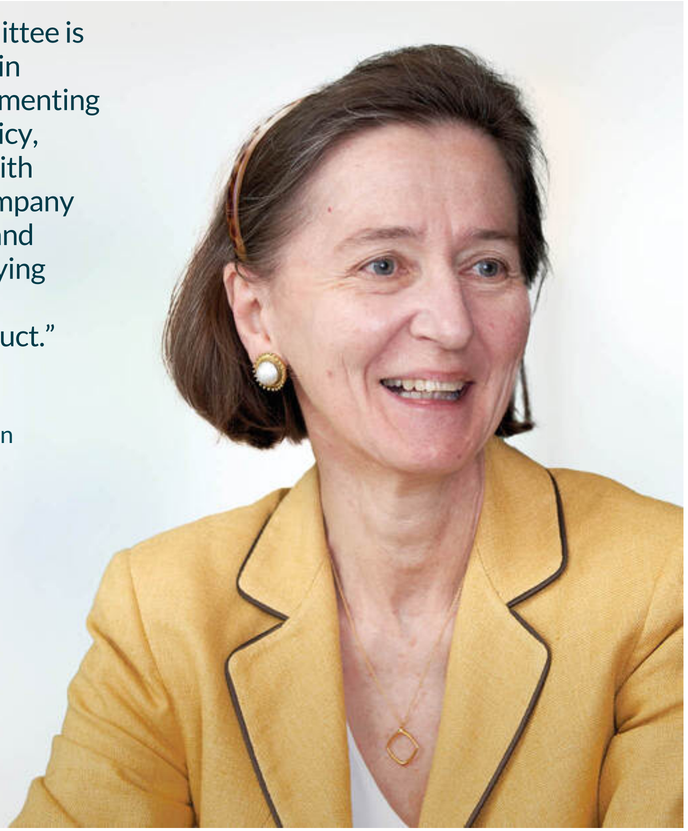
Driving performance and shareholder alignment



"The role of the Committee is to support the Board in developing and implementing the remuneration policy, ensuring alignment with shareholders and Company strategy, identifying and managing risk, complying with regulations and promoting good conduct."

Virginia Holmes
Chair of the Remuneration Committee

Dear shareholders

I am pleased to present the Committee's Report (the Report) for the year ended 31 March 2025.

The Report comprises three parts:

- This introductory statement, which explains the key decisions made by the Committee during, and in respect of, FY25;
- The Annual Report on Remuneration for FY25. This details the performance and remuneration outcomes, and the governance process. Together with my introductory statement and the 'at a glance section', it is subject to the usual advisory vote at the AGM; and
- The Directors' Remuneration Policy (the Policy) for the FY24 - FY26 period, which was approved at the July 2023 AGM.

Directors' Remuneration Policy and shareholder consultation

Having undertaken a thorough review of the Policy for the triennial vote at the AGM in July 2023 and consulted extensively with shareholders, our Directors' Remuneration Policy received very substantial backing with 90.06% of votes in favour.

Last year's Directors' Remuneration Report also received overwhelming support, with 97.19% 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.

Under the Policy, the CEO/CIO's base salary, which had not increased substantively over a six-year period, and as a result had become far removed from companies similar to ICG in scale and complexity, is being repositioned on a phased basis over three steps as follows: to £500k for FY24; to £615k for FY25 (FY24 and FY25 already implemented); and to £750k for FY26.

For the CFO role and CPEAO role, total variable pay maximum is expressed as a multiple of base salary which is the norm for other UK-listed companies. The multiples approved in the Policy were 4x base salary for the CFO role and 3.5x base salary for the CPEAO role.

For the CEO/CIO, the approved Policy retains the current variable pay maximum of £6m for the Policy period FY24-26, but transitions to express this as a multiple of base salary from the start of FY26 once the phased base salary increases, described above, have been completed. The planned increases will take the base salary to £750k for FY26. Therefore, the total variable pay maximum will be expressed as 8x base salary (i.e. £6m) for FY26.

Deferral levels remain at a minimum of 70% of total variable pay. Levels of pension allowance are set at 12.5% in line with the majority of the workforce.

We are continuing to monitor the effectiveness of the Policy in enabling ICG to compete effectively for talent and support the business strategy. We may need to reconsider the question of variable remuneration level for outstanding performance.

The policy will be reviewed during FY26 in preparation for the triennial vote at the AGM next year and our review will take into account market benchmarks within our sector.

Further details of our current Policy can be found on page 105.

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Remuneration Committee report continued

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 are designed to support the strategy of the business, with a clear emphasis on sustainable, profitable growth. The variable pay structure for Executive Directors, as approved in the Policy for the FY24-26 period, is simple, with a single performance scorecard containing clear financial and non-financial KPIs. The scorecard drives a single variable pay award of which at least 70% is deferred into ICG shares, vesting over a five-year period to promote long-term alignment. 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 'out-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 into account wider performance or other relevant factors.

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, which during this financial year was conducted in July, enables colleagues, on a confidential basis, to provide feedback on a full range of employment issues. 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 across various locations. 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: a focus on long-term performance and leadership

Our remuneration approach encourages and reflects sustained, long-term performance, which aligns our executives with 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').

The AAP is funded from 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.

Prior to setting targets for FY25, the Committee again completed a review of the quantitative KPIs and refined the deliverables for the qualitative KPIs to ensure both were appropriately stretching and linked to strategic priorities. 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.

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 scale and diversification, as well as leadership on Culture, Inclusion and Sustainability. They also reflect our position in the alternative investment industry as a leader in sustainable, inclusive business practices.

Each Executive Director has a target variable pay level and a maximum cap, the latter payable for outstanding performance only, relative to the annual targets set in the context of the evolution of the firm and its market environment. 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.

Remuneration Committee report continued

Business performance and remuneration for FY25

Against the backdrop of a complex and dynamic economic landscape and continuing geopolitical and economic uncertainty, we are proud that business performance in the year ended 31 March 2025 continues to be very strong. ICG raised a record $15.6bn annualised over three years in new funds, following one of the highest fundraising years in the history of the firm. The FMC (Fund Management Company) operating margin was above 60%, an exceptional result given the investments the Group continues to make in its platform as it delivers on its growth strategy. Despite the pressures on deployment and exits across our industry, in particular during the recent market, realised portfolio returns were 16%, strengthening our relationship with clients and laying the foundation for future fundraises.

We have a long-standing policy of awarding variable pay across the workforce of not more than 30% of PICP (pre-incentive cash profits), measured on a five-year rolling basis. The Committee determined that £154.3m should be awarded to eligible employees under the AAP for the year ended 31 March 2025, compared with £118.8m in the prior year. This is the result of continued strong individual and corporate performance and also takes into account an increase in bonus-eligible staff of 7.7% year-on-year. Awards are made in the form of cash bonuses, deferred ICG share awards and Deal Vintage Bonus (DVB) awards. DVB awards are a long-term incentive rewarding certain investment staff, excluding Executive Directors, for intra-year capital deployment.

The Committee has allocated 21.7% of PICP to the AAP on a five-year cumulative rolling percentage basis, which is 8.3 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 even out some of the potential volatility in remuneration, where appropriate, and this, as well as the use of our Business Growth Pool (BGP) for new investment strategies, provides capacity to continue to develop the business through market cycles.

In addition to the AAP, and in accordance with the Policy, the Committee allocated £2.6m to the BGP to fund incentive awards during the year for teams developing new investment strategies which have not yet completed a first fundraise. These include our Life Sciences and Asia-Pacific Infrastructure Equity strategies. This pool excludes Executive Directors. This year's BGP award compares with £8.7m awarded in the prior year, reflecting the successful fund closes of several teams during FY24 which, consequently, no longer form part of the BGP.

Executive Director variable remuneration for FY25

The total remuneration for the year for each Executive Director is shown in the table on page 98.

The variable pay awards are indicative of the exceptional and sustained performance across the Executive Director KPIs, as detailed comprehensively in this Report. The targets and out-performance levels for each KPI were established at a rigorous level, particularly within the challenging fundraising and investment environment of FY25. The KPIs were weighted with 65% on financial performance and 35% on non-financial criteria.

The total variable remuneration awards for each Executive Director reflect their strong performance against the financial and non-financial KPIs that were set. The Committee applied some adjustments taking account of individual contributions to the non-financial KPI outcomes. As a result, awards for the CEO/CIO and CPEAO were less than the formula-based calculations would have produced, whilst remaining appropriate for their high level of performance. Consequently, the Committee allocated total variable pay awards of £5,152,500, £2,301,000, and £1,590,313 respectively to the CEO/CIO, CFO, and CPEAO for FY25. These range between 86% and 96% of the maximum variable pay.

Executive Director salaries for FY26

Following a comprehensive competitive review, the salaries for the CFO and CPEAO have been adjusted from £600,000 to £625,000 and from £500,000 to £515,000, respectively. These adjustments are consistent with, or below, the average salary increases for the broader workforce. The CEO/CIO's salary has increased to £750,000 for FY26 in accordance with the approved policy, as explained earlier in this introduction.

Board changes

Amy Schioldager stepped down from the Board on 16 July 2024 and Sonia Baxendale joined the Board on 1 January 2025 as a member of both the Risk and the Audit Committees. Full details of the Board Chair and Non-Executive Director fee rates are included in the report.

NED and Board Chair fees

The Committee approved an increase to the Board Chair fee from £400k to £425k from FY26 taking into consideration benchmarking data of financial services companies with median market capitalisation broadly in line with ICG.

The Board has undertaken a review of the fees associated with NED roles. Following this evaluation, the Board has approved an increase in the base fee for NEDs from £76,500 to £80,000, and an increase in the committee participation fees from £14,000 to £17,000 from FY26. This decision is based on a thorough analysis of benchmarking data relevant to financial services companies comparable to ICG.

Total Shareholder Return (TSR)

ICG has continued to deliver exceptional TSR performance. For the ten years to 31 March 2025, TSR was 503% versus 83% for the FTSE All Share Index.

Conclusion

Our Policy provides a clear, simple and predictable remuneration model, which helps drive and sustain the achievement of our corporate strategy as well as a prudent approach to risk. The implementation of that Policy in FY25 demonstrates a clear link to the performance of the Company, and alignment to the interests of our shareholders.

I hope you will provide your support for the Directors' Remuneration Report for FY25. On behalf of the Remuneration Committee, I would like to thank all of our shareholders for their continued support.

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

Virginia Holmes
Chair of the Remuneration Committee

20 May 2025