

# Directors' Remuneration Policy

This section describes the remuneration policy we propose to adopt from the date of the 2023 AGM, subject to shareholder approval at that meeting; it includes a note of the changes to the current policy that has been in operation since the 2020 AGM.

Further explanation of the background to the Policy, and the Committee's extensive consultation with shareholders on proposed changes is provided in the Committee Chair's introductory statement to this Report.

A copy of the previous Directors' Remuneration Policy approved by shareholders at the 2020 AGM is available in the shareholder centre on the ICG website at [www.icgam.com](http://www.icgam.com).

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

A central feature of the Group's overall 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 funded from this pool, but are subject to specific KPIs, with detailed targets set by the Committee. They 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, which does not apply to Executive Directors, 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.

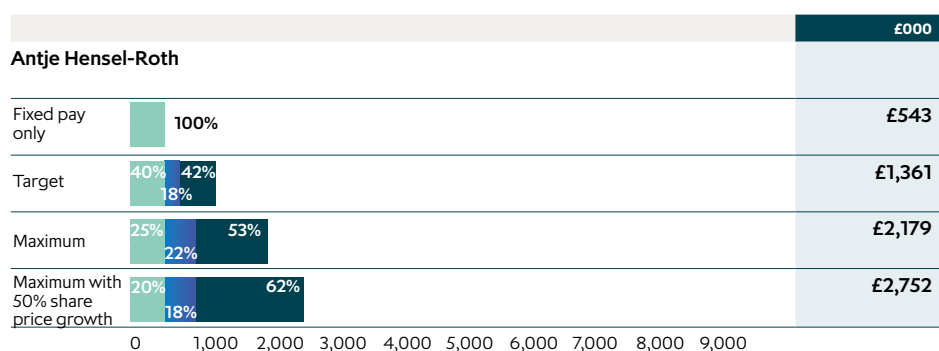
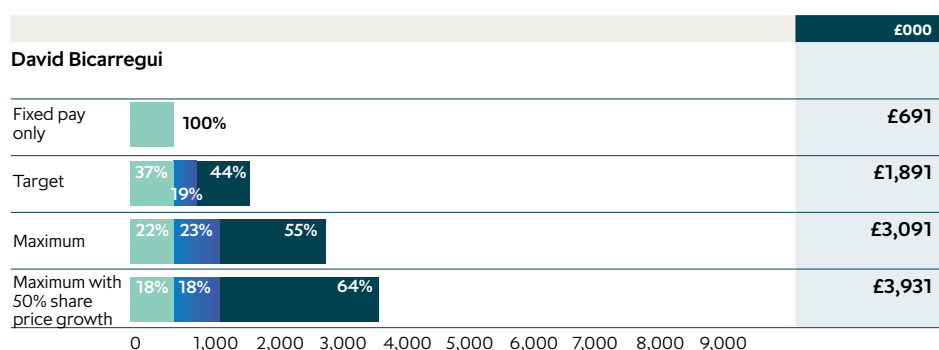
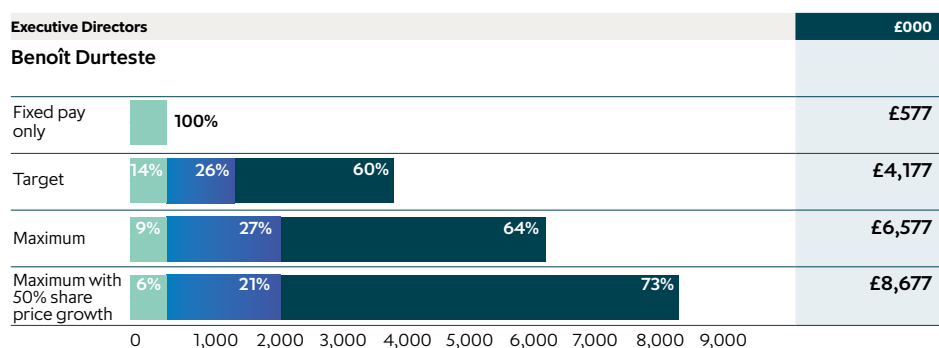
### Awards falling within the AAP

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.

The following charts show the key elements of our proposed Remuneration Policy to apply for FY24, subject to approval at our 2023 AGM. Full details of the proposed Remuneration Policy are provided in the next section.



● Fixed pay ● Cash Bonus Award ● ICG PLC Equity Award

The charts above incorporate the following assumptions:

**Fixed pay** – Includes base salary (for the financial year ended 31 March 2024, benefits and a pension allowance of 12.5% for Benoît Durteste, David Bicarregui and Antje Hensel-Roth. The benefits figure is based on the 2023 single figure total for Benoît Durteste (excluding any future grant of SAYE options) and assuming a similar level of coverage for all Executive Directors in future years.

**Target** – Fixed pay plus the value that would arise from the incentives for achieving on-target performance (with an assumed deferral of 80% for Benoît Durteste and 70% for the other Executive Directors). The Target level of total variable pay for Benoît Durteste is unchanged from the current policy and practice, at £3.6m. The Target total variable pay for David Bicarregui is 2x base salary (or £1.2m) and the Target total variable pay for Antje Hensel-Roth is 1.75x base salary (or £818,125).

**Maximum** – Fixed pay plus the value that would arise from the incentives for achieving maximum performance with an assumed deferral of 80% for Benoît Durteste and 70% for the other Executive Directors). The Maximum level of total variable pay for Benoît Durteste is unchanged from the current policy and practice, at £6m (this will transition to a multiple of 8x salary from FY26 onwards). The Maximum total variable pay for David Bicarregui is 4x base salary (or £2.4m) and the Maximum total variable pay for Antje Hensel-Roth is 3.5x base salary (or £1,636,250).

**Maximum with 50% share price growth** – Maximum remuneration increased for the assumption that the share components of the package (ICG PLC Equity Award) increase in value by 50% from the share price at grant.

## Illustration of application of Directors' Remuneration Policy

The total remuneration which could be awarded to each Executive Director under the proposed remuneration policy to apply from the year ended 31 March 2024 is shown in the charts under three different performance scenarios.

The annual variable award is split between the following elements:

- Cash Bonus Award
- ICG PLC Equity Award

The value of on-target variable remuneration for each Executive Director is based on the level which the Committee has agreed should be receivable to the extent to which the Group achieves its targets.

Following David Bicarregui's proposed appointment as an Executive Director at the AGM in July 2023, we have included the illustration of the application of the Directors' Remuneration Policy on his remuneration in the charts. Should any further Executive Directors be appointed during the period of the next policy, an illustrative chart will be published in the subsequent Annual Report.

It remains possible that remuneration earned over more than one financial year will be disclosed in future years' single figure table for the CEO, emanating from previous awards of Deal Vintage Bonus (DVB), (formerly known as Balance Sheet Carry (BSC) or Shadow Carry). Since the adoption of the Remuneration Policy in 2017, Executive Directors have not been eligible to participate in these plans.

## Directors' 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	Changes from previous Policy
<p><b>1. Base salary</b></p> <ul style="list-style-type: none"> <li>• Adequate to recruit and retain Executive Directors to deliver the strategic objectives of the Group</li> <li>• Designed to be sufficient to ensure that Executive Directors do not become dependent on their variable remuneration</li> <li>• Reflects local competitive market levels</li> </ul>	<ul style="list-style-type: none"> <li>• Paid monthly</li> <li>• Normally reviewed annually with any changes generally applying from the start of the financial year</li> </ul>	<ul style="list-style-type: none"> <li>• In considering increases, the Committee considers the range of salary increases applying across the Group, and local market levels</li> <li>• 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</li> </ul>	<ul style="list-style-type: none"> <li>• None</li> </ul>	<ul style="list-style-type: none"> <li>• The salary for the CEO/CIO will be increased in the following three steps: £500k for FY24; £615k for FY25; and £750k for FY26.</li> <li>• The salary for the new CFO has been set at £600k for FY24.</li> <li>• The salary for the CPEAO will be increased in the following two steps: £467.5k for FY24; and £500k for FY25.</li> </ul>
<p><b>2. Benefits</b></p> <ul style="list-style-type: none"> <li>• Adequate to recruit and retain Executive Directors to deliver the strategic objectives of the Group</li> <li>• Reflects local competitive market levels</li> </ul>	<ul style="list-style-type: none"> <li>• Benefits currently receivable by Executive Directors include life assurance, private medical insurance and income protection</li> <li>• Additional benefits (such as relocation assistance) may be offered in line with market practice if considered appropriate by the Committee</li> </ul>	<ul style="list-style-type: none"> <li>• Provision and level of benefits are competitive and appropriate in the context of the local market</li> <li>• 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</li> </ul>	<ul style="list-style-type: none"> <li>• None</li> </ul>	<ul style="list-style-type: none"> <li>• None</li> </ul>
<p><b>3. Pension</b></p> <ul style="list-style-type: none"> <li>• Adequate to recruit and retain Executive Directors to deliver the strategic objectives of the Group Purpose and link to strategy</li> </ul>	<ul style="list-style-type: none"> <li>• All Executive Directors are entitled to a pension allowance payable each month at the same time as their salary</li> </ul>	<ul style="list-style-type: none"> <li>• 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 majority of the UK workforce is up to 12.5% of base salary</li> </ul>	<ul style="list-style-type: none"> <li>• None</li> </ul>	<ul style="list-style-type: none"> <li>• The pension for the new CFO will be 12.5% of base salary (i.e. equal to the current level for the majority of the UK workforce).</li> </ul>

Purpose and link to strategy	Operation	Maximum opportunity	Performance conditions	Changes from previous Policy
<p><b>4. Total variable pay award</b></p> <ul style="list-style-type: none"> <li>The Total Variable Pay Award is split between Cash Bonus Award (4a) and ICG PLC Equity Award (4b) (see below)</li> </ul>	<ul style="list-style-type: none"> <li>The total variable pay award consists of the Cash Bonus Award and ICG PLC Equity Award</li> </ul>	<ul style="list-style-type: none"> <li>An Executive Director's annual variable award is drawn from the AAP which is determined as described on page 111</li> <li>Total variable pay awards to Executive Directors are subject to a cap, payable for outstanding performance only. This is £6m for the CEO/ CIO (from FY26 onwards, this will be 8x base salary), 4x base salary for the CFO and 3.5x base salary for the CPEAO.</li> <li>Target variable awards to Executive Directors are £3.6m for the CEO/ CIO, 2x base salary for the CFO and 1.75x base salary for the CPEAO</li> </ul>	<ul style="list-style-type: none"> <li>An Executive Director's annual variable award is drawn from the AAP, and so is directly funded by reference to the Group's cash profit for the relevant financial year</li> <li>Executive Director's annual variable award entitlement is determined by reference to performance against performance objectives, which are derived from the Group's KPIs</li> </ul>	<ul style="list-style-type: none"> <li>For the CFO and CPEAO, we will from FY24, express the total variable pay maximum as a multiple of base salary rather than a monetary amount. These multiples will be 4x base salary for the CFO role and 3.5x base for the CPEAO role.</li> <li>For the CEO, we will retain the current variable pay maximum of £6m for the Policy period FY2024-26, but transition to express this as a multiple of base salary from the start of FY26 once the phased salary increases, described above, have been completed. The planned increases will take the salary to £750k for FY26. The total variable pay maximum for the CEO will be 8x base salary (ie. £6m) for that year. This will then be reviewed for the next Policy.</li> </ul>

**Directors' Remuneration policy table continued**

Purpose and link to strategy	Operation	Maximum opportunity	Performance conditions	Changes from previous Policy
<p><b>4a. Cash Bonus Award</b></p> <ul style="list-style-type: none"> <li>Rewards achievement of business KPIs, cash profits and employing sound risk and business management</li> </ul>	<ul style="list-style-type: none"> <li>Awards are made after the end of the financial year</li> <li>The maximum amount of an Executive Director's Total Variable Pay Award that can be paid as a Cash Bonus Award is 30%</li> <li>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</li> </ul>	<ul style="list-style-type: none"> <li>See details above in relation to the overall annual variable award</li> </ul>	<ul style="list-style-type: none"> <li>See details above in relation to the overall annual variable award</li> </ul>	<ul style="list-style-type: none"> <li>See details above in relation to the overall annual variable award</li> </ul>

Purpose and link to strategy	Operation	Maximum opportunity	Performance conditions	Changes from previous Policy
<p><b>4b. ICG PLC Equity Award</b></p> <ul style="list-style-type: none"> <li>Rewards achievement of business KPIs, cash profits and employing sound risk and business management</li> <li>Aligns the interests of Executive Directors with those of shareholders</li> </ul>	<ul style="list-style-type: none"> <li>Awards are made over shares in the Company after the end of the financial year</li> <li>At least 70% of an Executive Director's Total Variable Pay Award shall be delivered in ICG PLC Equity</li> <li>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</li> <li>In the event of a change in control (other than an internal reorganisation) shares vest in full</li> <li>Dividend equivalents accrue to participants during the vesting period and are paid at the vesting date</li> <li>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</li> </ul>	<ul style="list-style-type: none"> <li>See details above in relation to the overall annual variable award</li> </ul>	<ul style="list-style-type: none"> <li>See details above in relation to the overall annual variable award</li> </ul>	<ul style="list-style-type: none"> <li>See details above in relation to the overall annual variable award</li> </ul>
<p><b>5. Shareholding requirement</b></p> <ul style="list-style-type: none"> <li>To align the interests of the Group's Executive Directors with those of shareholders.</li> <li>To further enhance long-term alignment with shareholders, a post-cessation shareholding requirement has been introduced</li> </ul>	<ul style="list-style-type: none"> <li>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</li> <li>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</li> </ul>	<ul style="list-style-type: none"> <li>N/A</li> </ul>	<ul style="list-style-type: none"> <li>N/A</li> </ul>	<ul style="list-style-type: none"> <li>None</li> </ul>

**Directors' Remuneration policy table continued**

Purpose and link to strategy	Operation	Maximum opportunity	Performance conditions	Changes from previous Policy
<p><b>6. The Intermediate Capital Group PLC SAYE Plan 2014</b></p> <ul style="list-style-type: none"> <li>Provides an opportunity for all employees to participate in the success of the Group</li> </ul>	<ul style="list-style-type: none"> <li>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)</li> <li>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</li> </ul>	<ul style="list-style-type: none"> <li>Employees may save the maximum permitted by legislation each month</li> </ul>	<ul style="list-style-type: none"> <li>The Plan is not subject to any performance conditions, as this is not permitted by the relevant legislation</li> </ul>	<ul style="list-style-type: none"> <li>N/A</li> </ul>
<p><b>7. Fees paid to Non Executive Directors</b></p> <ul style="list-style-type: none"> <li>To facilitate the recruitment of Non Executive Directors who will oversee the development of strategy and monitor the Executive Directors' stewardship of the business</li> </ul>	<ul style="list-style-type: none"> <li>Fees are payable to Non Executive Directors for their services in positions upon the Board and various Committees</li> <li>Fees for the Board Chair are determined and reviewed annually by the Committee and fees for Non Executive Directors are determined by the Board Chair and the Executive Directors</li> <li>The Committee refers to objective research on up-to-date, relevant benchmark information for similar companies</li> <li>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</li> </ul>	<ul style="list-style-type: none"> <li>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</li> <li>Fees are set and reviewed in line with market rates. Supplementary fees may be paid to reflect additional time commitments required of Non Executive Directors. Aggregate annual fees do not exceed the limit set out in the Articles of Association</li> <li>Any benefits receivable by Non Executive Directors will be in line with market practice</li> </ul>	<ul style="list-style-type: none"> <li>None of the Non Executive Directors' remuneration is subject to performance conditions</li> </ul>	<ul style="list-style-type: none"> <li>N/A</li> </ul>

## 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 101).

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 103. 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
- the size of annual salary increases, subject to the principles set out in the Policy table. In exceptional circumstances, the Committee may apply salary increases that are different from those set out in the table.

## 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 2022	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 2022	Annual	12 months	Restraint period of 9 months	
Antje Hensel-Roth	16 April 2020	July 2022	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 base salary multiple 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 Board Chair 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 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.