

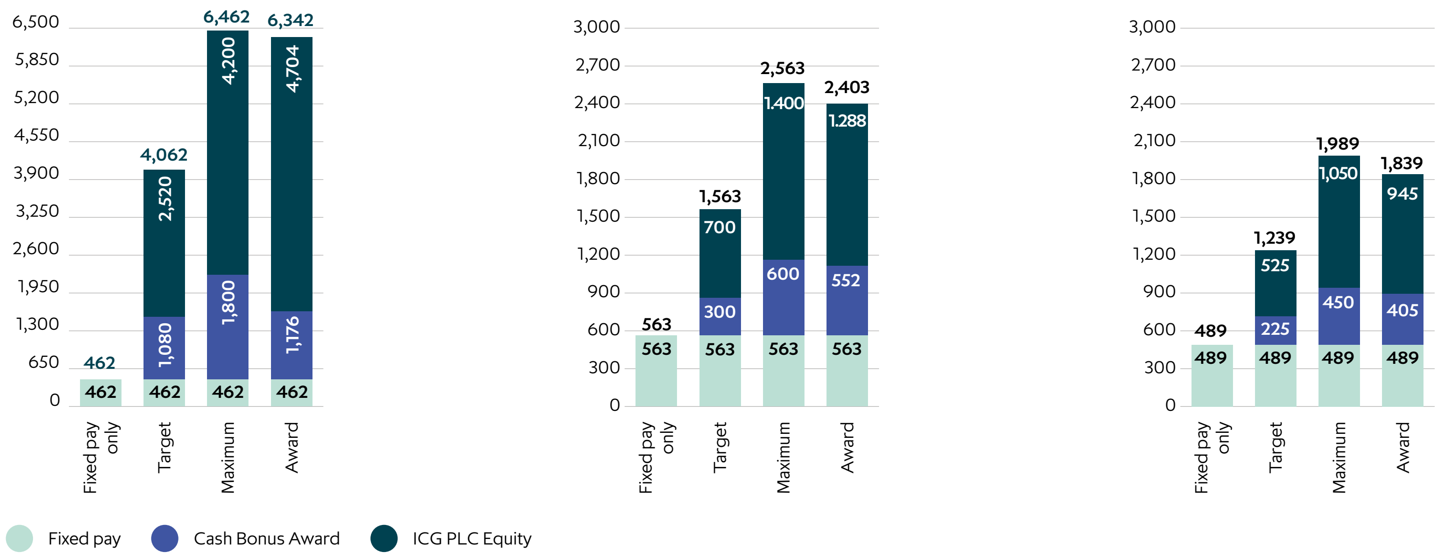
KPI	Link to strategic objectives	Threshold	Target	Stretch	FY22 Outcome
Quantitative KPIs					
Fundraising	1	$6bn	$8bn	$11.5bn	$22.5bn
Realised Portfolio Returns	2 3	4%	5.2%	7%	15.4%
FMC Operating Margin	1 2 3	47%	49%	51%	55.8%
Net Gearing	N/A		<0.75x		0.45x
Qualitative KPIs (% of max)					
Strategic Development	1 2 3				95%
Culture, D&I and Sustainability	1 2 3				95%
Operating Platform & Risk Management	1 2 3				87.5%
Overall leadership and personal effectiveness	1 2 3				97.5%

Strategic alignment: 1 Grow AUM 2 Invest selectively 3 Manage portfolios to maximise value

+ **Read more about performance on page 98**

Total remuneration (actual vs target)

Benoît Durteste **Vijay Bharadia** **Antje Hensel-Roth**



EXECUTIVE DIRECTOR PERFORMANCE

Awards in respect of annual performance[1]

KPI	Link to strategic objectives	Threshold	Target	Stretch	FY22 Outcome	CEO weighting	CFOO weighting	CPEAO weighting
Quantitative KPIs								
Fundraising	1	$6bn	$8bn	$11.5bn	**$22.5bn**	**27.5%**	**20.0%**	**25.0%**
Realised portfolio returns	2 3	4%	5.2%	7%	**15.4%**	**15.0%**	**10.0%**	**10.0%**
FMC operating margin	1 2 3	47%	49%	51%	**55.8%**	**20.0%**	**25.0%**	**22.5%**
Net gearing[2]	N/A		<0.75x		**0.45x**	**2.5%**	**5.0%**	**2.5%**
Qualitative KPIs					**% of max**			
Strategic development	1 2 3				**95.0%**	**10.0%**	**10.0%**	**10.0%**
Culture, D&I and Sustainability	1 2 3				**95.0%**	**15.0%**	**10.0%**	**15.0%**
Operating platform and risk management	1 2 3				**87.5%**	**5.0%**	**15.0%**	**10.0%**
Overall leadership and personal effectiveness	1 2 3				**97.5%**	**5.0%**	**5.0%**	**5.0%**

Strategic objectives

1. Grow AUM
2. Invest selectively
3. Manage portfolios to maximise value

1. The on-target variable pay levels are 60% of maximum for the CEO and 50% of maximum for the CFOO and CPEAO. 25% of maximum is payable for threshold performance, and 100% of maximum for performance at stretch level or above.
2. The Board did not set threshold and stretch targets for net gearing but a target of <0.75x, which was met.

Executive Director Performance *continued*

At the outset of FY22, the Committee set stretching targets across all KPIs, commensurate with the continued growth and success of ICG. In light of the ongoing development of ICG, the Committee also reviewed the KPI weightings. Financial KPIs had a 65% weighting for the CEO, and 60% for the CFOO and CPEAO. Non-financial KPIs included a Culture, Diversity & Inclusion, and Sustainability category, with a weighting of 15% for the CEO and CPEAO and 10% for the CFOO.

In this exceptional year, we are delighted to say that all stretch targets for the financial KPIs have been significantly exceeded.

Financial KPIs:

1. Fundraising

How performance is measured
Given the increased guidance to the market in June 2021 of US$40bn over four years with a minimum of US$7bn in any given year, we increased the targets for our fundraising KPI as follows:

- The threshold target was raised from $4.8bn to $6bn annualised
- The on-target was raised from $7.2bn to $8bn annualised
- The stretch target was raised by ~20% from $9.6bn to $11.5bn annualised, which would represent the highest fund raise in the history of the firm and one that is 15% above the linearly annualised four-year target communicated to the market

Performance achieved this year
In this exceptionally strong fund raising year, ICG has exceeded its annualised target of $8bn by 181% ($14.5bn), raising $22.5bn in new funds. This represents an uplift of 112% ($11.9bn) compared to the FY21 outcome of $10.6bn and exceeds the ED KPI stretch target by 96% ($11bn). Of particular note are the significant fundraises for the flagship European Fund VIII ($7.7bn raised during the year) and Strategic Equity IV ($1.5bn raised during the year) as well as the very successful first-time fund sizes of $1.3bn for Sale and Leaseback I and $1.7bn for Infrastructure Equity I. All four funds carry highly attractive headline fee levels of between 125bps and 150bps, including a fee structure based on committed capital. In light of the wider market dynamics for fundraising as well as the exceptionally strong deployment of their predecessor funds, ICG was able to bring forward the fundraises for Europe VIII and Strategic Equity IV, which gives us substantial dry powder across our strategies and benefited revenue streams.

2. Realised Portfolio Returns

How performance is measured
Realised Portfolio Returns measure the realised weighted investment returns in aggregate relative to the weighted average performance hurdle, which differs depending on the underlying investment strategy. As there is no recognised benchmark for the full suite of ICG's investment strategies, the Committee has opted for this measure as a clear expression of performance relative to the targets we agree with our clients for each investment strategy.

Here too, the Committee has increased KPI targets as follows compared to FY21: threshold has increased from 3% to 4% and on-target has increased from 5% to 5.2%. 5.2% is in line with our weighted average investment performance hurdle in aggregate across all funds. The stretch target is 7%.

Performance achieved this year
In order to achieve on-target KPI performance this year, virtually all funds had to clear their performance hurdle on a weighted average aggregated basis. In order to reach the stretch performance level, all funds in weighted aggregate had to outperform the weighted average performance fee hurdle by 33%.

Investment performance, which forms the basis of future fund raising, growth of fee income and therefore FMC profitability, continues to be exceptional, putting ICG in a strong position for continued success. Realised Portfolio Returns reached 15.4%, reflecting both excellent investment acumen and taking advantage of attractive valuations to anchor fund performance.

3. Operating Margin

How performance is measured
The Committee increased FMC operating margin targets from FY21 to FY22 as follows:

- Threshold from 43% to 47%;
- On-target from 45% to 49%; and
- Stretch from 50% to 51%.

We consider these to be highly stretching, both relative to the wider UK market and our global competitors with a similar asset base as well as given the continued need to invest in what is a high-growth business.

Performance achieved this year
Based on exceptional fundraising, significant revenue growth and a disciplined approach to cost management, the outperformance target was significantly exceeded with an FMC operating margin of 55.8%.

4. Net Gearing

How performance is measured and performance achieved this year

In light of shareholder guidance changing to a gearing target of <1x, the Committee has amended this KPI from <1x to <0.75x. The net gearing as at the end of FY22 is 0.45x, demonstrating prudent balance sheet management.

Non-Financial KPIs:

5. Strategic Development

How performance is measured
Key elements of ICG's strategic evolution as a market-leading alternative investment firm include the refinement of our positioning through selective diversification and growth; enhancing our presence in key distribution channels; and furthering our bench strength in terms of capabilities across all areas of the firm.

Performance achieved this year
This year has been exceptionally successful in both our 'grow up' and 'grow out' strategy for business building; ICG's global standing in our flagship European Corporate and Strategic Equity strategies has been further cemented with record fundraises. There has also been very successful progress on the strategically important build-out of our real assets business, with Infrastructure Equity I and Sale and Leaseback I closing at $1.7bn and $1.3bn respectively with fees on committed capital, the recruitment of a Global Head of Real Estate with a strong private equity background and the building of a European Opportunistic Real Estate investment team.

In distribution, management have created dedicated fundraising channels for Real Estate, recognising the significant opportunity in this asset class as well as for Credit, given the specific requirements of this client group. There has also been good progress in the Wealth Management channel, with capital commitments into flagship strategies.

Management have recruited and/or developed future succession candidates for critical roles in all teams across all business units. In addition to a number of high impact hires in investments, in fundraising and in the corporate functions, bench strength is being increased through development programmes aimed at enhancing the leadership capabilities of the senior team, including those tailored to the next generation of top managers.

6. Culture, D&I and Sustainability

How performance is measured
ICG's culture, inclusive environment and commitment to sustainability form the key building blocks of our success. We set stretching targets to make significant progress towards ensuring at least 30% of senior roles continue to be held by women by 2023; further enhancing an environment in which Inclusion thrives through employee engagement programmes; driving an impactful CSR agenda; and further establishing ICG as a leader in sustainability within our industry.

Performance achieved this year

Culture
This year, management continued a programme of enhancing communication, relaunching an internal engagement platform, as well as conducting comprehensive engagement surveys and roundtable staff engagements to help inform executive decision-making.

As a result, ICG has launched a global platform for holistic leadership and performance management internally, anchoring firmwide values and enhancing cultural cohesion whilst driving strong performance. Participation in fund success has been enhanced more equitably across the firm by creating a firmwide co-investment programme open to all colleagues across our funds.

D&I
ICG has exceeded the commitment made under the UK Women in Finance Charter, doing so two years earlier than planned: 41% of our senior UK-based roles are now held by women (well above the 30% threshold for achieving our commitment). Globally that figure is 35%.

Management have focused in particular on creating more opportunities for Inclusion, launching three new employee-led networks as well as a market-leading, global Wellbeing offering focusing on mental as much as physical health, as well as enhancing support for key life events.

The leadership team have also worked extensively on ICG's responsibility to create a more equitable industry beyond just ICG. This has included extensive support for industry-wide initiatives such as 100 Women in Finance, Level 20, #10,000 Black Interns and the UK Diversity Project, as well as internships and insight days for under-represented groups in our industry.

As part of a broader commitment to create a more diverse and inclusive industry, a corporate giving framework has been established which reflects ICG's Inclusion goals and advances social mobility in our own and adjacent industries. Charitable giving has significantly increased to over £2m across a dedicated framework of: broadening access to top-level tertiary education for underprivileged teenagers; supporting disadvantaged university students, typically from ethnic minority and/or lower socio-economic backgrounds, to succeed at top universities; levelling access for such students to the alternative investment industry as well as the top level professions through dedicated mentoring, internship and support programmes. This is being undertaken in partnership with The Access Project, UpReach and Seizing Every Opportunity (SEO) in our strategically important markets of the UK, US, France and Germany.

Sustainability
ICG has committed to be net zero by 2040 and was in the first group of alternative asset managers globally to publish approved and validated science-based targets (SBTs). This is supported by two ambitious emissions reduction targets by 2030, which have been approved and validated by the SBT initiative. ICG has committed to ensuring that 100% of relevant investments have SBTs by 2030, with an interim target of 50% by 2026.

ICG's MSCI ESG Ratings were upgraded from BBB to AAA with a perfect industry-adjusted score of 10/10. Our S&P CSA rating improved from the 75th to the 91st percentile, and our Sustainalytics rating from 25/360 to 11/441 in our global peer group.

99% of capital raised in FY22 has been in funds classified as Article 8.

As at 31 March 2022, ICG has $3.9bn of ESG-linked financing, connecting the performance of the business and our funds with ambitious efforts to improve sustainability and address the climate challenge. ICG also successfully launched a €500m, eight-year sustainability-linked Eurobond featuring a coupon adjustment based on the Group's Net Zero ambition.

Through ICG's role with the initiative Climat International (iCI), we contributed to developing carbon footprint guidance for private market investors and their portfolios across the industry. For ICG's own investment strategies, reporting metrics have been further enhanced, with full assessment frameworks embedded across all asset classes, taking into account emerging disclosure regulations, industry best practice and evolving client expectations, thereby bringing additional rigour to investment decision-making. This included developing a proprietary ESG rating for Credit and Private Debt strategies.

ICG has enhanced improved transparency and communication on ESG matters to shareholders, including best practice in ESG disclosures, and published our inaugural Sustainability and People Report.

7. Operating Platform & Risk Management

How performance is measured
One of the critical performance indicators for our successful growth is continuously refining our operating platform as a driver for scale and excellence whilst ensuring that we maintain very high standards for our risk management and control environment.

Performance achieved this year
- Reorganised Operations function to functionalise responsibilities across all asset classes and created an even more scalable platform
- Created a centre of excellence for data, reporting and analytics and enhanced governance and systems extensively to enable ICG's highly diversified platform
- Further strengthened our control functions with recruitment of senior leaders in Group Internal Audit and US Compliance
- Made continuous progress on implementing our risk management framework
- Implemented readiness planning for the implementation of IFPR (the Investment Firms Prudential Regime) which has implications for regulatory capital and remuneration
- Completed Libor transition activities for non-USD Libor currencies in line with regulatory expectations

There were no material risks or operational events, consistent with a track record of excellent risk management.

8. Overall Leadership & Personal Effectiveness

All three Executive Directors have demonstrated excellent overall leadership. As demonstrated in the exceptional company performance across all financial and non-financial KPIs, the Executive Directors have become a well versed, complementary leadership team with robust challenge as well as a strong team spirit. A drive for excellence across all business areas, the continued implementation of a high-performance culture and a holistic approach to leadership is significantly contributing to the firm's success.

Executive Director remuneration:

In considering the awards to be made to the Executive Directors, the Committee took into account their individual contributions to the overall performance in relation to the quantitative and qualitative objectives.

Having considered his delivery across the range of KPIs, the Committee made a total variable pay award to Benoît Durteste of £5,880,000, comprising an annual Cash Bonus Award of £1,176,000 and a deferred PLC Equity Award of £4,704,000, reflecting his performance in his dual role as CEO and CIO of the Group.

For Vijay Bharadia, the Committee made a total variable pay award of £1,840,000. This comprises an annual Cash Bonus Award of £552,000 and a deferred PLC Equity Award of £1,288,000. For Antje Hensel-Roth, the Committee determined that an award of £1,350,000 was appropriate, comprising an annual Cash Bonus Award of £405,000 and a deferred PLC Equity Award of £945,000.

Single total figure of remuneration table (audited)

The following table shows a single total figure of remuneration in respect of qualifying services for the financial year ended 31 March 2022 for each Executive Director who served during the year, together with comparative figures for the previous financial year:

Executive Directors	Salaries £000	Benefits[1] £000	Pension allowance £000	Fixed remuneration £000	Short-term incentives, available as cash[2] £000	Total emoluments £000	Short-term incentives, deferred[3] £000	Total variable remuneration £000	Total remuneration £000	Long-term Incentives[4,5] vested from prior years (legacy awards) £000	Single total figure of remuneration £000
Benoît Durteste											
2022	**394.0**	**23.8**	**43.8**	**461.6**	**1,176.0**	**1,637.6**	**4,704.0**	**5,880.0**	**6,341.6**	**1,509.4**	**7,851.0**
2021	394.0	13.4	48.7	456.1	1,140.0	1,596.1	4,560.0	5,700.0	6,156.1	1,374.3	7,530.4
Vijay Bharadia											
2022	**500.0**	**18.6**	**44.4**	**563.0**	**552.0**	**1,115.0**	**1,288.0**	**1,840.0**	**2,403.0**	**–**	**2,403.0**
2021	500.0	12.2	44.4	556.6	480.0	1,036.6	1,120.0	1,600.0	2,156.6	–	2,156.6
Antje Hensel-Roth											
2022	**425.0**	**16.7**	**47.2**	**488.9**	**405.0**	**893.9**	**945.0**	**1,350.0**	**1,838.9**	**–**	**1,838.9**
2021	407.5	12.3	44.6	464.4	330.0	794.4	770.0	1,100.0	1,564.4	–	1,564.4

See page 108 for details of payments to NEDs

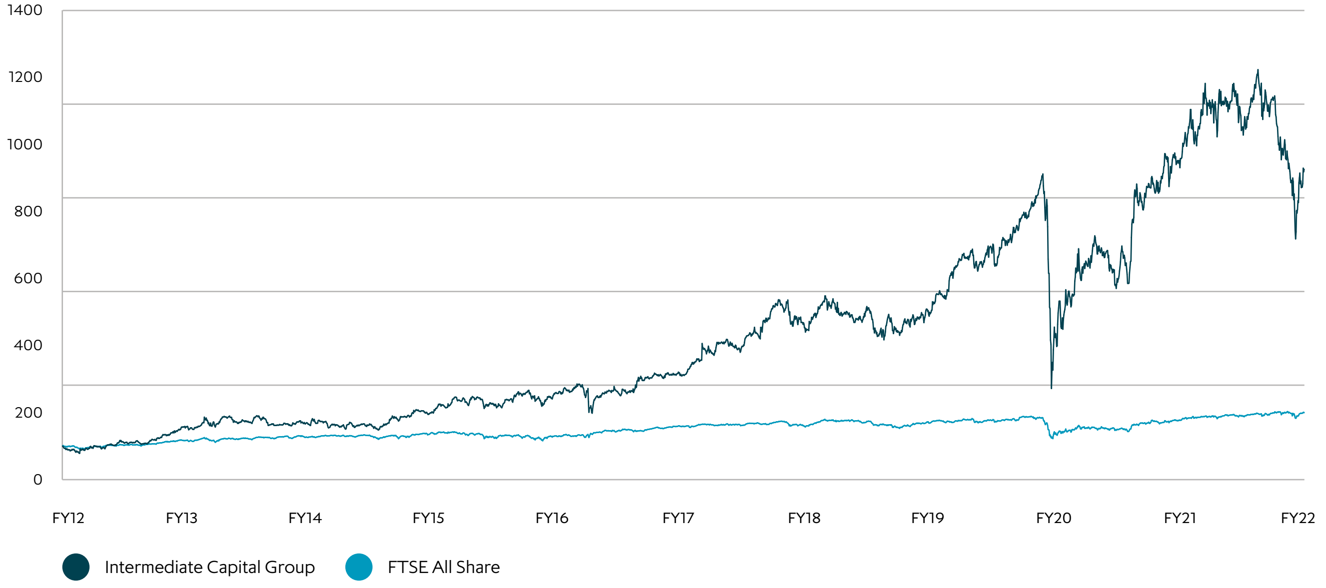
1. Each Executive Director's benefits include medical insurance, life insurance and income protection for the year ended 31 March 2022.
2. This represents the Cash Bonus Award element of the variable remuneration.
3. This represents the ICG PLC Equity Awards made for the year ended 31 March 2022 and deferred over five years vesting in years three, four and five following award.
4. The long-term incentive amounts are legacy award payments received during the year in respect of Deal Vintage Bonus and shadow carry. These awards were made in prior years and are no longer available to Executive Directors. FY14, FY15, FY16 and FY17 Deal Vintage Bonus awards were distributed in FY22.
5. Share price movements do not have any impact on the value of long-term incentives vesting during the current year (legacy awards).

Performance graph of Total Shareholder Return (ten years)

The graph below shows a comparison between the Group's total shareholder return performance and the total shareholder return for the FTSE All Share index. The graph compares the value at 31 March 2012 of £100 invested in Intermediate Capital Group plc with the FTSE All Share Index over the subsequent ten years. This index has been chosen to give a comparison with the average returns that shareholders could have received by investing in a range of other companies.

The TSR for the Company during this period has been 825.5%, compared to 99.5% for the Index.

Total shareholder return



Total remuneration of the Chief Executive Officer

The table below details the total remuneration of the CEO for the past ten years. The amounts are presented on the basis of the Single Total Figure of Remuneration Table (see page 102) and include some deferred compensation awarded in previous years but reported in the year received.

£000	Financial year	Total remuneration	Percentage of maximum opportunity of short-term incentives awarded	Percentage of maximum opportunity of long-term incentives awarded
Benoît Durteste	2022	7,851	98%	N/A
	2021	7,530	95%	N/A
	2020	5,886	84%	N/A
	2019	9,526	87%	N/A
	2018[1]	3,412	77%	N/A
Christophe Evain	2018[1]	183	0%	N/A
	2017	6,888	102%	160%
	2016	4,295	76%	98%
	2015	5,103	80%	98%
	2014	4,797	97%	20%
	2013	1,492	24%	1%

1. The amounts above have been pro-rated to reflect the transition of the CEO role from Christophe Evain to Benoît Durteste on 25 July 2017.

A comparison of the change of pay of the CEO and the other Directors to that of all employees of the Group is shown on page 106.

Relative importance of spend on pay

The table below illustrates the relative importance of spend on pay compared with other disbursements from profit (namely distributions to shareholders) for the financial year under review and the previous financial year. The increase in employee costs includes the impact of ongoing investment in people and the annualisation effect of new joiners in FY21.

	Year ended 31 March 2021	Year ended 31 March 2022	Percentage change
Ordinary dividend paid (£m)	150.9	165.7	9.8%
Permanent headcount at year end	470	525	11.7%
Employee costs (£m)	**179.4**	**262.1**	**46.1%**

Directors' interests in shares (audited)

The Directors and their connected persons held the following interests in shares of the Company:

		As at 31 March 2022			
Directors	Shares held outright as at 31 March 2021	Shares held outright as at 31 March 2022	Unvested ICG PLC Equity Award/DSA interests	Unvested SAYE options	Shareholding requirement met?
Benoît Durteste	1,141,580	**1,141,580**	**1,284,946**	**1,468**	**Yes**
Vijay Bharadia	20,822	**29,744**	**140,754**	**1,468**	**Build-up period**
Antje Hensel-Roth	3,819	**2,434**	**58,381**	**1,468**	**Build-up period**
Lord Davies of Abersoch	30,452	**Nil**	**N/A**	**N/A**	**N/A**
Virginia Holmes	10,000	**10,000**	**N/A**	**N/A**	**N/A**
Rosemary Leith	N/A	**1,705**	**N/A**	**N/A**	**N/A**
Matthew Lester	N/A	**4,863**	**N/A**	**N/A**	**N/A**
Rusty Nelligan	141,000	**150,000**	**N/A**	**N/A**	**N/A**
Kathryn Purves	10,737	**10,737**	**N/A**	**N/A**	**N/A**
Amy Schioldager	10,000	**20,000**	**N/A**	**N/A**	**N/A**
Andrew Sykes	15,000	**15,000**	**N/A**	**N/A**	**N/A**
Stephen Welton	55,000	**60,000**	**N/A**	**N/A**	**N/A**

Under the Directors' Remuneration policy, the CEO is required to hold shares amounting to 300% of his annual salary and the other Executive Directors are each required to hold shares amounting to 200% of their annual salary, at the share price prevailing on 31 March 2022 with a build-up period for new Executive Directors. Both Vijay Bharadia and Antje Hensel-Roth are still within this build-up period. There are no set shareholding requirements for NEDs, although all are encouraged to purchase a holding to align themselves with shareholders.

As at 25 May 2022, there were no changes in the Directors' share interests from the figures set out in the tables above.

Total pension entitlements (audited)

No Executive Director had a prospective entitlement to a defined benefit pension by reason of qualifying services.

Executive Directors' co-investment in third-party funds

Fund investors expect the CEO/CIO to co-invest in funds to demonstrate his alignment, and as such he has made significant personal commitments from his own resources to the majority of the Group's closed-end strategies. At times, other Executive Directors may also make co-investments from their own resources to demonstrate alignment.

The CEO/CIO's co-investments from his personal resources range from £112.5k to £5.3m across 19 funds.

Carried interest on third-party funds

Certain professionals (including the Executive Directors) are expected to invest in carried interest arrangements under which a portion of the carried interest (usually between 50% and 80%) in respect of certain managed funds is available for allocation to investment professionals. Those investment professionals who participate in such arrangements pay full market value for the interests at the time of acquisition. Carried interest on third-party funds is an investment required by third-party fund clients to drive alignment and is not remuneration for services provided to the Group.

The current standard framework with third-party fund investors, which reflects industry standards in the UK and globally, meant that Executive Director carried interest commitments in the year ended 31 March 2022 have ranged between 10% and 15% per relevant fund. Further details of the funds managed by the Group (including an indication of those funds which have carried interest arrangements required by fund investors) can be found on page 201.

Scheme interests awarded during the financial year (audited)

The following table provides the details of scheme interests awarded to the Executive Directors during the year ended 31 March 2022:

Director	Award	Award date	Face value at grant (£000)	Number of shares awarded
Benoît Durteste	ICG PLC Equity Awards	8 June 2021	4,560.0	210,818
Vijay Bharadia	ICG PLC Equity Awards	8 June 2021	1,120.0	51,779
Antje Hensel-Roth	ICG PLC Equity Awards	8 June 2021	770.0	35,598

On 8 June 2021, ICG PLC Equity awards were granted to Executive Directors who had served in the year ended 31 March 2021 in relation to their performance in that year. 80% of the variable pay awarded to Benoît Durteste and 70% of the variable pay awarded to Vijay Bharadia and Antje Hensel-Roth in respect of that year was granted in the form of ICG PLC Equity. Awards vest in tranches of one third at the end of the third, fourth and fifth years following the year of grant. As awards are made on the basis of PICP generated and performance achieved, there are no further performance conditions. The share price on the date of award of ICG PLC Equity Awards was £21.63. This was the middle market quotation for the five dealing days prior to 8 June 2021.

CEO pay ratio

The table below compares the CEO's single total remuneration figure for FY22 to the remuneration of the Group's UK workforce as at 31 March 2022.

	Method	25th percentile pay ratio	Median pay ratio	75th percentile pay ratio
2022	Option A	66:1	42:1	21:1
2021	Option A	74:1	46:1	24:1
2020	Option A	58:1	37:1	18:1

Our ratio is lower than many FTSE companies due to a consistent remuneration approach. The median pay ratio has decreased from 46:1 to 42:1.

Consistent with our calculation methodology in prior years, employee pay is calculated on the basis of the CEO single figure, which is 'Option A' under the reporting requirements. Of the three possible methodologies which companies can adopt (Options A, B or C) we have chosen Option A which we consider the most robust. Option A requires the Group to calculate the pay and benefits of all its UK employees for the relevant financial year in order to identify the total remuneration at the 25th percentile, at the median and at the 75th percentile. Employee pay data are based on full-time equivalent pay for UK employees as at 31 March 2022, in line with the CEO single figure methodology. In calculating these ratios, we have annualised any part-time employees or new joiners to a full-time equivalent (where relevant).

Remuneration for quartile employees	Employee at 25th percentile	Median Employee	Employee at 75th percentile
Salary	£70,000	£100,000	£150,000
Total pay and benefits	£118,729	£189,143	£374,976

Percentage change in remuneration of Directors

The table below details how changes to the Directors' pay compare with the change in the average pay across all employees of the Group. Each figure is a percentage change of the values between the previous financial year and the financial year under review. The total permanent workforce has been selected as the comparator for salaries and fees and short-term incentives. The comparison of the increase in taxable benefits has been made for UK permanent employees only as their remuneration packages are most directly comparable to that of the Chief Executive.

	FY21			FY22		
Percentage change	Salaries/fees	Taxable benefits	Short-term incentives	Salaries/fees	Taxable benefits[1]	Short-term incentives[2]
Benoît Durteste	0.0%	1.7%	22.9%	0.0%	-9.5%	3.2%
Vijay Bharadia	0.0%	52.3%	23.0%	0.0%	26.7%	15.0%
Antje Hensel-Roth	N/A	N/A	N/A	0.0%	26.7%	22.7%
Lord Davies of Abersoch	0.0%	N/A	N/A	18.2%	N/A	N/A
Virginia Holmes	0.0%	N/A	N/A	4.1%	N/A	N/A
Rosemary Leith	N/A	N/A	N/A	N/A	N/A	N/A
Matthew Lester	N/A	N/A	N/A	N/A	N/A	N/A
Rusty Nelligan	0.0%	N/A	N/A	4.1%	N/A	N/A
Kathryn Purves	0.0%	N/A	N/A	4.1%	N/A	N/A
Amy Schioldager	0.0%	N/A	N/A	0.0%	N/A	N/A
Andrew Sykes	0.0%	N/A	N/A	0.0%	N/A	N/A
Stephen Welton	0.0%	N/A	N/A	0.0%	N/A	N/A
All employees	1.6%	27.4%	4.1%	4.3%	5.6%	18.8%

1. Excludes taxable business expenses for the Directors and all employees. The significant increase in taxable benefits for Vijay Bharadia and Antje Hensel-Roth is due to an increase in medical insurance premiums, whereas the premiums for Benoît Durteste's medical insurance have fallen largely due to the improved GBP/EUR conversion.
2. The increases in short-term incentives for employees arise from demographic changes in the employee population including a number of senior hires over the last couple of years and improved performance. This demographic change means that employees are more likely to receive more substantial short-term incentives compared to a more junior population.

Gender pay

We are required by law to publish data on the following:

- Gender pay gap (mean and median)
- Gender bonus gap (mean and median)
- Proportion of men and women in each quartile of the Group's pay structure
- Proportion of men and women receiving bonuses

The gender pay gap is a UK comparison across the pay of all men and all women regardless of their level or role. This is different from an equal pay gap, an individual measure comparing the pay of a man and a woman in the same or a similar role. The Group has equal pay for equal work regardless of gender.

Both the pay and bonus gaps have increased during the financial year. The mean pay gap is now 35.7% and the mean bonus gap is 77.2%.

Whilst there has been an increase in women in all parts of the Group, including at the most senior level, and promotions as a percentage of the overall population have been equal between men and women, a small increase in the proportion of men occupying senior roles in the most high-paying parts of the organisation has led to the overall increase in our gender pay gap. Given our relatively small headcount, those small year-on-year changes in headcount at senior levels can have a significant impact. We also note that the vast majority of these high-paying awards are highly deferred in the form of DSA, PLC Equity Awards and DVB.

The mean bonus gap has increased largely as a function of similar long-term incentives granted several years ago and being paid out now. At the time of grant, the occupation of senior roles by women was much lower across the Group. Given the long-term nature of these incentive plans and the methodology for gender bonus gap calculations, we expect to see this dynamic continue for some time.

	2018	2019	2020	2021	2022
Mean pay gap	33.6%	28.9%	26.2%	30.9%	35.7%
Mean bonus gap	67.7%	78.3%	66.6%	68.8%	77.2%

The Group is nonetheless pleased with the overall progress which continues to be made and continues to be committed to addressing our gender pay gap with a number of initiatives which are now well established. It continues to increase talent diversity and foster a culture of inclusivity through:

- In 2018, the Group committed to the Women in Finance Charter with a goal of having 30% of senior roles in the UK filled by women. Through our extensive work on diversity, we have reached and indeed exceeded this target already and are pleased to report that 41% of our UK senior roles are filled by women
- Recruitment: improving hiring diversity through extending the reach of our search and selection activities; pressing for balanced candidate short lists for all roles; maximising diversity on our interview panels to moderate bias; continuously developing the interviewing skills of our staff; creating opportunities for returnships for women who had previously taken a break from the industry, especially in investment and client teams
- Development: supporting individuals in their career progression through extensive mentoring and training; as well as holding managers accountable for the development and progression of their teams through dedicated KPIs
- Retention: creating a culture of inclusion driven from both the top down and the bottom up, through formal initiatives and informal networks; continuously developing our offering in terms of parental benefits, mental and physical wellbeing, and career sustainability

Benchmarking

Remuneration awards are benchmarked against the following peers in the major jurisdictions where the Group operates:

- Listed and unlisted alternative asset managers
- Listed and unlisted asset managers
- Investment banks
- Listed financial service companies
- Other organisations as appropriate for the individual role

The Group carries out an extensive annual exercise to benchmark proposed salaries, bonuses and deferred awards for all employees globally.

Our Executive Directors are benchmarked against equivalent individuals at a range of relevant public and private companies globally. While it is extremely challenging to obtain publicly available data on many private companies, we are able to gain insight into this area by commissioning bespoke research by leading external compensation and recruitment consultants and other independent providers of compensation data.

Due to the unique nature of the Group's business as a UK-listed alternative asset manager, which competes for talent against other alternative asset managers which are not listed in the UK or indeed at all, it is imperative to obtain a wide range of benchmark data.

Hence, while we do consider other UK-listed financial services companies in our benchmarking, they can be a less relevant comparator.

Fees paid to NEDs (audited)

In the financial year under review, NEDs' fees were as follows:

Non Executive Directors	Date appointed	Board membership fees £000	Board and Committee Chairman fees £000	Senior Independent Director fee £000	Audit Committee £000	Remuneration Committee £000	Risk Committee £000	Total for year ended 2021 £000	**Total for year ended 2022 £000**
Lord Davies of Abersoch[1]	November 2019		302.9					275.0	**302.9**
Virginia Holmes	March 2017	76.5	25.0				12.3	109.3	**113.8**
Rusty Nelligan	September 2016	76.5	25.0				12.3	109.3	**113.8**
Rosemary Leith	February 2021	76.5				12.3	12.3	17.0	**101.1**
Matthew Lester	April 2021	76.5			12.3		12.3	N/A	**101.1**
Kathryn Purves[4]	October 2014	76.5	25.0		12.3			109.3	**113.8**
Amy Schioldager[2]	January 2018	76.5	20.5		12.3		12.3	121.6	**121.6**
Andrew Sykes[3]	March 2018	71.3	23.8	14.4	11.4	11.4		116.6	**132.3**
Stephen Welton	September 2017	76.5				12.3		88.8	**88.8**

1. The Chairman does not receive a fee in respect of his membership of the Remuneration Committee. Lord Davies stepped down as Board Chairman effective 4 March 2022 and fee payments ceased effective from this date.
2. This fee relates to Amy Schioldager's role as Board Director of Employee Engagement.
3. Andrew Sykes, previously the Senior Independent Director (SID), has been appointed as Interim Chairman effective from 5 March 2022. For the period during which he is interim Board Chairman, Andrew Sykes will receive a fee at the same rate as the outgoing Chairman in lieu of the fees he previously received as a Non-Executive Director and SID.
4. Kathryn Purves has taken on the responsibilities of the SID for the period Andrew Sykes is interim Board Chairman, and will receive the relevant fees for this responsibility. This is effective from 23 March 2022 and the increase in fees will be reflected in the April 2022 payroll and so has not been included above.
5. For the year ended 31 March 2022, there were £14.8k of taxable expenses paid to the NEDs.

NEDs do not have contracts of service and are not eligible to join the designated Group pension plan or receive payment for loss of office. All NEDs have a three-month notice period, are re-elected annually and were last re-elected in July 2021.

Payments made to past directors (audited)

The following payments (in excess of £500), in respect of DVB awards made whilst they were Executive Directors, were made in the financial year ended 31 March 2022 to former directors. These are deferred awards for performance in previous years and were retained on leaving service.

Employee	£
Philip Keller	743,278
Christophe Evain	783,516

Statement of implementation of Remuneration Policy in following financial year

The NEDs' fees have been benchmarked against fees of NEDs in comparable companies of similar size and nature. The Chairman's fee has not been increased this year. The NEDs' base fees have not been increased this year but the Committee Chair fees have been increased from £25,000 to £30,000 and the Committee Membership fees have been increased from £12,250 to £14,000, to move more in line with market norms.

The salaries for the Executive Directors and fees for the NEDs for the coming year are set out below.

	Annual salaries and fees £000	
Role	Year ended 31 March 2022	Year ended 31 March 2023
CEO	394.0	**410.0**
CFOO	500.0	**520.0**
CPEAO	425.0	**442.0**
Chairman	325.0	**325.0**
Non-Executive Director base fee (other than Chairman)	76.5	**76.5**
Senior Independent Director	15.5	**15.5**
Remuneration Committee Chair	25.0	**30.0**
Audit Committee Chair	25.0	**30.0**
Risk Committee Chair	25.0	**30.0**
Member of the Audit Committee, Risk Committee or Remuneration Committee	12.3	**14.0**
Board Director for Employee Engagement	20.5	**20.5**

Committee composition is set out on page 74 and in the relevant Committee reports on pages 77 to 117.

For the coming year, the AAP will be calculated as described in the Directors' Remuneration Policy. All incentives for qualifying services payable to Executive Directors and other employees of the Group will be funded out of the AAP. The Executive Directors' annual bonus and other incentives will be guided by their achievement of specific objectives.

The Executive Directors' annual variable pay awards will be based on a scorecard of KPIs, with an expected weighting of at least 60% on financial KPIs as for FY22. These KPIs take account of the key business priorities including, for example: fundraising, realised returns on investments and profitability. Part of the variable pay award will be based on strategic and operational KPIs, such as Culture, Diversity and Inclusion and Sustainability.

Statement of voting at Annual General Meeting

The table below sets out the votes cast on the Directors' Remuneration Report at the 2021 Annual General Meeting of the Company and on the Directors' Remuneration Policy when last tabled at the 2020 Annual General Meeting of the Company.

	Votes for	Votes against	Abstentions
Directors' Remuneration Report	98.34%	1.66%	15,377
Remuneration Policy	94.43%	5.57%	242,894

Payments for loss of office (audited)

No payments were made for loss of office in the financial year under review.

GOVERNANCE OF REMUNERATION

Committee governance

The Committee is authorised by the Board to determine and agree the remuneration of the Chairman of the Group, the Executive Directors and such other members of the executive management (including all material risk takers).

Roles and responsibilities

The Committee is responsible for:

- Recommending to the Board the Group Remuneration Policy and share incentive schemes to be recommended to shareholders ensuring compliance with applicable laws, regulations and the Group's risk appetite
- Recommending the remuneration terms for any person proposed to join the Board as the Chairman or as an Executive Director and, in consultation with the Chairman, determining the contractual terms of employment of the Executive Directors
- Monitoring the level and structure of remuneration for Executive Directors and certain senior employees taking account of all relevant factors and having regard to views of shareholders and other stakeholders
- Determining targets or key performance indicators (consistent with the Group's strategy, budget and individuals' personal objectives) for performance-related pay schemes applicable to Executive Directors and determining the outcomes under such schemes
- Determining the remuneration of the Chairman and, having taken advice from the Chairman, the Executive Directors
- For all share incentive plans, determining when awards will be made, the aggregate quantum of such awards, the individual awards to certain senior employees and, having taken advice from the Chairman, the individual awards to Executive Directors
- Making proportionate adjustments to any employee's remuneration for events that have been detrimental to the Group
- Overseeing any payments made on the termination of employment of an Executive Director or certain senior employees
- Approving the aggregate variable pay pool and any Business Growth Pool

Composition

The Committee consists entirely of NEDs. During the year, the members of the Committee were Virginia Holmes (Chair of the Committee), Lord Davies of Abersoch, Rosemary Leith, Andrew Sykes and Stephen Welton.

Kathryn Purves and Rusty Nelligan have also attended meetings of the Committee during the year at the invitation of the Committee Chair, in their roles as Chairs of the Risk and Audit Committees, to ensure that risk and audit matters are taken into account in determining the remuneration of Directors.

+ **Biographical details can be found on page 70**

None of the Committee members has any personal financial interests (other than as a shareholder in ICG) which would lead to a conflict of interests or conflicts arising from cross directorships or day-to-day involvement in running the business. The Company therefore complies with the Corporate Governance Code recommendations regarding the composition of the Committee.

The Committee meets at least three times a year and more frequently if necessary. Executive Directors attend the meetings by invitation. The Committee consults the Executive Directors regarding its proposals and also has access to professional advice from outside the Group. The Head of Reward also attends meetings, and the Company Secretary attends as Secretary. No Director is involved in any decisions as to their own remuneration.

A table showing the number of Committee meetings held during the year and the attendance record of individual Directors can be found in the Corporate Governance section (see page 74).

Terms of reference

The Committee's terms of reference are approved and reviewed by the Board on a regular basis, most recently in November 2021.

@ **The terms of reference are available on the Group's website www.icgam.com, or by contacting the Company Secretary.**

Effectiveness

The operations of the Committee were reviewed as part of the internal Board evaluation led by the Chairman in early 2022; the Committee was found to be operating effectively. For more details of this exercise, please see page 76.

Advisers to the Committee

During the year, external advice to the Committee was provided by Alvarez and Marsal. Legal advisers (including Allen & Overy and Slaughter & May) have been available to the Committee during the year to 31 March 2022, and PwC and Deloitte are available for advice on certain taxation and other matters. Advisers are selected on the basis of their expertise in the area and with a view to ensuring independence from other advisers to the Group. Therefore, the Committee is confident that independent and objective advice is received from its advisers.

The fees charged for advice to the Committee were £99,272 payable to Alvarez and Marsal. Fees are charged on the basis of time spent.

This Annual Report on Remuneration is approved by the Board and signed on its behalf by

Virginia Holmes
Chair of the Remuneration Committee

25 May 2022

DIRECTORS' REMUNERATION POLICY

This section describes our remuneration policy, which was approved by our shareholders at the 2020 AGM with a 94.43% vote in favour.

Annual Award Pool (AAP) and Business Growth Pool (BGP)

A central feature of the Group's Remuneration policy is the AAP. All incentives awarded across the Group are governed by an overall limit of 30% of Pre-Incentive Cash Profit (PICP) over a five-year period.

This percentage may be exceeded in any single year but must not be exceeded on an average basis over five years. Managing the AAP by reference to a five-year rolling average ensures that variable awards to employees are made in a considered way with a long-term perspective rather than as a reaction to a single year's exceptional performance.

The AAP is funded by PICP, so that:

- Interest income and capital gains are only recognised on a cash basis
- Impairments on investment principal are included
- Fair value movement of derivatives is excluded

The holding period for investments is typically four to eight years and a significant portion of the Group's fund management fees arise from committed closed-end funds and are payable over the life of the fund which can be up to 12 years. This means that the AAP is long-term in nature as it includes realisations from a number of investment vintages. By generating the award pool in this way, we ensure that employees are only rewarded once returns have crystallised.

Allocation of the award pool

The AAP is based on cash profits the Group has already realised from its fund management business and its investments, and it is capped at 30% annualised over a five-year period. The Committee exercises discretion over the actual amount to be awarded in variable compensation each year, based on an assessment of market levels of pay, Group KPIs, and individual performance (subject to the overall cap on the AAP).

In a strong year that has generated high PICP, the Committee may choose not to distribute the full AAP but can instead retain some of it for potential use in future years. In years where PICP is low, the Committee may distribute some of the retained AAP from previous years, if appropriate. The Committee applies a prudent approach to setting the actual size of variable pay pool, within the overall limits described above.

The ongoing appropriateness of the 30% limit for the existing business is kept under review.

Awards to the Executive Directors are paid as a mix of cash and ICG PLC shares. A significant proportion of the variable pay is made in the form of deferred shares, with at least 70% of the total variable pay for each Executive Director awarded in the form of ICG PLC shares deferred over three, four and five years.

Cash Bonus Awards for the Executive Directors are subject to clawback which applies for two years post award. ICG PLC Equity Awards are subject to both malus until vesting and clawback which applies for two years post-vesting.

Business Growth Pool (BGP)

The BGP is capped at 3% of the five-year rolling average PICP and is designed to support the establishment of new investment strategies, commensurate with the overall business strategy. The BGP is used to fund the incentives of relevant teams involved in developing such new strategies, and is ring-fenced and limited in duration to the period when the new investment strategy is being developed. Any awards made from the BGP are overseen by the Committee, and Executive Directors do not participate in any such awards.

Awards falling within the AAP

All cash and share awards are distributed from the AAP. Historically, there have been two different award types to be made over ICG shares: Deferred Share Awards and ICG PLC Equity Awards. We have also introduced a new award type this year, "Growth Incentive Awards", delivered in the form of market value options to a small group of certain eligible employees which are satisfied using shares purchased in the market by our Employee Benefit Trust. Deferred Share Awards and Growth Incentive Awards are not made to Executive Directors.

Certain performance fees (funded by third-party investors) and other fund performance incentives funded by ICG are also included in the overall limits set for the AAP.

Carried interest on third-party funds and similar arrangements in respect of ICG direct investment funds or business acquisitions that do not give rise to a cost or liability to the Group are not remuneration and are outside the AAP.

Remuneration policy table

The table below outlines each element of the remuneration policy for the Directors of the Company.

Purpose and link to strategy	Operation	Maximum opportunity	Performance conditions
1. Base salary – Adequate to recruit and retain Executive Directors to deliver the strategic objectives of the Group – Designed to be sufficient to ensure that Executive Directors do not become dependent on their variable remuneration – Reflects local competitive market levels	– Paid monthly – Normally reviewed annually with any changes generally applying from the start of the financial year	– In considering increases, the Committee considers the range of salary increases applying across the Group, and local market levels – Any increase in salary for an Executive Director will not normally exceed the average salary increase across the Group unless there are exceptional reasons such as, but not limited to, a change in the role or responsibilities of the Executive Director	– None
2. Benefits – Adequate to recruit and retain Executive Directors to deliver the strategic objectives of the Group – Reflects local competitive market levels	– Benefits currently receivable by Executive Directors include life assurance, private medical insurance and income protection – Additional benefits (such as relocation assistance) may be offered in line with market practice if considered appropriate by the Committee	– Provision and level of benefits are competitive and appropriate in the context of the local market – The maximum opportunity will depend on the type of benefit and cost of its provision, which will vary according to the market and individual circumstances	– None
3. Pension – Adequate to recruit and retain Executive Directors to deliver the strategic objectives of the Group Purpose and link to strategy	– All Executive Directors are entitled to a pension allowance payable each month at the same time as their salary	– A pension allowance of no more than the level available to the majority of the Group's workforce in the relevant location is provided. The current level for the UK workforce is up to 12.5% of base salary	– None

Purpose and link to strategy	Operation	Maximum opportunity	Performance conditions
4. Total variable pay award – The Total Variable Pay Award is split between Cash Bonus Award and ICG PLC Equity Award (see below)	– The total variable pay award consists of the Cash Bonus Award and ICG PLC Equity Award	– An Executive Director's annual variable award is drawn from the AAP which is determined as described on page 111 – Total variable pay awards to Executive Directors are subject to a cap, payable for outstanding performance only. This is £6m for the CEO/ CIO, £2m for the CFOO and £1.5m for the CPEAO – Target variable awards to Executive Directors are £3.6m for the CEO/CIO, £1m for the CFOO and £750k for the CPEAO	– An Executive Director's annual variable award is drawn from the AAP, and so is directly determined by reference to the Group's cash profit for the relevant financial year – Executive Director's annual variable award entitlement is also determined by reference to performance against personal and corporate performance objectives, which are derived from the Group's key performance indicators
4a. Cash Bonus Award – Rewards achievement of business KPIs, cash profits and employing sound risk and business management	– Awards are made after the end of the financial year – The maximum amount of an Executive Director's Total Variable Pay Award that can be paid as a Cash Bonus Award is 30% – Cash Bonus Awards are subject to clawback which applies for three years post award. Forfeiture of compensation may be triggered by, amongst other things, a misstatement of the accounts, fraud, regulatory breaches and serious breaches of contract	– See details above in relation to the overall annual variable award	– See details above in relation to the overall annual variable award

Purpose and link to strategy	Operation	Maximum opportunity	Performance conditions
4b. ICG PLC Equity Award – Rewards achievement of business KPIs, cash profits and employing sound risk and business management – Aligns the interests of Executive Directors with those of shareholders	– Awards are made over shares in the Company after the end of the financial year – At least 70% of an Executive Director's Total Variable Pay Award shall be delivered in ICG PLC Equity – Shares normally vest by one third in each of the third, fourth and fifth years following the year of grant unless the Executive leaves for cause or to join a competitor, in which case the awards lapse. The Committee has discretion to vary the date of vesting if necessary or desirable for regulatory or legislative reasons – In the event of a change in control (other than an internal reorganisation) shares vest in full – Dividend equivalents accrue to participants during the vesting period and are paid at the vesting date – PLC Equity Awards made are subject to both malus, until vesting, and clawback which will apply for up to seven years post grant. Forfeiture of compensation may be triggered by, amongst other things, a misstatement of the accounts, fraud, regulatory breaches and serious breaches of contract	– See details above in relation to the overall annual variable award	– See details above in relation to the overall annual variable award
5. Shareholding requirement – To align the interests of the Group's Executive Directors with those of shareholders. – To further enhance long-term alignment with shareholders, a post-cessation shareholding requirement has been introduced	– Executive Directors are required to build ownership of a number of ordinary shares in the Group, normally over five years from appointment, with a market value equal to a multiple of the Director's annual base salary. This multiple is three times for the CEO and two times for the other Executive Directors – Executive Directors are normally required to maintain this level (or the level so far accrued at cessation, if lower) of holding for two years after they cease to be employed	– N/A	– N/A

Purpose and link to strategy	Operation	Maximum opportunity	Performance conditions
6. The Intermediate Capital Group PLC SAYE Plan 2014 – Provides an opportunity for all employees to participate in the success of the Group	– All UK employees are offered the opportunity to save a regular amount each month over 36 months and may receive an uplift at the end of the saving contract (subject to HMRC legislation) – At maturity, employees can exercise their option to acquire and purchase shares in ICG PLC at the discounted price set at the award date or receive the accumulated cash	– Employees may save the maximum permitted by legislation each month	– The Plan is not subject to any performance conditions, as this is not permitted by the relevant legislation
7. Fees paid to Non Executive Directors – To facilitate the recruitment of Non Executive Directors who will oversee the development of strategy and monitor the Executive Directors' stewardship of the business	– Fees are payable to Non Executive Directors for their services in positions upon the Board and various Committees – Fees for the Board Chairman are determined and reviewed annually by the Committee and fees for Non Executive Directors are determined by the Board Chairman and the Executive Directors – The Committee refers to objective research on up-to-date, relevant benchmark information for similar companies – Non Executive Directors are reimbursed for expenses, such as travel and subsistence costs, incurred in connection with their duties. Any tax costs associated with these benefits are paid by the Group	– Non Executive Directors cannot participate in any of the Group's variable pay plans or share schemes and are not eligible to join the designated Group pension plan – Fees are set and reviewed in line with market rates. Aggregate annual fees do not exceed the limit set out in the Articles of Association – Any benefits receivable by Non Executive Directors will be in line with market practice	– None of the Non Executive Directors' remuneration is subject to performance conditions

Performance measures and targets

The AAP is determined based on the Group's financial performance. The Group's PICP provides a link between income generation for shareholders and employee compensation (see page 111).

Once the AAP has been calculated, it is then allocated based on business performance and an individual's performance as determined by the annual appraisal process.

Executive Directors have performance objectives set and KPIs are set by the Committee. Details of these KPIs are set out on page 98. Further management information is provided to the Committee on performance to ensure that financial results are put into the context of wider performance factors, compliance and risk appetite.

Co-investment and carried interest in third-party funds

Executive Directors and investment professionals in the Group may be required to invest in third-party funds through co-investment and carried interest. Where this applies, the relevant employee pays full market value for these interests at the time of acquisition, and takes the investment risk. These are personal investments that are expected by third-party fund clients, to drive financial alignment with third-party fund performance, rather than remuneration provided by ICG for services to the Group.

Committee discretion

The Committee, consistent with market practice, retains discretion over a number of areas relating to the operation of the Policy. These include, but are not limited to, the following:

- the timing of awards or payments
- the size of awards (within the limits set out in the Policy table)
- the choice of weighting and assessment of performance metrics
- in exceptional circumstances, determining that a share-based award shall be settled (in full or in part) in cash
- the treatment of awards in the event of a change of control or restructuring
- determination of good leaver status, and treatment of awards for such leavers
- whether, and to what extent, malus and/or clawback should apply
- adjustments required in exceptional circumstances such as rights issues, corporate restructuring, or special dividends
- adjustments to performance criteria where there are exceptional events

Service contracts and policy on payments for loss of office

Executive Directors

The Group's policy is for Executive Directors to have ongoing contracts which are deemed appropriate for the nature of the Group's business. Service contracts are held, and are available for inspection, at the Group's registered office. The details of the service contracts for Executive Directors serving during the year and the treatment of deferred share awards to Executive Directors are shown below.

Executive Director	Date of service contract	Last re-elected	Re-election frequency	Notice period	Non-compete provisions	Compensation on termination by the Company without notice or cause
Benoît Durteste	21 May 2012	July 2021	Annual	12 months	Restraint period of 12 months	The salary for any unexpired period of notice plus the cost to the Group (excluding National Insurance contributions) of providing insurance benefits for the same period. The Group may also make payments, where necessary, to mitigate any potential claims, and to compensate for legal fees or outplacement costs incurred
Vijay Bharadia	20 May 2019	July 2021	Annual	12 months	Restraint period of 9 months	
Antje Hensel-Roth	16 April 2020	July 2021	Annual	12 months	Restraint period of 9 months	

Deferred share award	Status	Death, disability, long-term ill health	Redundancy	Cause or competing	Any other reason
PLC Equity Award	Unvested	Retain with early vesting	Retain	Forfeit, subject to discretion	Retain, subject to discretion
Deferred Share Award	Unvested	Retain with early vesting	Retain	Forfeit, subject to discretion	Retain, subject to discretion

Exercise of discretion

The discretion available to the Committee under the variable pay plans is intended to provide the Committee with flexibility to deal fairly with every eventuality. In exercising its discretion, the Committee will take into account the circumstances in which the individual has left the Group, their performance and the impact that this has had on the Group's overall performance. The Committee reserves discretion to make a variable pay award to an Executive Director in respect of the final year of service, taking into account the circumstances of the individual's termination of office, the portion of the year served, and performance for the financial year concerned.

Approach to recruitment remuneration

The Group operates in a highly specialised and competitive market, and hence competition for talent is intense. The Committee's approach to recruitment remuneration is to pay what is appropriate to attract candidates to a role.

New Executive Directors are offered a remuneration package similar to that of existing employees in the same role. All Executive Directors are offered an appropriate annual salary, benefits and pension allowance and all participate in the Annual Award Pool and are subject to an overall cap on variable reward.

However, it may be necessary to offer a new Executive Director a remuneration package that differs from that currently provided to the Executive Directors in order to attract the best recruit. This could include a higher base salary and relocation and/or housing benefits and higher total variable pay, but not more than the CEO/CIO level set out in the policy table, unless there are exceptional circumstances.

Replacement of forfeited compensation such as deferred bonuses and long-term incentives is permitted.

This is subject to, as far as possible, the timing, delivery mechanism (i.e. shares or cash) and amounts paid out being set to reflect any former arrangement.

As far as possible, the value of any replacement awards will reflect the expected value of the forfeited awards.

In the event of an internal promotion to the Board, the Committee reserves the right to allow any pre-existing awards or arrangements to be retained until their normal maturity date, notwithstanding that these may not be consistent with the approved policy.

Statement of consideration of shareholder views

The Committee is responsible for the overall remuneration policy for all the Group's employees and ensures that the remuneration arrangements should take into account the long-term interests of shareholders, clients and other stakeholders.

The Group recognises the importance of communication with its shareholders, particularly through interim and annual reports and the AGM.

The CEO, CFOO and the Chairmen of the Board and each of its Committees will be available to answer shareholders' questions at the AGM. The CEO and the CFOO meet institutional shareholders on a regular basis, and the Chairman periodically contacts the Group's major shareholders and offers to meet with them. The Board is kept fully informed of the views and concerns of the major shareholders and relevant NEDs attend meetings with major shareholders and shareholder advisory groups when requested to do so.

Statement of consideration of employment conditions elsewhere in the Group and employee views

The Committee considers the employment conditions and the remuneration structures in place for all employees of the Group when setting the Directors' Remuneration Policy.

The Committee also reviews the remuneration arrangements of senior investment and marketing employees and senior management and control function employees and oversees the remuneration structure and market positioning for other roles. The overall and average salary increase across the Group is approved by the Committee each year. The Board has established a process which is being used to seek the opinions of employees when setting the Directors' Remuneration Policy by seeking feedback through a designated NED.

In addition employees' views are represented at Committee meetings through the Chief People and External Affairs Officer, who is also an Executive Director, and the Head of Reward.

DIRECTORS' REPORT

The Directors present their Annual Report and the audited financial statements for the financial year ended 31 March 2022. The risks to which the Group is subject, and the policies in respect of such risks, are set out on pages 57 to 64 and are incorporated into this report by reference. The Corporate Governance section set out on pages 67 to 117 is incorporated into this report by reference. The Strategic Report section set out on pages 2 to 65 is also incorporated by reference.

Throughout the financial year ended 31 March 2022 the Group was in compliance with the provisions of the 2018 UK Corporate Governance Code issued by the Financial Reporting Council. A copy of the Code is available on the Financial Reporting Council's website: www.frc.org.uk. The Governance section of this report (page 67) sets out how we have applied the Code's principles and provisions throughout the year.

Significant shareholdings

As at 19 May 2022 the Company had been notified or otherwise become aware of the following interests pursuant to the Disclosure Rules and the Transparency Rules representing 3% or more of the issued share capital of the Company.

Institution	Number of shares	Percentage of voting rights
BlackRock Inc	25,233,473	8.68%
Aviva Investors	21,271,787	7.32%
Wellington Management Company	20,149,717	6.93%
Abrdn Plc	16,462,513	5.67%
The Vanguard Group Inc	11,824,223	4.07%
Ameriprise/Threadneedle	10,579,684	3.65%
Franklin Resources Inc	9,718,723	3.35%

Directors

The profiles of the Directors currently serving are shown on page 70; those details are incorporated into this report by reference. All of the Directors served throughout the year.

The composition of each of the Committees of the Board and the Chair of each Committee are detailed in the report of each Committee, found on pages 77 to 117.

Directors' interests

The interests of Directors who held office at 31 March 2022 and their connected persons, as defined by the Companies Act 2006, are disclosed in the report of the Remuneration Committee on page 104.

During the financial year ended 31 March 2022, the Directors had no options over or other interests in the shares of any subsidiary company.

The roles of the Chairman and Chief Executive

In accordance with the Code, the Board has adopted a formal division of responsibilities between the Chairman and the CEO, so as to establish a clear division of responsibilities between the running of the Board and the executive responsibility for the running of the Company's business.

The Interim Chairman, Andrew Sykes, was considered independent at the date of his appointment as Chairman.

The Board has delegated the following responsibilities to the Executive Directors:

- The development and recommendation of strategic plans for consideration by the Board
- Delivery of objectives and priorities determined by the Board
- Implementation of the strategies and policies of the Group as determined by the Board
- Monitoring of operating and financial results against plans and budgets
- Monitoring the quality of the investment process
- Developing and maintaining risk management systems

Disclosure documents

The terms of reference of each of the Board Committees, together with the Directors' service agreements, the terms and conditions of appointment of NEDs and Directors' deeds of indemnity, are available for inspection at the Company's registered office during normal business hours.

Committee proceedings

Each Committee has access to such external advice as it may consider appropriate. The terms of reference of each Committee are considered regularly by the respective Committee and referred to the Board for approval.

Delegation to Executive Directors

The Company has three Executive Directors, each of whom has a specific area of responsibility.

Benoît Durteste is Chief Executive Officer and, in addition to his strategic and operational remit, oversees the Group's Investment Committees in his role as the Chief Investment Officer.

Vijay Bharadia is Chief Financial and Operating Officer and is responsible for compliance, finance, treasury, tax, investor relations, legal, operations and IT, and risk.

Antje Hensel-Roth is Chief People and External Affairs Officer and is responsible for human resources, communications and external affairs.

A Management Committee is in place to support, assist and challenge the Executive Directors in the exercise of their authority. This Committee is made up of other individuals from the senior management team of the Group and focuses on ongoing business operations and business development opportunities.

Board process

Each Board member receives a comprehensive Board pack at least five days prior to each meeting which incorporates a formal agenda together with supporting papers for items to be discussed at the meeting. Further information is obtained by the Board from the Executive Directors and other relevant members of senior management, as the Board, particularly its NEDs, consider appropriate.

A similar process is followed for each Committee.

Advice for Directors

All Directors have access to the advice and services of the Company Secretary and the Secretaries to each of the Committees on which they serve and may take independent professional advice at the Group's expense in the furtherance of their duties. The appointment or removal of the Company Secretary would be a matter for the Board.

Meetings with the Chairman

Time is allocated at the end of each Board meeting for the NEDs to hold meetings in the absence of Executive Directors. As appropriate (and at least once per year), the NEDs will also hold sessions in the absence of the Chairman.

In accordance with the Code, any shareholder concerns not resolved through the usual mechanisms for investor communication can be conveyed to the Senior Independent Director (SID). The SID acts as a sounding board for the Chairman and also leads the annual appraisal of the Chairman.

Directors' indemnity

The Group has entered into standard contractual indemnities with each of the Directors. The Group also provides Directors' and Officers' insurance for the Directors.

Conflicts of interest

Directors have a statutory duty to avoid conflicts of interest with the Group. The Company's Articles of Association allow the Directors to authorise conflicts of interest and the Board has adopted a policy and effective procedures for managing and, where appropriate, approving potential conflicts of interest. No material conflicts of interest exist.

Internal control

The Board has overall responsibility for the Group's internal control system and monitoring of risk management, the effectiveness of which is reviewed at least annually. Internal controls include giving reasonable, but not absolute, assurance that assets are safeguarded, transactions are authorised and recorded properly, and that material errors and irregularities are prevented or detected within a timely period.

Through the regular meetings of the Board and the schedule of matters reserved to the Board or its duly authorised Committees, the Board aims to maintain full and effective control over appropriate strategic, financial, operational and compliance issues. For further details of the Group's Committees, please see pages 77 to 117 and for further details of the Board, page 67.

The Board has put in place an organisational structure with clearly defined lines of responsibility and delegation of authority.

The Board annually considers and approves a strategic plan and budget. In addition, there are established procedures and processes in place for the making and monitoring of investments and the planning and controlling of expenditure.

The Board also receives regular reports from Executive Directors and other members of senior management on the Group's operational and financial performance, measured against the annual budget, as well as regulatory and compliance matters. For further details of the Group's Executive Directors, please see page 118.

The Group has in place arrangements whereby individuals may raise matters of concern in confidence about possible improprieties in matters of financial reporting or other matters.

The rationale for the system of internal control is to maximise effectiveness for the commercial management of the business and to provide the Board with regular and effective reporting on the identified significant risk factors. The Board is responsible for determining strategies and policies for risk control, and management is responsible for implementing such strategies and policies.

The Board confirms that an ongoing process for identifying, evaluating and managing the Group's significant risks has operated throughout the year and up to the date of the approval of the Directors' report and financial statements. For further details of the risks relating to the Group, please see page 57 and the report of the Risk Committee on page 85.

Going concern statement

The Group's business activities, together with the factors likely to affect its future development, performance and position, are set out in the Strategic Report on pages 2 to 65. The financial position of the Group, its cashflows, liquidity position, and borrowing facilities are described in the Finance and Operating Review on page 54. In addition, the Directors have taken account of the Group's risk management process described on page 57. The Directors have made an assessment of going concern, taking into account both the Group's current performance and the Group's outlook, using the information available up to the date of issue of these financial statements.

The Group has good visibility on future management fees due to the long-term nature of our funds, underpinned by a strong and well capitalised balance sheet. At 31 March 2022, liquidity, which consists of unencumbered cash and undrawn debt facilities, was £1,311.5m (31 March 2021: £846.9m). This financial position and liquidity profile provide confidence that the Group has sufficient financial resources for the foreseeable future. As a consequence, the Directors believe that the Company and the Group are well positioned to manage its and their businesses and liabilities as they fall due.

The Directors have acknowledged their responsibilities in relation to the financial statements for the year to 31 March 2022. After making the assessment of going concern, the Directors have concluded that the preparation of the financial statements on a going concern basis to 30 June 2023, a period of more than 12 months from the signing of the financial statements, continues to be appropriate.

Forward-looking statements

This Annual Report includes statements that are, or may be deemed to be, 'forward-looking statements'. These forward-looking statements can be identified by the use of forward-looking expressions, including the terms 'believes', 'estimates', 'anticipates', 'expects', 'intends', 'may', 'will' or 'should' or, in each case, their negative or other variations or similar expressions, or by discussions of strategy, plans, objectives, goals, future events or intentions.

These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this Annual Report and include, but are not limited to, the following: statements regarding the intentions, beliefs or current expectations of the Directors, the Company and the Group concerning, amongst other things, the Group's results of operations, financial condition, liquidity, prospects, growth, strategies and the industries in which the Group operates.

By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. Forward-looking statements are not guarantees of future performance and the actual results of the Group's operations, financial condition and liquidity, and the development of the countries and the industries in which the Group operates may differ materially from those described in, or suggested by, the forward-looking statements contained in this Annual Report. In addition, even if the results of operations, financial condition and liquidity, and the development of the countries and the industries in which the Group operates, are consistent with the forward-looking statements contained in this Annual Report, those results or developments may not be indicative of results or developments in subsequent periods. Many of these factors are beyond the control of the Directors, the Company and the Group. Should one or more of these risks or uncertainties materialise, or should underlying assumptions on which the forward-looking statements are based prove incorrect, actual results may vary materially from those described in this Annual Report. Except to the extent required by laws and regulations, the Directors, the Company and the Group do not intend, and do not assume any obligation, to update any forward-looking statements set out in this Annual Report.

Change of control agreements

There are no significant agreements to which the Group is a party that take effect, alter or terminate upon a change of control of the Group, other than:

1. The Private Placement arrangements of $64m dated 8 May 2013, $122m and €44m dated 11 May 2015, $167m and €52m dated 29 September 2016, and $350m and €44m dated 26 March and 24 April 2019, where a change of control of the Company gives rise to a prepayment offer, whereby the Company must make an offer to all holders of the Private Placement notes to prepay the entire unpaid principal amount of the Private Placement notes, together with accrued interest thereon.
2. The £550m committed syndicated Revolving Credit Facility agreement entered into on 22 January 2021 contains a change of control provision which provides, upon the occurrence of a change of control of the Company, for a 30-day negotiation period with the syndicate lenders to agree terms and conditions which are acceptable to syndicate lenders and the Company for continuing the facilities. If, at the end of the negotiation period, no such agreement is reached, the facilities agreement gives each lender the right, but not the obligation, upon applicable notice, to cancel their commitments under the facilities agreement and declare their participation in the loans then outstanding repayable immediately, together with accrued interest and all other amounts payable thereon.
3. The terms and conditions of the £160m bond issue which took place in March 2015, the €500m institutional bond issue which took place in February 2020 and the €500m institutional bond issue which took place in January 2022 each of which set out that, following a change of control event, investors have the right but not the obligation to sell their notes to the Company if the change of control results in either a credit ratings downgrade from investment grade to sub-investment grade or withdrawal, or a downgrade of one or more notches (or withdrawal of the rating) if already sub-investment grade.

4. The employee share schemes, details of which can be found in the report of the Remuneration Committee on 93, awards and options under the 2001 Approved and Unapproved Executive Share Option Schemes and SAYE Plan 2004 become exercisable for a limited period following a change of control. Awards and options under the Omnibus Plan and the BSC Plan vest immediately on a change of control.
5. Carried interest arrangements in respect of a number of funds vest fully in favour of the Company and certain of the Group's employees following a change of control event.

There are no agreements between the Group and its Directors or employees providing for compensation for loss of office or employment that occurs because of a takeover bid apart from those described above and the usual payment in lieu of notice.

Information included in the Strategic report

In accordance with section 414 C (11) of the Companies Act 2006, the following information otherwise required to be set out in the Directors' report has been included in the Strategic report: risk management objectives and policies (pages 57 to 64); engagement with employees (page 30) and engagement with suppliers and other stakeholders (pages 23).

Dividend

The Directors recommend a final net ordinary dividend payment in respect of the ordinary shares of the Company at a rate of 57.3 pence per share (2021: 39.0 pence per share), which when added to the interim net dividend of 18.7 pence per share (2021: 17.0 pence per share) gives a total net dividend for the year of 76.0 pence per share (2020: 56.0 pence per share). The recommendation is subject to the approval of shareholders at the Company's AGM in July 2022.

The amount of ordinary dividend paid in the year was £165.7m (2021: £150.9m).

Distributable reserves

The distributable reserves of the Parent Company at 31 March 2022 were £564.6m (£674.7m at 31 March 2021).

Disclosures required under Listing Rule 9.8.4

Dividend waivers have been issued in respect of shares which are held by the Group's Employee Benefit Trust (EBT), or held as treasury shares; other than this, there are no disclosures required to be made under UK Listing Rule 9.8.4.

Compliance with Listing Rule 9.8.6R

The Group has complied with the requirements of LR 9.8.6R by including climate-related financial disclosures consistent with the TCFD recommendations and recommended disclosures.

Disclosures can be found on the following pages:

Pillar	Disclosure	Page
Governance	a. Describe the Board's oversight of climate-related risks and opportunities b. Describe management's role in assessing and managing climate-related risks and opportunities	32
Strategy	a. Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term b. Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning climate-related risks c. Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	33
Risk management	a. Describe the organisation's processes for identifying and assessing climate-related risks b. Describe the organisation's processes for managing climate-related risks c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management	37
Metrics and targets	a. Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process b. Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks c. Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets	39

+ **Read more on our TCFD disclosures on pages 32 to 41**

Non-UK branches

A subsidiary of the Company, Intermediate Capital Managers Limited, operates a branch in France.

Auditor

EY were the auditor for the financial year ended 31 March 2022. A resolution for the appointment of EY as the auditor was passed at the AGM held on 29 July 2021. Details of auditor's remuneration for audit and non-audit work are disclosed in note 12 to the accounts.

+ **Further details are set out in the Audit Committee report on page 77**

Complex supplier arrangements

The Group does not use supplier financing arrangements.

Research and development activities
Details of the research and development activities undertaken are set out in note 17.

Disclosure of information to the auditor
Each of the persons who is a Director at the date of approval of this report confirms that:

- So far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware
- The Director has taken all reasonable steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to ensure that the Company's auditor is aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

Post balance sheet events
Material events since the balance sheet date are described in note 33 and form part of the Directors' report disclosures.

Political contributions
No contributions were made during the current and prior year for political purposes.

Greenhouse gas emissions
All disclosures required by the Streamlined Energy and Carbon Reporting (SECR) requirements set out in the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 and the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 have been complied with and are detailed on page 42 which forms part of the Directors' report disclosures.

Approach to discrimination and consideration of disabled employees
The Group is committed to creating an environment where all its employees are treated with dignity and respect at work and which is free from discrimination, victimisation, harassment and bullying. Such conduct is harmful to our employees and our business and we seek to address any form of discrimination, victimisation, harassment or bullying where it occurs in the workplace. All our employees and other third parties working for or with us, without exception, have a duty to comply with our policies to ensure that their colleagues are treated with dignity and respect and wherever possible to prevent discrimination, victimisation, harassment or bullying.

We aim to:

- ensure that all job applicants are treated fairly and judged on criteria relevant to a vacant position
- ensure that all employees are treated in a fair and equitable manner which allows each individual to reach their full potential
- ensure that decisions on recruitment, selection, training, promotion, career management, transfer, terms and conditions of employment and every other aspect of employment are based solely on objective and job-related criteria
- provide the Group with a workforce of the highest ability which reflects the population as a whole
- avoid any type of unlawful discrimination
- ensure all managers actively promote equal opportunities within the Group

We strongly disapprove of and will not tolerate unlawful discrimination, victimisation, harassment, bullying or any other inappropriate behaviour towards our employees by managers, other employees or any third party such as clients, suppliers, visitors, consultants or contractors. All our employees and third parties working for or with the Group are required to make sure they treat everyone fairly and without bias.

The Group treats applicants and employees with disabilities fairly and provides facilities, equipment and training to assist disabled employees to do their jobs. Arrangements are made as necessary to ensure support to job applicants who happen to be disabled and who respond to requests to inform the Group of any requirements. Should an employee become disabled during their employment, efforts would be made to retain them in their current employment or to explore the opportunities for their retraining or redeployment within the Group.

Financial support is also provided by the Group to support disabled employees who are unable to work, as appropriate to local market conditions.

Acquisition of shares by EBT
Acquisitions of shares by the ICG Employee Benefit Trust 2015 purchased during the year are as described in note 24 to the financial statements.

Share capital and rights attaching to the Company's shares
As at 31 March 2022 the issued share capital of the Company was 294,285,804 ordinary shares of 26¼p each (including 3,733,333 shares held by the Company as treasury shares).

Certain key matters regarding the Company's share capital are noted below:

- Under the Company's Articles of Association, any share in the Company may be issued with such rights or restrictions, whether in regard to dividend, voting, transfer, return of capital or otherwise as the Company may from time to time by ordinary resolution determine or, in the absence of any such determination, as the Board may determine. All shares currently in issue are ordinary shares of 26¼p each carrying equal rights. The Articles of Association of the Company cannot be amended without shareholder approval

- At a General Meeting of the Company every member present in person or by a duly appointed proxy has one vote on a show of hands and on a poll one vote for each share held
- The ICG Employee Benefit Trust 2015 holds shares which may be used to satisfy options and awards granted under the Company's employee share schemes including its long-term incentive plans. The voting rights of these shares are exercisable by the trustees in accordance with their fiduciary duties
- The notice of any general meeting specifies deadlines for exercising voting rights either by proxy or present in person in relation to resolutions to be passed at a general meeting
- No shareholder is, unless the Board decides otherwise, entitled to attend or vote either personally or by proxy at a general meeting or to exercise any other right conferred by being a shareholder if:
  - They or any person with an interest in shares has been sent a notice under section 793 of the Companies Act 2006 (section 793 notice) (which confers upon public companies the power to require information with respect to interests in their voting shares)
  - They or any interested person have failed to supply the Company with the information requested within 14 days where the shares subject to the notice (the 'default shares') represent at least 0.25% of their class or in any other case 28 days after delivery of the notice. Where the default shares represent 0.25% of their class, unless the Board decides otherwise, no dividend is payable in respect of those default shares and no transfer of any default shares shall be registered. These restrictions end seven days after receipt by the Company of a notice of an approved transfer of the shares or all the information required by the relevant section 793 notice, whichever is the earlier
- The Directors may refuse to register any transfer of any share which is not a fully paid share, although such discretion may not be exercised in a way which the Financial Conduct Authority regards as preventing dealings in the shares of the relevant class or classes from taking place on an open and proper basis. The Directors may likewise refuse to register any transfer of a share in favour of more than four persons jointly
- The Company is not aware of any other restrictions on the transfer of ordinary shares in the Company other than:
  - Certain restrictions that may from time to time be imposed by laws and regulations (for example, insider trading laws or the UK Takeover Code)
  - Pursuant to the Listing Rules of the Financial Conduct Authority whereby certain employees of the Company require approval of the Company to deal in the Company's shares

The Company is not aware of any agreements between shareholders that may result in restrictions on the transfer of securities or voting rights.

At the 2021 AGM the Directors were given the power to allot shares and grant rights to subscribe for, or convert any security into, shares: up to an aggregate nominal amount of £25,422,529.91 and, in the case of a fully pre-emptive rights issue only, up to a total amount of £50,845059.82.

A resolution will be proposed to renew the Company's authority to allot further new shares at the forthcoming AGM. In accordance with applicable institutional guidelines, the proposed new authority will allow the Directors to allot ordinary shares equal to an amount of up to one third of the Company's issued ordinary share capital as at 19 May 2022 plus, in the case of a fully pre-emptive rights issue only, a further amount of up to an additional one third of the Company's issued share capital as at 19 May 2022. The authority for Directors to allot the Company's shares is renewed annually and approval will be sought at the forthcoming AGM for its renewal.

The Directors' authority to effect purchases of the Company's shares on the Company's behalf is conferred by resolution of shareholders. At the 2021 AGM the Company was granted authority to purchase its own shares up to an aggregate value of approximately 10% of the issued ordinary share capital of the Company as at 8 June 2021.

During the year no shares were bought back. The authority to effect purchases of the Company's shares is renewed annually and approval will be sought at the forthcoming AGM for its renewal.

Powers of Directors

Subject to its Articles of Association and relevant statutory law and to such direction as may be given by the Company by special resolution, the business of the Company is managed by the Board, who may exercise all powers of the Company whether relating to the management of the business or not.

The Company's Articles of Association give power to the Board to appoint Directors. The Articles also require any Directors appointed by the Board to submit themselves for election at the first AGM following their appointment and for one third of the Company's Directors to retire by rotation at each AGM. Directors may resign or be removed by an ordinary resolution of shareholders. Notwithstanding the above, the Company has elected, in accordance with the UK Corporate Governance Code, to have all Directors reappointed on an annual basis (other than any who have decided to retire at the relevant AGM).

In relation to the Directors who are standing for election or re-election, the Chairman is satisfied that, following the conclusion of the formal performance evaluation described on page 76, each of the other Directors continues to be effective and demonstrates commitment to their role. In the case of the Chairman, the NEDs are satisfied that he continues to be effective and demonstrates commitment to his role.

Results of resolutions proposed at 2021 Annual General Meeting

Resolution	Votes for	Votes against	Votes withheld
1. To receive the Company's financial statements and reports of the directors of the Company (the "Directors") and of the auditor for the financial year ended 31 March 2021.	231,717,986	8,880	1,896,212
2. To approve the Directors' Remuneration Report (excluding the Directors' Remuneration Policy) as set out in the Annual Report and Accounts for the financial year ended 31 March 2021.	229,723,362	3,884,339	15,377
3. To re-appoint Ernst & Young 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 2022.	231,268,709	2,347,898	6,471
4. To authorise the Audit Committee, for and on behalf of the Board, to determine the remuneration of the auditors.	233,551,245	69,719	2,114
5. To declare a final dividend of 39.0 pence per ordinary share for the financial year ended 31 March 2021.	233,448,747	173,343	988
6. To reappoint Vijay Bharadia as a Director.	233,213,437	407,987	1,654
7. To reappoint Benoît Durteste as a Director.	233,619,510	1,914	1,654
8. To reappoint Virginia Holmes as a Director.	231,359,919	2,260,725	2,434
9. To reappoint Michael Nelligan as a Director.	233,620,410	1,014	1,654
10. To reappoint Kathryn Purves as a Director.	233,277,535	343,109	2,434
11. To reappoint Amy Schioldager as a Director.	233,610,522	10,902	1,654
12. To reappoint Andrew Sykes as a Director.	233,114,619	506,025	2,434
13. To reappoint Stephen Welton as a Director.	231,638,184	514,671	1,470,223
14. To reappoint Lord Davies of Abersoch as a Director.	230,335,084	3,286,340	1,654
15. To reappoint Antje Hensel-Roth as a Director.	233,618,368	3,056	1,654
16. To appoint Rosemary Leith as a Director.	233,619,981	663	2,434
17. To appoint Matthew Lester as a Director.	233,533106	88,318	1,654
18. To grant the Directors authority to allot shares pursuant to section 551 of the Companies Act 2006.	227,299,752	6,322,338	988
19. Subject to the passing of resolution 18, to authorise the Directors to allot equity securities and to sell ordinary shares pursuant to sections 570 (1) and 573 of the Companies Act 2006.	232,558,288	1,063690	1,100
20. In addition to the authority granted under resolution 19 and subject to the passing of resolutions 18 and 19, to authorise the Directors to allot equity securities.	224,115,645	9,506,333	1,100
21. To authorise the Company to make market purchases of its ordinary shares.	231,072,790	2,300,963	249,325
22. To approve that a general meeting of the Company (other than the annual general meeting) may be called on less than 14 clear days' notice.	205,188,179	28,433,911	988

The issued share capital of the Company at the date of the Annual General Meeting was 294,283,301 ordinary shares of 26¼p each (excluding 3,733,333 treasury shares held by the Company).

2022 Annual General Meeting

The AGM of the Company is scheduled to take place at the Head Office of the Company on 21 July 2022 at 9:00 am; the exact arrangements for the meeting will be subject to any restrictions on gatherings which may be in force. Details will be contained in the Notice of Meeting, and shareholders will be updated if arrangements change. Any shareholder who wishes to vote by proxy or raise a question to be answered in writing should refer to the Notice of Meeting for instructions on how to do so. Details of the resolutions to be proposed at the AGM along with explanatory notes are set out in the circular to be posted to shareholders in June 2022 convening the meeting. In line with market practice, if votes of more than 20% of those voting are cast against a resolution, the Company will make a statement when announcing the results of the vote to explain any actions it intends to take to understand the reasons behind the vote result.

This Directors' Report is approved by the Board and signed on its behalf by:

Andrew Lewis
Company Secretary

25 May 2022

DIRECTORS’ RESPONSIBILITIES

The Directors are responsible for preparing the Annual Report and Accounts in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors are required to prepare the Group and Parent Company financial statements in accordance with UK-adopted international accounting standards (UK-adopted IAS) and, as regards the Parent Company financial statements, as applied in accordance with the provisions of the Companies Act 2006. Under company law the Directors must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the Directors are required to:

- Select suitable accounting policies in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors and then apply them consistently
- Make judgements and accounting estimates that are reasonable and prudent
- Present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information
- Provide additional disclosures when compliance with the specific requirements of UK-adopted IAS are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Group and Company financial position and financial performance
- In respect of the Group and Parent financial statements, state whether UK-adopted IAS have been followed and, as regards the Parent Company financial statements, applied in accordance with the provisions of the Companies Act 2006, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on a going concern basis unless it is appropriate to presume that the company and/or the group will not continue in business

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company’s transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Under applicable law and regulations, the Directors are also responsible for preparing a Strategic Report, Directors’ Report, Directors’ Remuneration Policy and Corporate Governance statement that comply with that law and those regulations. The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the company’s website.

The Directors confirm, to the best of their knowledge:

- That the consolidated financial statements, prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and UK-adopted IAS, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole
- That the Annual Report and Accounts, including the Strategic Report, includes a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face
- That they consider that this Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company’s and the Group’s performance, business model and strategy.

Benoît Durteste
Chief Executive Officer

Vijay Bharadia
Chief Financial and Operating Officer

25 May 2022