Report of the Remuneration Committee

Dear Shareholder,

I am pleased present the Directors' Remuneration Report for year ended 31 December 2022. I have served on the Committee since August 2021 and was appointed as Chair in November 2022. On behalf of the Committee and the Board, I would like to thank my predecessor, John Sheehan, for his service as Chair of the Remuneration Committee.

The Remuneration Committee

The Remuneration Policy and Framework is overseen by the Remuneration Committee. Committee membership during 2022 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 76 to 77.

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.

Within this framework the Committee has formulated a Remuneration Policy which was submitted to shareholders at the 2021 AGM by way of an advisory resolution which received 87% approval. This Remuneration Report sets out how we have applied the Remuneration Policy during FY 2022 and will be put to a shareholder vote as an advisory resolution at the 2023 AGM.

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. The committee believes that an approach to remuneration grounded in pay for performance with a bias to long term remuneration delivered in equity is the most effective way of aligning management's interests to those of our stakeholders. Remuneration levels and awards are 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.

Member	A	B	Tenure
D. Clague (Chair – appointed: 14 November 2022)	3	3	1.5 years
J. Sheehan (resigned: 11 November 2022)	2	2	9 years
L. Williams	3	3	1.7 years
E. Moloney (appointed: 25 August 2022)	1	1	0.5 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.

Overview of Performance

2022 was a year where we welcomed a return to growth having faced the twin challenges of the Covid-19 pandemic and Brexit over the prior years. The Group is reporting an operating profit of €66.7 million for 2022 compared to the outturn (before non-trading items) of a €0.2 million loss and €0.8 million profit in 2021 and 2020 respectively. This improvement in performance is principally attributable to returning passenger traffic post pandemic while the Group has also leveraged its recent investments on expanding its operations in both divisions. The performance improvement has also increased cash generated from operations from €67.0 million in 2021 to €132.0 million in 2022. This has been utilised in facilitating the continued investment in our business during 2022 with strategic capital expenditure amount to €57.4 million (2021: €41.7 million) and returns to shareholders of € 73.4 million (2021: €19.8 million) by way of dividends and share buybacks.

The Committee acknowledges the strong contribution of the Executive Directors and senior managers during financial year 2022 in delivering the above result, including the actions taken in response to returning passenger flows post pandemic, delivering on the Group's expansion initiatives and embracing our ESG goals. The level of performance achieved, which exceeded budget expectations, maintained the Group's strong financial position and provides a platform for future growth.

Our approach to remuneration and variable pay seeks to consistently link variable remuneration to performance: when performance is strong, executives will be awarded higher levels of variable pay and when performance is behind where we would want it to be, variable remuneration will be low or nil. The Committee considers the most important aspect of variable remuneration to be the alignment between it and the interests of shareholders, stakeholders and management.

Noting the strong recovery in performance in FY2022 against FY2021, FY2020 and FY2022 budget expectations, the Committee concluded that bonus payouts approaching maximum opportunity were appropriate for 2022 for certain Directors and senior managers. However, other than for the CEO who has a contractual legacy arrangement, the Committee considered it appropriate to make downward adjustments where it considered the financial performance by which a manger was assessed was affected by external factors outside of the manger's direct control.

We are satisfied the Committee's actions are aligned with the philosophy of our shareholder approved remuneration policy, which favours long-term equity ownership over short-term remuneration.

Remuneration Policy and Shareholder Engagement

At the 2021 AGM, 87% of voting shareholders supported our proposed remuneration policy, a level at which the Committee is satisfied endorses our arrangements to incentivising Executive Directors. The full Remuneration Policy is available at https://icg.ie/investors/general-meetings/.

The Committee having reviewed the Policy during 2022, taking into account feedback on the 2021 Report of the Remuneration Committee, remain satisfied that it continues to be appropriate to the business needs and strategy of the Group. The Policy is next scheduled to be put to an advisory vote of shareholders at the 2025 AGM.

The 2021 Report of the Remuneration Committee was put to an advisory vote at the 2022 AGM and was supported by 74% of voting shareholders. We had engaged with major shareholders and their voting advisors and we are aware that some shareholders had raised some or all of the following concerns;

Concern Raised	Committee Response
Terms and disclosure of metrics around CEO Bonus arrangements and potential for uncapped payouts	While the terms of the CEO's bonus are governed by a contractual agreement from the early days of his appointment, we have since continued to design a remuneration structure which responds to the specific needs of our business, our strategy and the life cycle of our assets. Accepting that the CEO's incentive scheme is distinct compared to certain market peers, with disclosure of the specific targets potentially impacting us commercially, it has been an effective structure for motivational reward in alignment with the Group's performance, long-term strategy and shareholder interests. Despite its specificities, the link between pay for performance for the CEO has been demonstrated by the absence of pay-outs for 2020 and 2021 performance, while the EPS performance during the past fiscal year merited a pay-out. We believe focusing on this one aspect of the remuneration policy – a policy which applies to all senior management and not just the CEO – does not recognise the efforts we have made to strengthen our incentive arrangements over the past number of years and the broader impact of the incentive framework on the business. It is a one-off, legacy arrangement that will not apply to the next CEO.
Level of salary increases to executive Directors	Following the in-depth review, the Committee determined that, effective from 1 January 2022, it would increase the salaries of the CEO and CFO by 20% and 26%, respectively to ensure the remuneration arrangements of our executives remain competitive, particularly as the business entered a crucial juncture, in terms of the exiting of the pandemic and executing on the evolution of our expansion strategy. While these were the primary considerations of the Committee, it was also cognisant of using benchmarking data as a reference point in determining the appropriate salary levels for high performing executives. In relation to the CEO, other than for inflationary increases, salary levels were last adjusted in 2008.

Report of the Remuneration Committee
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Concern Raised	Committee Response
Post-employment holding requirements	The Company, while acknowledging that it has not set absolute holding requirements for senior executives who depart the Company, notes its remuneration structures by design since 2013 ensure that any senior executive who leaves employment contractually retains an interest in equity proportional to their variable remuneration awarded in the last five years of employment. The effect of this policy as reported in the 2021 Report was that the CEO and CFO at 31 December 2021 held 19.4 times and 2.4 times their base salary in equity which was subject to a disposal restriction for a weight average profile of 1.5 and 3.1 years respectively, over a period of one to five years. The 31 December 2022 metrics are reported later in this Report. Also, any unvested LTIPS retained by an executive on good leaver terms remain subject to the normal rules of the Performance Share Plan which may create an additional alignment of up to 7 years post-employment. The Committee notes that these post-employment requirements exceed market norms and are part of an enforceable contractual rather than voluntary arrangement. The Committee believes that while not strictly complying with Provision 36 of the UK Corporate Governance Code, that these arrangements meet the objective of the Code and exceed market norms.

While acknowledging the above concerns, the Committee also refers below to other aspects of the Company's Remuneration Policy which create some of the most stringent deferral and holding mechanisms in the Irish and UK markets, including;

- A minimum of 50% of annual bonus (after tax liabilities) to be invested in equity, with the Committee exercising discretion to apply a higher percentage in recent years.
- Up to a five-year deferral, continuing to apply post-vesting, for the entire portion of the awards reinvested in equity under the annual bonus.
- A five-year holding period, continuing to be applied post-employment, following a three-year performance period for awards vesting under the Performance Share Plan, for a total of an eight-year time horizon from grant to release; and
- Shareholding guidelines for all executive Directors and members of the Executive Committee of a minimum three times base salary to be achieved within five years of appointment.

Workforce Remuneration

As a Remuneration Committee, we are always mindful of the extent to which the remuneration of the executives aligns with the experience of our stakeholder groups. The Committee has received regular updates on relevant matters affecting the workforce and have overseen the implementation of a range of measures to help and support its direct employees. The team has performed extremely well managing the return of business post pandemic and the expansion of the Group's activities. The Committee hopes to oversee further staff development, including reward frameworks that are increasingly aligned with sustainable practices and the development of succession planning.

Salary Increases

The Committee conducted a review of salary and fixed pay arrangements at the end of 2021, which focused on the importance of remuneration arrangements remaining competitive as the business entered a crucial juncture, in terms of the exiting of the pandemic and executing on the evolution of our strategy. While these were the primary considerations of the Committee, it was also cognisant of using benchmarking data as a reference point in determining the appropriate salary levels for high performing executives. Following the in-depth review, the Committee determined that it would increase the salaries of the CEO and CFO by 20% and 26%, respectively, effective from 1 January 2022.

The Committee reviewed these salary levels at the end of 2022 in light of financial performance of the Group's businesses and the market generally. Acknowledging that the salary rates of the CEO and CFO has been reset earlier in 2022, the Committee considered it appropriate that any salary increase awarded in 2023 should be in line with the increases awarded to the workforce generally. In that respect, increases of 2.5% were awarded to the CEO and CFO effective from 1 January 2023.

Consideration of Discretion

The Committee reviewed the outcomes of both the annual bonus and long-term incentive plan and considered the results both against the relevant performance targets and the wider internal and external context. As set out earlier in this report, it was noted that as travel restrictions were lifted in early 2022, the return of pre-pandemic passenger travel patterns contributed to a strong financial performance in the year.

In relation to the CEO, the formulaic calculations based on Group performance indicated that a bonus would be payable under his legacy arrangement. Noting that no bonus had been payable in 2020 or 2021 under this arrangement which aligned with overall financial performance of those years, the Committee considered that it would not be appropriate to adjust the formulaic outcome of the 2022 calculations. However, the Committee did require that the full award, rather than the minimum 50%, be invested in equity through the Group's restricted share scheme which creates a five year disposal restriction.

In relation to the CFO, whilst the formulaic outcomes indicated a full bonus opportunity had been achieved, the Committee considered it appropriate to exercise discretion and reduced the formulaic outcome by 26% to account for external factors affecting financial performance not within the control of the Group. Similar downward discretion was exercised in the case of other members of the senior management team.

With regard to the vesting outcomes under the long-term incentive plan, the Committee agreed that the formulaic vesting outcomes were appropriate given performance against the three-year targets and concluded that a reduction in vesting outcome was not required. One of the strengths of our approach to remuneration is the market leading deferral requirements which, unlike the vast majority of our listed peers, allows us the flexibility to restrict the disposal of vested awards for up to five years.

Integrating ESG Measures

Over recent years, there has been significant growth in the focus on ESG and sustainability, with investors and wider stakeholders raising expectations as to how companies are embedding environmental, social and governance criteria into strategies and everyday operations. As outlined elsewhere is this Annual Report, during the last year, the business has significantly advanced its integration of a range of ESG factors into the risk management and strategy frameworks. At this point in our ESG maturity, we are focused on developing frameworks, policies and formally integrating ESG into decision making in all aspects of our business.

Where ESG matters are part of a reward structure they are currently assessed in relation to progress in these programmes. As the Group moves through the ESG maturity cycle, the Committee will seek to incorporate measurable targets and outcomes into performance remuneration.

Outlook

2022 has been one of recovery following the disruption to our passenger business during 2020 and 2021 due to the effects of travel restrictions imposed to control the spread of the Covid-19 pandemic. 2022 was also a year where the scale of our operations was expanded with the further development of our Dover Calais service commenced in 2021, an increase in the fleet and continued expansion at our terminals commissioning the latest environmentally friendly equipment. 2023 will be a year where we further build upon and leverage these developments.

Remuneration Outcomes for executive Directors in 2022

Total Directors' single figure remuneration for the year was €4,476,000 compared with €1,722,000 in 2021 and details are set in the table below:

		Performance pay						
	Base salary	Restricted shares	Cash	Benefits	Pension	Options / PSP[1]	Fees	Total 2022
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Executive Directors								
E. Rothwell	700	1,380	-	35	-	814	-	**2,929**
D. Ledwidge	400	444	-	22	60	335	-	**1,261**
Total for executives	**1,100**	**1,824**	**-**	**57**	**60**	**1,149**	**-**	**4,190**
Non-executive Directors								
J. B. McGuckian	-	-	-	-	-	-	125	**125**
J. Sheehan	-	-	-	-	-	-	43	**43**
L. Williams	-	-	-	-	-	-	50	**50**
D. Clague	-	-	-	-	-	-	50	**50**
E. Moloney	-	-	-	-	-	-	18	18
Total for non-executives	-	-	-	-	-	-	286	**286**
Total	**1,100**	**1,824**	**-**	**57**	**60**	**1,149**	**286**	**4,476**

1. 67.5% of the options granted on 6 March 2020 under the PSP are expected to vest during 2023 based on performance to 31 December 2022, subject to continued employment up to the vesting date. 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 2022.

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Details of Directors' remuneration for the year ended 31 December 2021 are set out below:

		Performance pay						
	Base salary	Restricted shares	Cash	Benefits	Pension	Options / PSP[1]	Fees	Total 2021
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Executive Directors								
E. Rothwell	580	-	-	35	-	230	-	**845**
D. Ledwidge	318	75	32	22	43	77	-	**567**
Total for executives	**898**	**75**	**32**	**57**	**43**	**307**	**-**	**1,412**
Non-executive Directors								
J. B. McGuckian	-	-	-	-	-	-	125	**125**
C. Duffy	-	-	-	-	-	-	18	**18**
B. O'Kelly	-	-	-	-	-	-	50	**50**
J. Sheehan	-	-	-	-	-	-	50	**50**
L. Williams	-	-	-	-	-	-	50	**50**
D. Clague	-	-	-	-	-	-	17	**17**
Total for non-executives	-	-	-	-	-	-	310	**310**
Total	**898**	**75**	**32**	**57**	**43**	**307**	**310**	**1,722**

1. The value of options which vested during 2022 based on financial performance to 31 December 2021 reported in the prior year based on the average closing price of an ICG Unit between 1 October 2020 and 31 December 2020 has been restated based on the actual closing price on the vesting date. The restatement amounted to a decrease to the previously reported benefit in respect of Eamonn Rothwell of €74,000 and in respect of David Ledwidge €25,000.

Base Salary

The Committee reviewed the salaries of the CEO and CFO against market competitive levels for similar sized ISEQ and FTSE companies during 2021, taking into account the performance of the executive Directors; in particular their leadership of the company through the challenges of Brexit, the Covid-19 pandemic and significant expansion of operations. The Committee noted that these challenges were successfully managed without accessing cash from shareholders, while at the same time paying down debt and returning cash to shareholders. It was also noted that through this period, the Group had positioned itself for further growth underpinning further shareholder value creation over the longer-term. In light of the strong contribution in protecting the resiliency of the business, and to ensure that both executive Directors are retained to execute on the recent significant strategic initiatives, the Committee determined that it would address the gap in salary between the executive Directors and rates in the market.

The Committee concluded that it was appropriate in this context to award a 20% increase in annualised base salary to Eamonn Rothwell, CEO. The Committee determined that the proposed salary level was appropriate in the context of the CEO's experience and performance, and market norms, being at the median level for other ISEQ companies of comparable scale and the FTSE250 more broadly. The previous reassessment of the CEO salary levels, other than inflationary increases was in 2008.

The Committee also awarded a 26% increase in annualised base salary to David Ledwidge, CFO, for 2022. The adjustment set the CFO salary level in line with the median level of base pay for ISEQ20 companies of similar market capitalisation, and the lower quartile for other FTSE 250 companies. The Committee concluded that this salary level reflects the CFO's continued strong contribution and individual performance in his role.

Director's Pension Benefits

The aggregate pension benefits attributable to the executive Directors at 31 December 2022 are set out below:

	D. Ledwidge	
	Total 2022	Total 2021
	€'000	€'000
Increase in accumulated accrued annual benefits (excluding inflation) in the period	**1**	1
Transfer value of the increase in accumulated accrued benefits (excluding inflation) at year end*	**4**	4
Accumulated accrued annual benefits on leaving service at year end	**19**	18

* 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 under the pension scheme rules and pension benefits have vested.

With regard to David Ledwidge, costs incurred in relation to defined benefit pension arrangements were €29,000 (2021: €20,000) with a further €31,000 (2021: €23,000) 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.

Executive Directors participation in Group sponsored pension schemes is on similar terms as apply to Group employees in Ireland.

Performance Related Pay

Eamonn Rothwell

Eamonn Rothwell has been with ICG since its inception as a public company and flotation in 1988. As detailed in the Remuneration Policy passed at the 2021 AGM, a legacy contractual arrangement continues to govern 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 and rights issues. The Committee also retains discretion to make adjustments for any non-cash non-trading items. The Company believes that EPS is consistent and transparent. EPS growth drives long-term value creation for all stakeholders and has increased in line with the company's scaling over the past two decades. EPS is one of the key performance indicators 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 incentive arrangements and in its view the arrangements remain an effective means of driving performance and aligning the interests of the CEO, shareholders and wider stakeholders.

The Committee considered the performance of Mr. Rothwell and the significant effort expended in managing the Group's businesses throughout another year of external challenges. While the lifting of Covid-19 travel restrictions saw a return of passenger volumes, significant increased energy costs and other inflationary pressures created cost challenges to be passed through to customers. The Committee also noted the efforts in further developing and expanding the Group's strategically significant Dover Calais service, first launched during 2021. Against these developments, the Company also returned €73.4 million to shareholders through a combination of dividends and share buybacks.

The Committee assessed the formulaic outcome from the long-standing legacy arrangement and did not consider it appropriate to exercise discretion to adjust the formulaic outcome. The Committee considered that in each of 2020 and 2021, when performance of the Group was negatively affected by external factors outside of the control of the CEO resulting in a nil payout, that they had not exercised discretion to overrule the formulaic outcome. This consistent application of the performance-related pay formula was considered appropriate based on the two key factors, simplicity and performance alignment. When financial performance is strong and shareholder experience is healthy, payouts will accrue. When the converse is the case, performance related pay will be correspondingly reduced to a minor or nil amount, which runs in contrast to more complex schemes commonplace at listed companies. Based on the above considerations, the Committee approved a performance bonus of €1,380,000 be paid to the CEO in line with the formulaic outcome, of which the full amount, rather than the required minimum of 50%, was required to be invested in equity through the Group's restricted share scheme, which is subject to a disposal restriction of greater than 5 years.

David Ledwidge

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 considered it appropriate to retain for Mr. Ledwidge the maximum annual bonus opportunity of 150% current year salary, as per the Remuneration Policy, against the following parameters;

- 75% based on Group financial outturn with the targets based off 2023 budget;
- 15% based on personal objectives including completion of certain operational projects and input into strategic development;
- 10% on the continuing development of an ESG framework into the overall risk framework and enhancement of ESG reporting.

Based on the 2022 financial outturns, which exceeded budgeted levels the Committee determined that a full bonus amount of €450,000 was eligible to be paid under the financial outturn element. However, following a holistic evaluation of Company performance and in recognition that certain external factors beyond the direct control of the Group contributed to the strong performance, the Committee reduced the financial portion of the bonus to €330,000.

The Committee also assessed the personal objectives set and noted Mr. Ledwidge's significant effort during the year in managing the Group's capital facilitating a return of €73.4 million to shareholders and his contribution to strategic initiatives to position the Group for future growth. The Committee further noted the work achieved to date on ESG frameworks and reporting. Taking into account the positive aspects of personal performance, the Committee considered that a full bonus pay-out of €150,000 accrued under these criteria. However, the Committee again, in consideration of the matters discussed above determined it appropriate that this be reduced by 24% to €114,000.

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The Committee in approving the aggregate bonus of €444,000 required that the full amount, rather the required minimum of 50%, be invested in equity through the Group's restricted share scheme, which is subject to a disposal restriction of greater than 5 years.

Restricted Shares
In relation to Mr. Rothwell and Mr. Ledwidge, their full annual bonus award was applied towards the acquisition of 330,935 and 106,474 ICG units respectively which will be held in the employee trust for a period of five years.

Long Term Incentive
(i) Options expected to vest during 2023 based on performance to 31 December 2022
The Committee has considered the performance conditions attaching to the options granted under the PSP on 6 March 2020 which are tested against Group performance up to 31 December 2022. The 2022 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 align with the definitions per the Plan rules. The overall vesting rate is expected to be 67.5% (2021: 31.1%) and the table below details the expected vesting on each metric.

Performance Condition	Weighting	Threshold	Maximum	Actual	Outcome
Adjusted diluted earnings per share	25%	27.5c	33.4c	33.5c	25% out of 25%
Return on average capital employed	25%	13%	20%	6.7%	0% out of 25%
Free cash flow ratio	25%	100%	130%	274%	25% out of 25%
Total shareholder return					
• Versus peer group	12.5%	(30.0%)	(8.3%)	(5.1%)	12.5% out of 12.5%
• Versus FTSE 250	12.5%	(9.2%)	21.3%	(5.1%)	5.0% out of 12.5%

30% 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 2023. At 31 December 2022, there were 1,054,536 outstanding options granted on 6 March 2020, including 297,000 and 122,000 options in favour of Mr. Rothwell and Mr. Ledwidge respectively of which 200,475 and 82,350 are expected to vest during 2023 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 2022 has been included in the total Director remuneration table for year ended 31 December 2022, based on an estimated share price of €4.13, being the average closing price of an ICG Unit between 1 October 2022 and 31 December 2022.

(ii) Options Vested during 2022
As reported in last year's report, the Committee determined, based on performance up to 31 December 2021, the vesting of the options granted under the PSP on 8 March 2019 at an exercise price of €0.065 at a vesting rate of 31.1 per cent, vesting 230,859 options in total.

Mr. Rothwell held 70,286 of the PSP vested options. Share option remuneration of €230,000 based on the market price at the vesting date has been disclosed in the 2021 remuneration table (adjusting the €304,000 previously disclosed last year which was estimated based on average prices in the last quarter of 2021). Under the rules of the PSP, the 70,286 PSP options which vested were exercised and are subject to retention in trust for a period of five years.

Mr. Ledwidge held 23,636 of the PSP vested options. Share option remuneration of €77,000 based on the market price at the vesting date has been disclosed in the 2021 remuneration table (adjusting the €102,000 previously disclosed last year which was estimated based on average prices in the last quarter of 2021). Under the rules of the PSP, the 23,636 PSP options which vested were exercised and 15,364 are subject to retention in trust for a period of five years.

The share price at date of vesting was €3.34.

(iii) Grants during 2022
The long term incentive scheme applicable for the 2022 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 11 March 2022, the Committee granted options over 1,552,500 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% and 150% of salary respectively. The total number of options granted to Mr. Rothwell and Mr. Ledwidge based on a share price of €3.36 were 416,500 and 178,500 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)

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

The performance levels were calibrated as follows;

	Vesting Threshold	
	Minimum	**Maximum**
Adjusted diluted earnings per share	5%	12%
Return on average capital employed	13%	20%
Free cash flow ratio	100%	130%
Total shareholder return	Median	Top Quartile

The Committee noted in setting the above targets that EPSd for financial year 2021 was negative, largely due to the continuing effect of government imposed travel restrictions. In recognition of the continuing uncertainty around the pattern of returning passengers following the removal of these restrictions and the challenges in setting a base EPSd level, the Committee agreed in relation to the 2022 grants to set base EPSd at 0.1 cent per share. This was consistent with the approach followed in the prior year. The targets relating to the other measures were retained at previous year levels.

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 Group., Ryanair Group, EasyJet, Getlink, Origin Enterprises, Dalata Hotel Group and C&C Group.

The Committee considered the timing of grant of awards in the first quarter of 2022 and whether there were circumstances which may create a perception that participants benefitted from 'windfall gains'. The Committee noted that in the period leading up to the award date that there was political uncertainty affecting financial markets generally which was not specific to the Company. The Committee further noted that the price used was calculated as per the rules of the scheme and that the timing of the grants was consistent with that of previous grant dates. The Committee did not deem it appropriate to adjust the award amounts having considered these circumstances. As with each award, the Committee will review any outcome at the time of vesting to ensure that there has not been any disproportionate windfall to any participant based on external factors.

The 2022 PSP awards granted were calculated based on a share price of €3.36, the closing share price on the day preceding the award date. In 2021, the PSP awards granted were calculated based on a share price of €4.26.

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:

E. Rothwell

Option Type	Date of Grant	31-Dec-21	Granted	Exercised	Lapsed	31-Dec-22	Option Price (€)	Earliest Vesting Date	Latest Expiry Date
Unvested									
Performance Share Plan [1]	5-Mar-19	226,000	-	(70,286)	(155,714)	-	0.065	-	-
Performance Share Plan [2]	6-Mar-20	297,000	-	-	-	297,000	0.065	6-Mar-23	-
Performance Share Plan [2]	12-Mar-21	272,000	-	-	-	272,000	0.065	12-Mar-24	-
Performance Share Plan [2]	11-Mar-22	-	416,500	-	-	416,500	0.065	11-Mar-25	
Vested but not yet exercised	5-Mar-15	700,000	-	-	-	700,000	3.58	-	4-Mar-25
		1,495,000	**416,500**	**(70,286)**	**(155,714)**	**1,685,500**			

D. Ledwidge

Option Type	Date of Grant	31-Dec-21	Granted	Exercised	Lapsed	31-Dec-22	Option Price (€)	Earliest Vesting Date	Latest Expiry Date
Unvested									
Performance Share Plan [1]	05-Mar-19	76,000	-	(23,636)	(52,364)	-	0.065	-	-
Performance Share Plan [2]	6-Mar-20	122,000	-	-	-	122,000	0.065	6-Mar-23	-
Performance Share Plan [2]	12-Mar-21	111,500		-	-	111,500	0.065	12-Mar-24	-
Performance Share Plan [2]	11-Mar-22	-	178,500	-	-	178,500	0.065	11-Mar-25	
Vested but not yet exercised	5-Mar-15	150,000	-	-	-	150,000	3.58	-	4-Mar-25
		459,500	**178,500**	**(23,636)**	**(52,364)**	**562,000**			

1. These are expected to vest during 2023 at a vesting rate of 67% based on performance to 31 December 2022 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 will vest and become exercisable three years from the third anniversary of grant in accordance with achievement of the performance conditions set at date of grant. 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.

Report of the Remuneration Committee
Continued

Remuneration for executive Directors in 2023

The Committee will continue to apply the existing Remuneration Policy, approved by shareholders in May 2021, during financial year 2023.

Base Salary

The Committee conducted a review of the salaries of the CEO and CFO against market competitive levels for similar sized ISEQ and FTSE companies during 2021. Taking into account the results of this review and the performance of the executive Directors, salary levels were reset effective from 1 January 2022.

The Committee noted the continuing leadership in managing the Group's businesses post pandemic and the continued expansion of operations. Nevertheless, the Committee noted that these factors had been considered in last year's review and that a further in-depth review of salaries was not warranted at this time. In recognition of the general level of salary increases awarded to the Group's employees based in Ireland, the Committee awarded an increase in salaries of 2.5% over existing levels to each of the CEO and CFO. These increases are effective from 1 January 2023.

Pension arrangements and other benefits

Pension arrangements and other benefits will be unchanged from 2022.

Annual Bonus

The Committee following review has retained the long-standing legacy CEO bonus arrangements for FY2023. The Committee remains satisfied that the outcomes reflect Group performance under this arrangement, in line with its straightforward alignment structure between Group performance and payouts, with a particular focus on EPS.

In relation to the CFO, he will be eligible for an annual bonus award with maximum opportunity of 150% of base salary. In line with 2022, any award of bonus is weighted 75% on the Group achieving stretching financial targets, benchmarked against budget levels, 10% on ESG related measures and 15% on personal objectives. The Committee retains discretion to adjust the formulaic outcome.

Long-term incentive

The Committee will make an annual award of options under the PSP in line with the plan limits of 200% of base salary for the CEO and 150% for the CFO. The performance metrics, EPS growth, return on capital employed, cash flow generation and relative TSR will be set at the same levels as for the 2022 awards.

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 of three times base salary. The holding levels are expected to be met within five years from the date of appointment. The Committee considers these minimum holding requirements to exceed market norms. 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 2022 as a multiple of base salary at that date are shown in the following table:

	Salary multiple held
Eamonn Rothwell	186.5 times
David Ledwidge	3.1 times
Other executive management	7.2 times

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. During 2022, the Committee reviewed the level of fees payable to non-executive Directors which were last adjusted in January 2017. The Committee considered the increase in scale of the Group's operation since then, the increased responsibilities of non-executive Directors and the fee level paid by equivalent sized quoted companies. Following this review, the Committee submitted a recommendation to increase the fee payable to the Board Chairman from €125,000 to €150,000 per annum and other non-executive Directors from €50,000 to €65,000. These fee levels were approved by the Board, effective from 1 January 2023.

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 2023 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. 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% 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. No future executive contracts will include similar change of control provisions.

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 2022, the total number of options granted, net of options lapsed amounted to 3.9% of the issued share capital of the Company at 31 December 2022.

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 2022 is €1,149,000 (2021: €478,000).

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.

Post-employment holdings

The Committee, in designing its performance pay initiatives, as explained below, has ensured that executive Directors and senior managers contractually retain an appropriate level of shareholding post-employment. For the past ten 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% of an annual award must be invested in shares 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 (for a total time horizon of eight years from date of grant). Therefore, at termination executive Directors and senior management participating in these schemes will contractually retain an interest in shares for up to a period of five years post-employment, proportional to the amount of variable pay awarded over the final five years of employment. At 31 December 2022, the following vested share awards were held in employee trusts relating to executive Directors and members of the executive management team with release dates between January 2023 and January 2028.

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	No. shares Held in Trust	Value €m	Salary multiple held	Weighted release profile	Release timeframe
Eamonn Rothwell	1,682,753	7.2	10.3 times	2.1 years	Jan 2023 to Jan 2028
David Ledwidge	255,259	1.1	2.7 times	3.5 years	Jan 2023 to Jan 2028
Other executive management	1,136,247	4.9	4.6 times	3.5 years	Jan 2023 to Jan 2028

The Committee believes that while not setting an absolute post-employment equity retention requirement, that the above arrangements achieve the objective of Provision 36 of the UK Corporate Governance Code and is unique in that it is an enforceable contractual committed compared to general market practice.

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.

Employee Average Remuneration
The annual percentage change in payments to Directors and an average full time equivalent employee across the Group over the past five years, together with the annual change in the ISEQ index and Company annual total shareholder return were as follows;

	2022	2021	2020	2019	2018
Eamonn Rothwell	168.6%	(27.7%)	(44.0%)	0.0%	(74.3%)
David Ledwidge	76.9%	0.5%	18.0%	7.2%	(57.0%)
John B. McGuckian	0.0%	0.0%	0.0%	0.0%	0.0%
Non-Executive Directors	0.0%	0.0%	0.0%	0.0%	0.0%
FTE Employee	4.2%	24.2%	(4.2%)	2.0%	(10.4%)
ISEQ	(15.8%)	14.5%	2.7%	31.1%	(22.1%)
ICG TSR	(2.1%)	0.6%	(7.0%)	17.2%	(24.6%)

The payments to Directors and employees include base salaries, overtime, allowances, bonuses, pension costs, other benefits and Directors' fees paid to or on behalf of employees and Directors together with profits earned on the exercise of share options but exclude employer costs expensed to the Income Statement relating to social welfare contributions.

External Advisers
The Committee's independent advisor during the year was Ellason LLP, who provide advice and external market perspectives on remuneration for the Executive Directors. During the year, this included advice on general remuneration developments and provision of market data on base salaries. Ellason LLP is a member of the UK's Remuneration Consultants Group and a signatory to its Code of Conduct. Other than the services above, Ellason LLP did not provide any other services to the Group in the period from 1 January 2022 to the date of this report.

Market price of shares
The closing price of an ICG Unit on Euronext Dublin on 31 December 2022 was €4.28 and the range during the year was €3.20 to €4.75, with an average daily closing price of €4.03.

Dan Clague
Chair of the Remuneration Committee
8 March 2023