

Tax Strategy FY2023

ICG is a global alternative asset manager creating sustainable value by partnering with ambitious businesses. Our business involves raising capital from third party investors, investing that capital and maximising returns from investment for our investors. We manage over \$70bn of AUM and our responsibilities set out within our global tax strategy are critical to deliver the appropriate tax outcomes for the Group, our international third party investors, our investing structures and our people. The Group's tax team sit at the heart of the organisation and report directly to the Chief Financial and Operating Officer ("CFOO"). The CFOO reports to the Audit Committee who oversee the tax strategy and risk management framework.

The Group considers tax risk in line with the four key areas: Investors, Investments, Group and our People (in respect of withholding compliance for employees). In each area, we focus on the design of responsible and sustainable structures, and the timely and accurate reporting of relevant tax compliance information.

The Group has a low appetite for tax risk and the sustainability of our structuring arrangements are fundamental to managing the ongoing risk appetite of the Group and the certainty of tax outcomes for our stakeholders therein.

The Tax Strategy published herein sets our approach to managing the tax affairs of ICG plc and its subsidiaries (together the "**Group**"), both in the UK and in each of the markets in which it operates. The Group does not provide tax advice to our investors, investments or our people. Our third party investment funds seek their own independent professional advice to meet their respective investing or business need.

The Tax Strategy for the Group covers:

- Our tax governance framework;
- Our commitment to timely and accurate tax compliance, including tax payments;
- Our approach to tax planning;
- Our ongoing controls to limit tax risk, and manage any residual risk arising; and
- Our commitment to build positive relationships with tax authorities and related government bodies.

The publication of this Tax Strategy is in compliance with paragraph 16(2) of Schedule 19 to the Finance Act 2016 for the financial year ending 31 March 2023.





1) Governance

The Board is responsible for risk management of the Group. The Board is responsible for setting the risk culture of the Group and establishing and maintaining appropriate systems and controls to manage risk. A robust risk management framework has been implemented to support this.

The Board delegates responsibility for these matters, including the Group's risk management framework, to the Risk Committee. The Risk Committee also considers the effectiveness of the internal control environment.

The Board delegates responsibility for the oversight of the Group's tax strategy and management of tax risk to the Audit Committee. The Audit Committee monitors the appropriateness and integrity of the tax strategy and places importance on meeting the principles set out herein. The Board member with executive responsibility for tax matters is the Chief Financial and Operating Officer ("CFOO").

The Audit Committee is responsible for setting the Tax Strategy of the Group and approved the publication of this Tax Strategy on 22 March 2023.

2) Tax compliance

The Group is committed to timely and accurate tax compliance, including tax payments, and maintains documented policies and procedures to support its obligations to do so.

The Group is an international business and operates across many different tax jurisdictions. As a result, the Group has extensive obligations across direct and indirect tax filings and associated compliance. The Group centrally manages its global tax compliance responsibilities whose filings are prepared by specialist tax compliance professionals. Contemporaneous documentary evidence is maintained to support cross border transactions, specific positions in respect of tax filings and, as required, independent expert advice is also taken on matters of technical detail.

Tax payments are made to local authorities as required to reflect the ongoing business activities of the Group. These include corporation tax payments, directly linked to the financial performance of the Group, any withholding taxes arising on payments by the Group, and other indirect taxes.

The Group spends considerable time keeping up to date with changes in local tax legislation across its global footprint. The compliance obligations are monitored closely per jurisdiction and advice is taken to ensure new legislation is identified and addressed.

3) Tax planning

The Group has designed its structure to support the business over the long term. Whilst we are a complex business, the Group structure is designed to be simple, consistent and repeatable and align with generally accepted interpretations of tax legislation. The Board has a low appetite for tax risk and planning decisions are taken to account for the low risk preference.

The Group has a responsibility to its stakeholders to ensure that it does not structure its affairs in a way to pay double tax on its business activities and, in respect of its investing activities, allows for the efficient investment and repatriation of capital. The Group structure provides that its fund management activities are subject to tax at the relevant statutory rates ruling in the jurisdictions in which the income is earned. The Group's investing activities are made from the proprietary capital balance sheet in the UK and the investment returns often benefit from statutory UK tax exemptions on certain forms of income arising from both foreign dividend receipts and gains from assets qualifying for the substantial shareholdings exemption.



The Group is constantly evolving to meet the needs of our investment strategies, our people and our wider business objectives. In all new structuring decisions, the Group is focused on simplicity and consistency, to the extent possible, with its existing business practice.

The Group tax team are required to review and approve all new structuring transactions for the Group to ensure that the arrangements are in compliance with the local tax legislation, there is relevant skill to manage the resulting compliance and that the structure aligns with commercial objectives. All arrangements with cross border elements are subject to benchmarking to arms length pricing and the relevant intra-group transactions are booked in the accounts on a real time basis. Third party professional advice is always taken before the Group implements new structures.

The Group does not participate in tax avoidance or schemes which qualify as anti-abuse, nor engage in artificial tax arrangements. Criminal tax evasion, or the deliberate facilitation of such evasion, is unacceptable for the Group. This applies whether such activity takes place in the UK or overseas and the Group has procedures and controls to prevent any such evasion or facilitation.

4) Tax risk management

The operation of the tax control environment is monitored by the Group Head of Tax and CFOO and subject to routine internal audit review.

The Group's Head of Tax, with close oversight from the CFOO, is responsible for ensuring that appropriate policies and procedures are in place to manage tax and that the Group's tax team has the necessary skill and expertise for their roles.

The Group actively seeks to evaluate, monitor and manage tax risks to ensure compliance with local tax regulations and, where arising, take swift action to create certainty in the relevant tax outcome. Tax risks are reported to the CFOO on a real time basis and escalated to the Board as required. The Audit Committee is regularly updated on tax matters,

5) Tax Authority relationships

The Group is committed to building positive relationships with tax authorities in the UK and overseas. We believe that open, transparent dialogue with local tax authorities builds trusting long term relationships and allows us to work closely to ensure our arrangements are well understood.

The Group is a UK headquartered business and its primary taxing authority is HMRC in the UK. We pro-actively work alongside HMRC on a real time basis and regularly meet to discuss our business activities, significant transactions or any uncertain positions in the legislation where we need their guidance.

The Group also engages in industry forums on tax matters and seeks to support consultation processes, through written feedback or workshops with HMRC, to assist in the design of new tax legislation to meet the policy objectives of government and the activities of businesses.