Report of the Remuneration Committee

Dear shareholder,

I am pleased to present the Report of the Remuneration Committee (the Committee) for the year ended 31 December 2020. This report sets out details of the remuneration framework for executive and non-executive Directors, describes how the remuneration policy was implemented in the year ended 31 December 2020, and explains how it will be implemented for the 2021 financial year subject to approval of our policy by shareholders.

Composition

The Committee membership is set out in the table below which also details attendance and tenure. All Directors bring significant professional expertise to their roles on this Committee as set out in their professional biographies on pages 68 and 69.

Member	A	B	Tenure
B. O' Kelly (Chair)	3	3	8 years
J. Sheehan	3	3	7 years
C. Duffy	3	3	4 years

Column A: the number of scheduled meetings held during the year where the Director was a member of the Committee.

Column B: the number of scheduled meetings attended during the year where the Director was a member of the Committee.

The Committee met three times during the period with follow up contacts between meetings. The Chairman provided an update to the Board on key matters discussed.

Role and Responsibilities

The role, responsibilities and duties of the Committee are set out in written terms of reference which are reviewed annually. The terms of reference are available on the Group's website *www.icg.ie*.

The Committee's duties are to establish a remuneration framework that;

- Will attract, motivate and retain high calibre individuals;
- Will reward individuals appropriately according to their level of responsibility and performance;
- Will motivate individuals to perform in the best interest of the shareholders; and
- Will not encourage individuals to take risks in excess of the Company's risk appetite.

Against this framework the Committee approves remuneration levels and awards based on an individual's contribution to the Company against the background of underlying Company financial performance having regard to comparable companies in both size and complexity.

As the Company is subject to Company Law as enacted in Ireland, it is not required to seek shareholder approval for its Remuneration Report. However, the Company will be submitting this report to shareholders as an advisory resolution at the 2021 AGM.

The Shareholders' Rights Directive 2017/828 (SRD II Directive) was transposed into Irish law by the European Union (Shareholders' Rights) Regulations 2020 (Regulations). In compliance with SRD II, the Company will also submit a Remuneration Policy to shareholders at the 2021 AGM by way of an advisory resolution.

Remuneration Philosophy

The Committee ensures that the remuneration structures and levels are set to attract and retain high calibre individuals necessary at executive Director and senior manager level and to motivate them to deliver strategy in the interests of our shareholders and wider stakeholders. As set out throughout this report, we believe an approach to remuneration that is grounded in pay for performance with a heavy reliance on long-term remuneration delivered in equity is the most effective way of achieving our aims.

2020 Background and Performance Outcomes

As reported in this Annual Report, 2020 was a challenging year for the Group. The restrictions placed on travel due to the Covid-19 pandemic negatively affected Group profit performance notwithstanding that RoRo freight operations grew in the year and the Container and Terminal Division maintained its profitability. This resulted in difficult decisions for the Committee in attempting to balance the motivational aspects of the remuneration framework with the alignment aspects to shareholder interests.

Annual Performance Award

As a result of the impact of Covid-19 and the associated restrictions on travel, there were no pay-outs under either the Chief Executive's (CEO) legacy arrangement or the regular annual bonus plan for the Chief Financial Officer (CFO). During the past year, both the CEO and CFO have placed a relentless focus on protecting the business and ensuring we are in a position to ramp up activity as soon as it is safe to do so.

The Committee was firmly aware of the difficult trading environment encountered by the Group during 2020 related to the spread of Covid-19 and the subsequent restrictions limiting passenger travel to essential purposes only. While acknowledging the tremendous efforts by all employees in keeping the Group's essential services operating in this difficult environment, the Committee was cognisant of the effect of reduced trading on the financial outcome of the Group. With performance continuing to be affected by passenger travel restrictions continuing into early 2021, noting that dividends had been suspended and the overall stakeholder experience, the Committee considered that it would not be appropriate for any annual performance award to be made based on 2020 performance. As no annual performance awards were made, no restricted shares were awarded.

Performance Share Plan

In relation to the awards granted in March 2018, the Committee has reviewed performance against the four measures employed under the Performance Share Plan (PSP), earnings per share (EPS), return on average capital employed (ROACE), free cash flow (FCF) ratio and relative total shareholder return (TSR). The portion based on EPS and TSR measures lapsed in full, with ROACE performance at 34 per cent of maximum for that portion. The FCF ratio measure vested in full, representing strong performance over the three-year period. The total vesting level for the 2018 awards was 34 per cent of maximum. As a Committee, we are satisfied that the vesting level accurately reflects company performance over the period. Full details of vesting are set out on pages 97 and 98.

Review of The Remuneration Policy During 2020

Following the transposition of the Shareholders' Rights Directive 2017/828 (SRD II Directive) into Irish law, the Company is now required to submit a Remuneration Policy for consideration by shareholders at least every four years. For the first time, the Company will submit a remuneration policy for an advisory vote at the 2021 AGM. While we have not proposed a formal policy previously, in 2017, we adopted a revised remuneration framework in line with the approval of our PSP. The review during the past fiscal year was against that framework.

In framing this policy and in line with our general approach to remuneration, the Committee has been guided by the view that any remuneration framework should seek to create a strong and demonstrable link to longer term Company performance and alignment with shareholder interests through growth in equity value. To achieve this the Committee seeks to set base salaries at median market levels and structure performance awards in a manner that encourages individuals to acquire and retain significant long-term shareholdings relative to base salary. We are firm in our conviction that such remuneration structures are the most effective means of unlocking the benefits of variable remuneration, including alignment with shareholders and driving a truly long-term orientation among management, while protecting against the potential for excessive risk taking or a focus on short-term performance at the cost of driving sustainable long-term growth for shareholders.

Report of the Remuneration Committee

Continued

Review of The Remuneration Policy During 2020 – continued

The Committee acknowledges that full implementation may in certain instances be constrained by pre-existing contractual arrangements. Notwithstanding the Committee remained satisfied that it continues to be appropriate to the business needs and strategy of the Group. In particular, the Committee notes the promotion of strong alignment with shareholders through requirements of minimum shareholdings, a requirement to invest 50 per cent of annual performance awards into Company equity with a five-year holding requirement and the overall eight-year alignment period for any awards granted under the longer term PSP.

These elements are further supported by clawback provisions. This is consistent with the Group's ongoing investment in long life assets. The Committee also reviewed the movements in remuneration levels against longer term performance and total remuneration amounts against market levels generally.

The Committee is satisfied that the remuneration framework meets the requirements of the UK Corporate Governance Code (2018) and the spirit of the guidelines issued by various investment associations and large institutional investors. In particular, the following key guidance from the Financial Reporting Council was consistently taken into account by the Committee;

- clarity – remuneration arrangements should be transparent and promote effective engagement with shareholders and the workforce;
- simplicity – remuneration structures should avoid complexity and their rationale and operation should be easy to understand;
- risk – remuneration arrangements should ensure reputational and other risks from excessive rewards, and behavioural risks that can arise from target-based incentive plans, are identified and mitigated;
- predictability – the range of possible values of rewards to individual Directors and any other limits or discretions should be identified and explained at the time of approving the policy;
- proportionality – the link between individual awards, the delivery of strategy and the long-term performance of the Company should be clear. Outcomes should not reward poor performance; and
- alignment to culture – incentive schemes should drive behaviours consistent with Company purpose, values and strategy.

As a Committee, we are satisfied we have met the principles of the Code set out above while designing a policy that reflects our overarching aims of driving a sense of ownership among executive Directors as the most effective means of delivering long-term value for stakeholders. We believe that by ensuring at least 50 per cent of variable remuneration (and often more) is delivered in equity with a five-year time horizon speaks to that aim and goes well beyond the market practice of our UK and Irish peers.

Shareholder Engagement

At the 2020 AGM, we note that a minority of shareholders have raised concerns around certain aspects of the implementation of our remuneration policy. We have engaged with these shareholders explaining our approach and setting out what we believe to be mitigating practices where they consider the Company not to be aligned with voting guidelines or the evolution of their expectations. The Committee emphasises that the cornerstone of the ICG framework is to create strong alignment within the senior management team with shareholder interests. In this regard, the Company has some of the most stringent investment and holding requirements among listed companies.

The Committee is also satisfied that The Remuneration Policy being submitted to the 2021 AGM provides for a remuneration framework that avoids complexity, encourages acceptable risk taking and is aligned to long term Company performance and culture.

The Company had included disclosures in the 2019 Annual Report and engaged extensively with its major shareholders in advance of the 2020 AGM dealing with the two principal concerns raised being (i) CEO Performance Pay and (ii) CFO salary increase. In relation to the principal concerns of shareholders raised through the 2020 engagement process the Committee sets out its considerations below:

CEO performance pay
A number of shareholders raised the non-disclosure of metrics around the CEO performance pay. The Committee has considered this and for contractual reasons does not disclose the exact calculation methodology. The Committee remains satisfied that the outcomes reflect Group performance over the longer term. The Committee is of the view that remuneration should be aligned with the business needs and strategy of the Group.

The Committee recognises that shareholder expectations around bonus target disclosure have grown significantly and note that in general the reliance on commercial sensitivity is no longer deemed sufficient in the eyes of a number of institutions. While the Committee notes this evolution, after significant deliberations, it remains of the opinion that the disclosure of the annual EPS performance conditions would be potentially detrimental to the business and has determined that it will not be disclosed for the past year. As part of its deliberations, the Committee was conscious of the market in which the business operates, with major competitors not publicly listed and thus not subject to the same level of scrutiny on bonus disclosure targets.

In terms of quantum, the Committee notes that no bonuses were paid during the past fiscal year, which points to the underlying pay-for-performance nature of the CEO's legacy contractual arrangement and the alignment with EPS – whether positive or negative. As a reference point, the Committee has also reviewed benchmarking data and satisfied itself that the total overall remuneration of the CEO is not out of alignment with market norms through comparison with CEO remuneration of ISEQ 20 and FTSE 250 companies. The Committee also noted last year that the CEO three-year average single figure remuneration was ahead of the FTSE 250 median but below the upper quartile. The Committee notes that the CEO single figure remuneration for 2020 is 69 per cent less than the 2019 figure principally as a result of no annual performance award. While certain aspects of the Company's approach to incentivising and rewarding executives is bespoke compared to other Irish and UK peers, it has been designed to align with the values of the business; and, in an effort to drive truly meaningful alignment through a market-leading focus on equity and long-termism.

Based on the above, the Committee remains satisfied the overall remuneration outcomes for the CEO and shareholder alignment are consistent with the remuneration framework objectives.

CFO rate of salary increase
A number of shareholders also raised a concern regarding the progressive increase in the CFO's salary since his appointment to that position in 2016 as not being consistent with increases awarded generally. The Committee has previously noted that Mr. Ledwidge's salary was set at a level commensurate with his experience with the Group on appointment with the expectation that subject to individual and Group performance that this level of salary will rise progressively over a number of years to comparable levels in the market for similar roles.

The Committee conducted a rigorous assessment of Mr. Ledwidge's performance since 2016 at the end of 2019 and deemed it to have exceeded expectations. The progressive increases from an initial salary on appointment to the Board of €160,000 to €318,000, effective 1 January 2020, reflected his establishment in the role and the strength of his performance. No salary increase has been awarded in respect of 2021 consistent with increases generally across the Group. Notwithstanding these increases, the Committee notes that the current salary level remains at the lower quartile levels of FTSE 250 and ISEQ 20 companies. Recognising that shareholders raised concerns around the level of increase, as opposed to the revised salary level, the Committee is satisfied that the approach taken was in line with good governance, with salary set in the lower decile on appointment.

Report of the Remuneration Committee

Continued

Implementation of the Policy in 2021

During 2021, there will not be substantive changes to our approach to incentivising and rewarding employees. The framework set out below will operate for the executive Directors:

Annual Bonus Plan
For the CEO, any bonus in 2021 will continue to be based on an EPS-based formula, in combination with Committee discretion to reflect wider circumstances.

For the CFO, and in light of feedback from shareholders, the Committee has put in place certain pillars for 2021 to replace the purely discretionary approach previously employed. The CFO's bonus will be based on performance in the following financial and non-financial areas:

- Financial measures include profitability, cash generation and balance sheet strength.
- Personal objectives include a range of non-financial targets including ESG issues.

In the event of any pay-out under the annual bonus scheme, at least half of awards will be subject to investment in equity with a holding period in excess of five years. The Committee remains satisfied that these arrangements remain the most stringent in the Irish market.

Performance Share Plan
The past 12 to 18 months has tested all companies' ability to set targets under long-term incentive schemes, which remain a core part of our incentive framework. Having conducted a rigorous review of the performance conditions under the PSP, for the 2021 grants, the Committee determined that the retention of the existing metrics evenly weighted remained appropriate. The Committee considered the negative diluted adjusted earnings per share reported in the 2020 Financial Statements and acknowledging the uncertainties around the lifting of Covid-19 travel restrictions set the EPSd growth target from a base of 0.1 cent. The targets for the measures remain unchanged from previous years, and reflect the Committee's evaluation of internal modelling and external forecasts:

	Vesting Threshold	
	Minimum	Maximum
EPSd growth	5%	12%
ROACE	13%	20%
FCFR	100%	130%
TSR	Median	Top Quartile

Directors' Remuneration Policy for Future Years

In accordance with the SRD II Directive transposed into Irish law by the European Union (Shareholders' Rights) Regulations 2020 (Regulations), ICG will submit its remuneration policy to a vote of shareholders at the 2021 AGM. In accordance with SRD II the shareholder vote will be advisory. Details of The Remuneration Policy will be included with the AGM circular.

Remuneration Outcomes for Executive Directors in 2020

Total Directors' single figure remuneration for the year was €1,586,000 compared with €3,686,000 in 2019 and details are set in the table below:

	Base salary	Performance pay: Restricted shares	Performance pay: Cash	Benefits	Pension	Options / PSP[1/2]	Fees	Total 2020
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Executive Directors								
E. Rothwell	580	-	-	35	-	241	-	**856**
D. Ledwidge	318	-	-	22	43	72	-	**455**
Total for executives	**898**	**-**	**-**	**57**	**43**	**313**	**-**	**1,311**
Non-executive Directors								
J. B. McGuckian	-	-	-	-	-	-	125	**125**
C. Duffy	-	-	-	-	-	-	50	**50**
B. O'Kelly	-	-	-	-	-	-	50	**50**
J. Sheehan	-	-	-	-	-	-	50	**50**
Total for non-executives	**-**	**-**	**-**	**-**	**-**	**-**	**275**	**275**
Total	**898**	**-**	**-**	**57**	**43**	**313**	**275**	**1,586**

1 34 per cent of the options granted on 9 March 2018 under the PSP are expected to vest during 2021 based on performance to 31 December 2020, subject to continued employment up to the vesting date.

2 The value of any options vesting will be based on the actual share price at date of vesting. For the purposes of the above disclosure, the value of an option has been based on the difference between the option subscription price and the average closing price of an ICG Unit between 1 October and 31 December 2020.

Details of Directors' remuneration for the year ended 31 December 2019 are set out below:

	Base salary	Performance Pay: Restricted shares	Performance Pay: Cash	Benefits	Pension	Options / PSP[1]	Fees	Total 2019
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Executive Directors								
E. Rothwell	566	1,558	-	35	-	593	-	2,752
D. Ledwidge	254	76	90	22	36	181	-	659
Total for executives	**820**	**1,634**	**90**	**57**	**36**	**774**	**-**	**3,411**
Non-executive Directors								
J. B. McGuckian	-	-	-	-	-	-	125	**125**
C. Duffy	-	-	-	-	-	-	50	**50**
B. O'Kelly	-	-	-	-	-	-	50	**50**
J. Sheehan	-	-	-	-	-	-	50	**50**
Total for non-executives	**-**	**-**	**-**	**-**	**-**	**-**	**275**	**275**
Total	**820**	**1,634**	**90**	**57**	**36**	**774**	**275**	**3,686**

1 The value of options which vested during 2020 based on financial performance to 31 December 2019 reported in the prior year based on the average closing price of an ICG Unit between 1 October 2019 and 31 December 2019 has been restated based on the actual closing price on the vesting date. The restatement amounted to a reduction in the previously reported benefit of €305,000 in respect of Eamonn Rothwell and €84,000 in respect of David Ledwidge.

Report of the Remuneration Committee

Continued

Remuneration Outcomes for Executive Directors in 2020 – continued

The information above forms an integral part of the audited Consolidated Financial Statements as described in the Basis of Preparation on page 128.

Base Salary

Eamonn Rothwell, CEO, was awarded an increase in base salary of 2.5% for 2020 over his 2019 base salary. This was in line with the base salary increase awarded to all employees who are not accruing benefits under any of the Group's defined benefit pension schemes. In terms of a wider comparator group the Committee noted that the CEO pay level was below median base salaries of FTSE 250 constituent companies.

David Ledwidge, CFO, was appointed to the Board on 3 March 2016. His salary at that date was set at a level commensurate with his experience with the Group, with the expectation that subject to individual and Group performance that this level of salary will rise progressively over a number of years to comparable levels in the market for similar roles. Against these considerations, the Committee awarded David a 25 per cent increase in annualised base salary for 2020 to more closely reflect market levels.

The adjustments to salary for all employees were effective from 1 January 2020.

Director's Pension Benefits

The aggregate pension benefits attributable to the executive Directors at 31 December 2020 are set out below:

	E. Rothwell	D. Ledwidge	Total 2020	Total 2019
	€'000	€'000	€'000	€'000
Increase in accumulated accrued annual benefits (excluding inflation) in the period	-	1	1	1
Transfer value of the increase in accumulated accrued benefits (excluding inflation) at year end*	-	4	4	4
Accumulated accrued annual benefits on leaving service at year end	-	17	17	16

* Note: Calculated in accordance with actuarial guidance note GNII.

There were no pension benefits attributable to Eamonn Rothwell as he has reached normal retirement age and pension benefits have vested.

With regard to David Ledwidge, costs in relation to defined benefit pension arrangements were €20,000 (2019: €20,000) with a further €23,000 (2019: €16,000) related to the defined contribution pension arrangements.

The Company also provides lump sum death in service benefits and the premiums paid during the year amounted to €6,000 and €1,000 in relation to Eamonn Rothwell and David Ledwidge respectively.

Performance Related Pay

Eamonn Rothwell
Eamonn Rothwell has been with ICG since its inception as a public company and flotation in 1988. A legacy contractual arrangement governs Mr. Rothwell's performance related pay.

The CEO annual bonus performance award is predominantly driven by a formula based on basic EPS growth which incorporates an adjustment for share buybacks. The Committee also retain discretion to make adjustments for any non-cash non-trading items. The Company believes that EPS is consistent and transparent and EPS growth drives long-term value creation for all stakeholders. EPS is the key performance indicator by which the Board assesses the overall performance of the Company and, as such, the Committee deems it an appropriate incentive for the Company's most senior employee.

The Committee reassessed the CEO performance arrangements and in its view the arrangements remain the most effective means of driving performance and aligning the interests of the CEO and shareholders.

The Committee considered the performance of Mr. Rothwell and the significant effort expended in managing and protecting the Group's businesses throughout the government imposed Covid-19 travel restrictions. Noting the long standing legacy arrangement regarding his annual performance award, and to ensure consistent application, the Committee did not consider it appropriate to exercise discretion to adjust formulaic outcome. The Committee considered zero payout as reflective of overall Company performance and stakeholder experience in the period.

David Ledwidge
David Ledwidge was appointed executive Director in 2016. The Committee assessed Mr. Ledwidge's performance in his role over the period and concluded that Mr. Ledwidge was performing in line with expectations and contributing positively to the longer term development of the Group. The Committee acknowledged Mr. Ledwidge's significant effort during the year in managing the Group's finances against the difficult trading environment together with the completion of the significant pensioner buyout transaction. While noting the above and that Mr. Ledwidge's annual performance arrangements for 2020 remained discretionary, the Committee decided that it would not be appropriate to grant a performance award in light of the 2020 financial results.

Restricted Shares
As no annual performance awards were made relating to the year ended 2020, no restricted shares were awarded.

Long Term Incentive

(i) Grants during 2020
The long term incentive scheme applicable for the 2020 financial year was the PSP approved by shareholders on 17 May 2017. The Committee had suspended future awards under the legacy 2009 Share Option Plan which remains in place to facilitate the administration of previously granted options.

On 6 March 2020 the Committee granted options over 1,120,500 ICG Units to employees of the Group. These included an annual award of options granted to Mr. Rothwell and Mr. Ledwidge in line with the annual limits set out in the PSP rules being 200 per cent and 150 per cent of salary respectively. The total number of options granted to Mr. Rothwell and Mr. Ledwidge based on a share price of €3.90 were 297,000 and 122,000 respectively.

Vesting of these awards are based on the achievement of the following performance conditions over a three-year vesting period;

- Adjusted Diluted Earnings per Share (EPSd)
- Return on Average Capital Employed (ROACE)
- Free Cash Flow Ratio (FCFR)
- Total Shareholder Return (TSR)

Report of the Remuneration Committee

Continued

Remuneration Outcomes for Executive Directors in 2020 – continued

Performance Related Pay – continued

Each condition is equally weighted and in all cases 30 per cent vests at threshold performance and 100 per cent vests at maximum with pro-rata vesting between these two levels.

The performance levels were calibrated as follows;

	Vesting Threshold	
	Minimum	Maximum
EPSd	5%	12%
ROACE	13%	20%
FCFR	100%	130%
TSR	Median	Top Quartile

The TSR is measured against a combination of the performance of the FTSE 250 index and a grouping of peer companies comprising DFDS, Tallink Grupp, Viking Line, Air-France KLM, Ryanair, EasyJet, Getlink, Origin Enterprises, Dalata Hotel Group and C&C Group.

The Committee notes the timing of grant of awards in the first quarter of 2020 and the perception that participants may benefit from 'windfall gains' where awards were made of a value which may have been impacted by external factors – in this case the Covid-19 pandemic. While there was some recognition of an emerging risk in regions of the world at the time of grant, awards were made in line with the normal cycle and in an environment where the scale and depth of the government imposed lockdowns was largely unknown. PSP awards granted were calculated based on a share price of €3.90, the closing share price on the day preceding the award date.

(ii) Options Vested during 2020

As reported in last year's report the Committee determined based on performance up to 31 December 2019; (i) the full vesting of second tier options granted on 5 March 2015 under the legacy Share Option Plan at an exercise price of €3.58, vesting in total 905,000 options and (ii) the vesting of the options granted under the PSP on 23 May 2017 at an exercise price of €0.065 at a vesting rate of 44 per cent, vesting 460,424 options in total.

Mr. Rothwell held 350,000 of the options vested under the legacy scheme and held 130,385 of the PSP vested options. Share option remuneration of €898,000 based on the market price at the vesting date has been disclosed in the 2019 remuneration table (adjusting the €593,000 previously disclosed last year which was estimated based on year end 2019 share prices). Under the rules of the PSP, the 130,385 PSP options which vested were exercised and are subject to retention in trust for a period of five years.

Mr. Ledwidge held 75,000 of the options vested under the legacy scheme and 44,500 of the PSP vested options. Share option remuneration of €181,000 based on the market price at the vesting date has been disclosed in the 2019 remuneration table (adjusting the €265,000 previously disclosed last year which was estimated based on year end 2019 prices). Under the rules of the PSP, the 44,500 PSP options which vested were exercised and 39,605 are subject to retention in trust for a period of five years.

The share price at date of vesting was €4.39 for the legacy options and €3.30 for the PSP options.

(iii) Options expected to vest during 2021 based on performance to 31 December 2020

The Committee has considered the performance conditions attaching to the options granted under the PSP on 9 March 2018 which are tested against Group performance up to 31 December 2020. The 2020 outcomes have been adjusted for the effects of the application of IFRS 16 Leases so that the diluted earnings per share, return on average capital employed and free cash flow ratio metrics are comparable over the performance period. The table below shows the expected vesting on each metric.

Performance Condition	Weighting	Threshold	Maximum	Actual	Outcome
Diluted adjusted earnings per share	25%	33.3c	40.5c	(4.3)c	0% out of 25%
Return on average capital employed	25%	13%	20%	13.5%	9% out of 25%
Free cash flow ratio	25%	100%	130%	161.9%	25% out of 25%
Total shareholder return	25%	(17.6)%	5.8%	(27.9)%	0% out of 25%

30 per cent vesting occurs at threshold performance increasing pro-rata up to the maximum vesting threshold. Vesting will be conditional on the continued employment of the option holders at the vesting date in 2021. At 31 December 2020 there were 651,640 outstanding options granted on 9 March 2018, including 189,000 and 56,500 options in favour of Mr. Rothwell and Mr. Ledwidge respectively of which 64,260 and 19,210 are expected to vest during 2021 under the above performance outturns.

The gross value of those options expected to vest in favour of the executive Directors based on performance to 31 December 2020 has been included in the total Director remuneration table for year ended 31 December 2020, based on an estimated share price of €3.82, being the average closing price of an ICG Unit between 1 October 2020 and 31 December 2020.

(iv) Options Held

Details of movements in share options granted to Directors under the Performance Share Plan and the legacy Share Option Plan are set out in the table below:

Option Type	Date of Grant	31-Dec-19	Granted	Vested	Exercised	Lapsed	31-Dec-20	Option Price (€)	Earliest Vesting Date	Latest Expiry Date
E. Rothwell										
Unvested										
Second Tier Share Option	5-Mar-15	350,000	-	(350,000)	-	-	-	-	-	-
Performance Share Plan	23-May-17	293,000	-	-	(130,385)	162,615	-	-	-	-
Performance Share Plan [1]	9-Mar-18	189,000	-	-	-	-	189,000	0.065	9-Mar-21	-
Performance Share Plan [2]	5-Mar-19	226,000	-	-	-	-	226,000	0.065	5-Mar-22	-
Performance Share Plan [2]	6-Mar-20	-	297,000	-	-	-	297,000	0.065	6-Mar-23	-
Vested but not yet exercised	5-Mar-19	350,000	-	350,000	-	-	700,000	3.58	-	4-Mar-25
		1,408,000	**297,000**	**-**	**(130,385)**	**(162,615)**	**1,412,000**			

Report of the Remuneration Committee

Continued

Remuneration Outcomes for Executive Directors in 2020 – continued

Option Type	Date of Grant	31-Dec-19	Granted	Vested	Exercised	Lapsed	31-Dec-20	Option Price (€)	Earliest Vesting Date	Latest Expiry Date
D. Ledwidge										
Unvested										
Second Tier Share Option	5-Mar-15	75,000	-	(75,000)	-	-	-	-	-	-
Performance Share Plan	23-May-17	100,000	-	-	(44,500)	(55,500)	-	-	-	-
Performance Share Plan[1]	9-Mar-18	56,500	-	-	-	-	56,500	0.065	9-Mar-21	-
Performance Share Plan [2]	05-Mar-19	76,000	-	-	-	-	76,000	0.065	5-Mar-22	-
Performance Share Plan [2]	6-Mar-20	-	122,000	-	-	-	122,000	0.065	6-Mar-23	-
Vested but not yet exercised	5-Mar-15	75,000	-	75,000	-	-	150,000	3.58	-	4-Mar-25
		382,500	**122,000**	-	**(44,500)**	**(55,500)**	**404,500**			

1 These options are expected to vest during 2021 at a vesting rate of 34 per cent based on performance to 31 December 2020 and the gross value has been included in the Director remuneration schedule. The delivered shares less any permitted sales to discharge tax liabilities, will be held in trust for a period of five years from the exercise date.

2 These options will vest and become exercisable three years from the third anniversary of grant in accordance with achievement of the performance conditions set out in the remuneration framework table. These options will normally have to be exercised on or shortly after the vesting date and the delivered shares, less any permitted sales to discharge tax liabilities, held in trust for a period of five years from the exercise date.

Other Matters

Minimum Shareholding Requirements

The Company encourages individuals to acquire and retain significant shareholdings to align interests of management with those of shareholders. The Company has a minimum shareholding requirement for executive Directors and members of the Executive Management Team to hold shares to a market value of three times base salary within five years of date of appointment. The market value inherent in vested options and any shares held under the Company's restricted share arrangements will count towards determining an individual's holdings.

The market value of the holdings of executive Directors and executive management at 31 December 2020 as a multiple of salary at that date are shown in the following table:

	Salary multiple held
Eamonn Rothwell	233.3 times
David Ledwidge	2.3 times
Other executive management	6.6 times

The Committee noted that Mr. Ledwidge will have served five years as an executive Director in March 2021. Given that no annual performance awards were made in respect of the year ended 31 December 2020, the period allowed for Mr. Ledwidge to attain the minimum holding requirement has been extended by one year.

Non–Executive Directors

Non-executive Directors receive a fee which is set by the Committee and approved by the Board. They do not participate in any of the Company's performance award plans or pension schemes. As part of the overall review of remuneration structures the Committee recommended the fee payable to the Board Chairman to be the same as the prior year at €125,000 per annum and other non-executive Directors at €50,000. The fee levels are considered in line with the market norm generally and reflective of the levels of commitment expected from persons holding non-executive directorship positions.

Non-executive Directors do not have notice periods and the Company has no obligation to pay compensation when their appointment ceases. The letters of appointment are available for inspection at the Company's registered office during normal business hours and at the AGM.

Director's Service contracts
Non-executive Directors have been appointed under letters of appointment for periods of three years subject to annual re-election at the AGM.

In respect of Mr. Eamonn Rothwell, CEO, there is an agreement between the Company and Mr. Rothwell that, for management retention reasons, in the event of a change in control of the Company (where over 50 per cent of the Company is acquired by a party or parties acting in concert, excluding Mr. Rothwell) he will have the right to extend his notice period to two years or to receive remuneration in lieu thereof.

This amendment to Mr. Rothwell's contract of employment was agreed by the Remuneration Committee a number of years ago to retain and motivate the CEO during a series of attempted corporate takeover actions.

The letters of appointment for other executive Directors do not provide for any compensation for loss of office other than for payments in lieu of notice and, except as may be required under Irish law, the maximum amount payable upon termination is limited to 12 months equivalent.

On termination, outstanding options may at the absolute discretion of the Committee, be retained by the departing individual in accordance with the good leaver / bad leaver provisions of the relevant plan. Any shares delivered to an individual which are subject to a retention period will remain unavailable to the individual until the end of the retention period and where applicable will be subject to clawback under the provisions of the Clawback Policy.

Share Option Schemes
There were no long-term incentive plans in place during the year other than the Group's 2009 share option plans (suspended as regards new grants) and the PSP.

The purpose of the share option plans is to encourage identification of option holders with shareholders' longer term interests. Under the plans, options have been granted both to Directors and to employees of the Group. The options were granted by the Committee on a discretionary basis, based on the employees expected contribution to the Group in the future. Non-executive Directors are not eligible to participate in the plan.

In the ten year period ended 31 December 2020, the total number of options granted, net of options lapsed amounted to 4.1% of the issued share capital of the Company at 31 December 2020.

A charge is recognised in the Consolidated Income Statement in respect of share options issued to executive Directors. The charge in respect of executive Directors for the financial year ended 31 December 2020 is €715,000 (2019: €901,000).

Clawback Policy
The Committee recognises that there could potentially be circumstances in which performance related pay (either annual bonuses, and / or longer term incentive awards) is paid based on misstated results or inappropriate conduct resulting in material damage to the Company. Whilst the Company has robust management and internal controls in place to minimise any such risk, the Committee has in place formal clawback arrangements for the protection of the Company and its investors. The clawback of performance related pay comprising the annual bonus and PSP awards would apply in certain circumstances including;

- a material misstatement of the Company's financial results;
- a material breach of an executive's contract of employment;
- any wilful misconduct, recklessness, and / or fraud resulting in serious injury to the financial condition or business reputation of the Company.

For executive Directors and members of the Executive Management Team a minimum of 50 per cent of the annual bonus will be invested in ICG equity which must be held for a period of five years, which will be subject to clawback for a period of two years per the circumstances noted above. Any awards granted under the PSP will be subject to clawback during the vesting period and any shares delivered on vesting will be subject to clawback for an initial two year period per the circumstances noted above.

Report of the Remuneration Committee

Continued

Remuneration Outcomes for Executive Directors in 2020 – continued

Other matters – continued

Post-employment holdings

The Committee, in designing its performance pay initiatives, as explained below, has ensured that executive Directors and senior managers retain an appropriate level of shareholding post-employment. For the past eight years, the Company has had a structure in place under which all equity awarded to executives (either under the annual bonus plan or PSP) is placed in a trust for a period of five years. Executives are restricted from disposing of those shares during this five year period even in circumstances where they are no longer in the employment of the Company. This ensures strong alignment with investors and other stakeholders' post-employment and ensures that departing executives retain an interest in the business for a significant period after leaving the Company.

Consequently, under the annual bonus scheme a minimum of 50 per cent of an annual award must be invested in equity and held in trust for a holding period of five years. Similarly, any shares delivered pursuant to the vesting of options under the PSP must normally be held in trust for a holding period of five years. Therefore, at termination executive Directors and senior management participating in these schemes will contractually retain an interest in equity for a period of up to five years post-employment, proportional to the amount of variable pay awarded over the final five years of employment. At 31 December 2020 the following vested share awards were held in employee trusts relating to members of the Executive Management Team with release dates between January 2021 and June 2025.

	No. shares	Value €m	Salary multiple held	Release profile
Eamonn Rothwell	2,555,114	11.5	19.8 times	2.2 years
David Ledwidge	130,758	0.6	1.9 times	2.5 years
Other executive management	647,048	2.9	3.5 times	2.9 years

External Appointments

No executive Director retained any remuneration receivable in relation to external Board appointments.

Payments to former Directors

There were no pension payments or other payments for loss of office paid to any former Directors during the year.

External Advisers

The Committee sought assistance from Mercer in relation to an assessment of the achievement of the performance conditions applicable to the May 2018 awards under the PSP. Mercer are members of the Remuneration Consultants Group and signatories to its Code of Conduct. Other than the services above, Mercer did not provide any other services to the Group in the period 1 January 2020 to the date of this report.

Market price of shares

The closing price of the shares on Euronext Dublin on 31 December 2020 was €4.50 and the range during the year was €2.30 to €5.03.

Brian O'Kelly

Chair of the Remuneration Committee