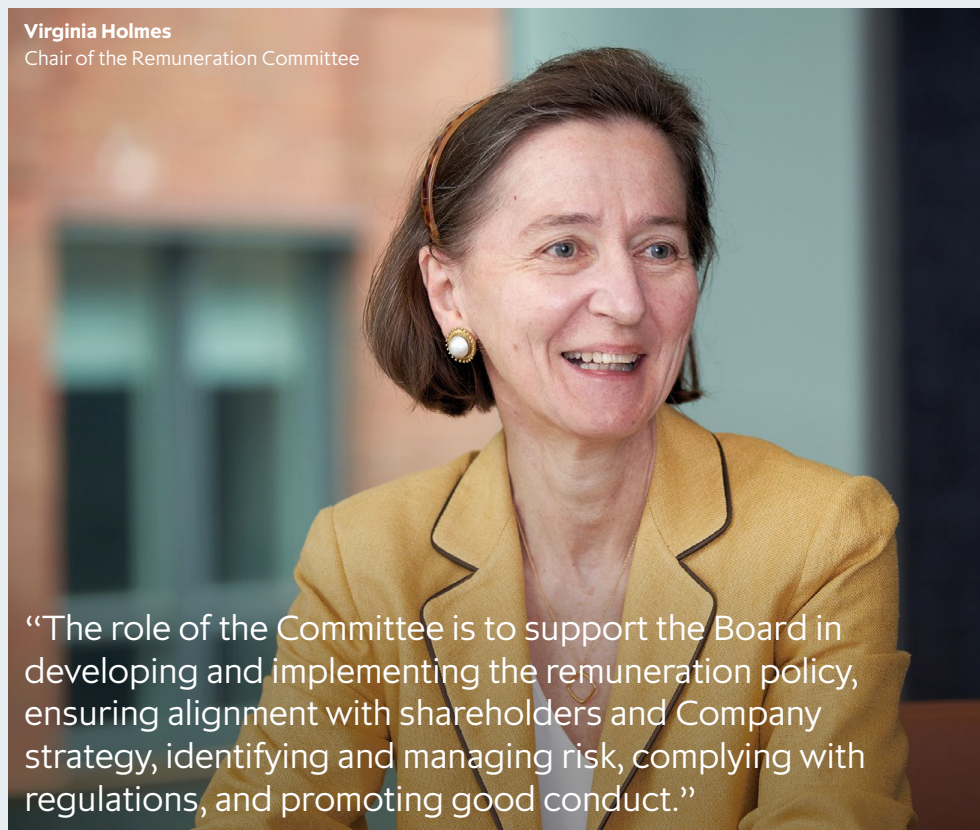


Remuneration Committee Report

DRIVING PERFORMANCE AND CONTINUED SUPPORT

Virginia Holmes
Chair of the Remuneration Committee



“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.”

Dear shareholders

I am pleased to present the Committee's Report (the Report) for the year ended 31 March 2024. The Report comprises three parts:

- This introductory statement, which explains the key decisions made by the Committee during, and in respect of, FY24;
- The Annual Report on Remuneration for FY24. 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 overwhelming backing with 90.06% of votes in favour. We are grateful to our shareholders and voting agencies for their time, consideration and valuable input.

Last year's Directors' Remuneration Report also received very substantial support, with 83.96% 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 newly implemented 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 (already implemented); to £615k for FY25; and to £750k for FY26. The Policy also re-positions the base salary for the CPEAO, recognising the breadth and impact of this role, in two steps as follows: to £467,500 for FY24 (already implemented) and to £500,000 in FY25.

For the CFO role and CPEAO role, total variable pay maximum is expressed as a multiple of base salary rather than a monetary amount; multiple of salary 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, which are in line with the effective multiple that applied for the CFOO and CPEAO roles when the Policy was last approved by shareholders in 2020. 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 is expressed as 8x base salary (i.e. £6m) for FY26.

Deferral levels remain unchanged 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 shall continue 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 in the future.

Further details of our Policy can be found on page 111.

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

Contents

95	Letter from the Committee Chair
98	Remuneration at a glance
100	Annual report on remuneration
110	Governance of remuneration
111	Directors' remuneration policy

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 '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.

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 FY24, 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 Diversity, Equity & 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 FY24

Against the backdrop of a complex and dynamic economic landscape and growing geopolitical and economic uncertainty, we are proud that business performance in the year ended 31 March 2024 continues to be very strong. ICG raised \$15.3bn annualised over three years in new funds – the second highest fundraising year in the history of the firm (and exceeding the three-year stretch KPI target by \$1.3bn). The FMC (Fund Management Company) operating margin was 57.4%, an excellent result especially given the investments the Group continues to make in its platform as it delivers on its growth strategy. And despite the pressures on deployment and exits across our industry, realised portfolio returns were 19.9%, strengthening our relationship with clients and laying the ground 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 £118.8m should be awarded to eligible employees under the AAP for the year ended 31 March 2024, compared with £110m 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 11.2% 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 22.6% of PICP to the AAP on a five-year cumulative rolling percentage basis, which is 7.4 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), 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 £8.64m to the BGP to fund incentive awards during the year for teams developing new investment strategies which have not yet completed a fundraise. These include our Life Sciences, Infrastructure Equity Asia-Pacific, Real Estate Equity in both Europe and Asia-Pacific, LP Secondaries and US Mid-Market strategies. This pool excludes Executive Directors. This year's BGP award compares with £10.9m awarded in the prior year.

Executive Director variable remuneration for FY24

The total remuneration for the year for each Executive Director is shown in the table on page 104.

The variable pay awards reflect the very strong and continued performance across the Executive Director KPIs, as detailed in full in this Report. The targets and stretch levels for each KPI were set at a demanding level – especially in the more challenging fundraising and investment environment of FY24.

Consequently, the Committee made variable pay awards of £5,856,000, £1,627,329¹ and £1,596,980 respectively, to the CEO/CIO, CFO and CPEAO this year.

80% of the CEO's variable pay award and 70% of the CFO'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, Vijay Bharadia stepped down from the Board and his role of CFOO at the July 2023 AGM. His 12-month notice period commenced on the date of the announcement (21 February 2023) and he received contractual payment in lieu of notice paid in monthly instalments for the remainder of his 12-month period. The remuneration delivered upon departure was fully detailed in the FY23 Directors' Remuneration Report and the figures detailed in this report are for the period served as Director during this financial year only. He did not receive a variable pay award in respect of his work in FY24.

David Bicarregui joined ICG as CFO-elect in April 2023 and was elected to the Board at the July 2023 AGM.

Kathryn Purves stepped down from the Board and her role of Risk Committee Chair on 1 April 2023, with Rosemary Leith appointed as Risk Committee Chair from that date. In addition, Rusty Nelligan stepped down from the Board on 31 March 2024 and Amy Schioldager will step down from the Board on 16 July 2024. Full details of the Board Chair and Non-Executive Director fee rates are included in the report.

NED fees

The Committee approved an increase to the Board Chair fee from £375k to £400k from FY25, noting no increase in the fee since appointment in January 2023 and taking into consideration benchmarking data of companies with median market capitalisation broadly in line with ICG.

The Board has considered fees for the other NED roles and approved an increase to the SID fee from £15.5k to £20k for FY25 based on relevant benchmarking data for companies similar to ICG.

Total Shareholder Return (TSR)

ICG has continued to deliver exceptional TSR performance. For the ten years to 31 March 2024, TSR was 640% versus 74% 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 FY24 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 FY24. On behalf of the Remuneration Committee, I would like to thank all of our shareholders for their continued support.

Virginia Holmes

Chair of the Remuneration Committee

27 May 2024

1. The variable compensation reported for the CFO is for the period of the FY24 year subsequent to the CFO's election to the Board at the July 2023 AGM. The variable compensation for the period prior to this election was earned on the same basis and same deferral arrangements as a Board Director.