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If you have sold or otherwise transferred all your shares in Intermediate Capital Group plc, please forward this document and the accompanying Form of Proxy, as soon as possible, to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee.

The distribution of this document and accompanying documents in or into jurisdictions other than the United Kingdom may be restricted by local law and therefore persons into whose possession this document comes should inform themselves about and observe any such restrictions. Any failure to comply with any such restrictions may constitute a violation of the securities laws or regulations of such jurisdictions.



Intermediate Capital Group plc

(Incorporated and registered in England and Wales No. 02234775)

Proposed Special Dividend of 63.4 pence per Existing Ordinary Share, Proposed Consolidation of Existing Ordinary Shares and Notice of Annual General Meeting

This document should be read as a whole. Your attention is drawn to the letter from the Chairman of the Company which is set out on pages 4 and 5 of this document and recommends you to vote in favour of the Resolutions to be proposed at the Annual General Meeting referred to below.

Notice of the Annual General Meeting of Intermediate Capital Group plc, to be held at 2:00 p.m. on 21 July 2016, is set out in this document. The Form of Proxy for the Annual General Meeting is enclosed and, to be valid, should be completed and returned so as to reach the Company's registrar, Computershare, at The Pavilions, Bridgwater Road, Bristol, BS99 6ZY as soon as possible and, in any event, so as to arrive by no later than 2:00 p.m. on 19 July 2016 (whether or not you intend to be present at the meeting). Alternatively you can register your proxy vote electronically either by means of a website provided by the Company's registrar or if you are a CREST member by using the service provided by Euroclear. Further details are given in the Notes section of this document. Completion and return of the Form of Proxy will not prevent you from attending and voting at the Annual General Meeting in person, should you so wish.

If you have not received the Form of Proxy, please contact the Company's registrar, Computershare, on the helpline telephone number 0370 707 1064 (+44 370 707 1064 if calling from outside the United Kingdom).

Table of contents

	Page
Expected Timetable of Principal Events	3
Part I – Letter from the Chairman of Intermediate Capital Group plc	4
Part II – Notice of Annual General Meeting	6
Appendix I – Further details of the Special Dividend and Share Consolidation	14
Appendix II – Definitions	18

Expected Timetable of Principal Events

Event	Expected time/date
Posting of this document, providing notice of the Annual General Meeting	Monday 20 June 2016
Ex-dividend date for the Final Dividend	5:00 p.m. on Thursday 16 June 2016
Record date for the Final Dividend	5:00 p.m. on Friday 17 June 2016
Last date for dividend reinvestment elections in respect of Final Dividend	Friday 15 July 2016
Latest time and date for receipt of Form of Proxy, electronic proxy instruction or CREST Proxy Instruction	2:00 p.m. on Tuesday 19 July 2016
Annual General Meeting	2:00 p.m. on Thursday 21 July 2016
Ex-dividend date for the Special Dividend	5:00 p.m. on Thursday 28 July 2016
Record date for the Special Dividend and Share Consolidation	5:00 p.m. on Friday 29 July 2016
Effective Date and time of the Share Consolidation	8:00 a.m. on Monday 1 August 2016
Admission of New Ordinary Shares to the Official List and commencement of dealings on the London Stock Exchange's main market for listed securities	8:00 a.m. on Monday 1 August 2016
CREST accounts credited with New Ordinary Shares	8:00 a.m. on Monday 1 August 2016
Dispatch (where applicable) of certificates for New Ordinary Shares	Friday 5 August 2016
Payment to be made (where applicable) in respect of fractional entitlements by cheque or via CREST	Friday 5 August 2016
Payment of Final Dividend and Special Dividend to shareholders	Friday 5 August 2016

Notes:

- (1) Future dates are indicative only and are subject to change by the Company, in which event details of the new times and dates will be notified, where appropriate, to shareholders.
- (2) References to times in this document are to London time.
- (3) All events in the above timetable relating to the Final Dividend, Special Dividend and the Share Consolidation are conditional on the approval by shareholders of the Final Dividend, Special Dividend and Share Consolidation as proposed. The despatch of certificates for New Ordinary Shares (where applicable) is conditional upon an amendment to the Official List of the Financial Conduct Authority to reflect the Share Consolidation.
- (4) The shareholder helpline number available through the Company's registrar, Computershare, is 0370 707 1064 (+44 370 707 1064 if you are calling from outside the United Kingdom).

Part I – Letter from the Chairman of Intermediate Capital Group plc

Incorporated and registered in England and Wales, Registration No. 02234775

DIRECTORS

Justin Dowley (Chairman)
Christophe Evain (Executive Director and Chief Executive Officer)
Benoît Durteste (Executive Director and Head of European Investments)
Peter Gibbs (Non Executive Director)
Philip Keller (Executive Director and Chief Financial Officer)
Kevin Parry (Senior Independent Director and Non Executive Director)
Kathryn Purves (Non Executive Director)
Kim Wahl (Non Executive Director)

REGISTERED OFFICE

Juxon House
100 St Paul's Churchyard
London
EC4M 8BU

3 June 2016

Dear Shareholder,

PROPOSED PAYMENT OF SPECIAL DIVIDEND, PROPOSED CONSOLIDATION OF EXISTING ORDINARY SHARES, RETIREMENT OF CHAIRMAN AND NOTICE OF ANNUAL GENERAL MEETING

INTRODUCTION

I am writing in respect of certain business to be proposed at this year's Annual General Meeting of Intermediate Capital Group plc. As you will see from the enclosed Notice of Annual General Meeting, there are certain non-standard Resolutions relating to the proposal that the Company returns £200m to shareholders by way of a Special Dividend. I would like to take the opportunity to explain why we have proposed these actions.

PAYMENT OF SPECIAL DIVIDEND

As part of the ongoing process of maintaining a capital structure that is appropriate for the needs of the business, the Board is recommending a Special Dividend to shareholders of 63.4 pence per Existing Ordinary Share, in addition to the Final Dividend of 15.8 pence per Existing Ordinary Share in respect of the financial year ended 31 March 2016. The Special Dividend reflects the fact that, having reviewed the Group's balance sheet, the Board believes that the Group has more than sufficient resources to meet its needs.

Payment of the Special Dividend is conditional on shareholder approval of Resolution 17. If Resolution 17 is not passed, the Special Dividend will not be paid and the Share Consolidation will not take place.

If approved, the Special Dividend will be payable to shareholders who are on the register of members of the Company at 5:00 p.m. on 29 July 2016 and is expected to be paid to shareholders (including those who hold through CREST) on 5 August 2016.

Further details of the Special Dividend are set out in Appendix I and the Explanatory Notes to the Notice of Annual General Meeting set out in this document.

SHARE CONSOLIDATION

As is common when an amount representing a significant proportion of the market capitalisation of a company is returned to shareholders, the Board recommends that the Special Dividend is combined with a Share Consolidation.

The proposed Share Consolidation is intended, as far as possible, to maintain the comparability of the Company's share price before and after the Special Dividend. It is anticipated that, as a result of the decrease in market value of the Company due to the Special Dividend, there would, without a consolidation of the Company's ordinary share capital, be a corresponding decrease in the market price of the Existing Ordinary Shares. Accordingly, in order to maintain the market price of each ordinary share at approximately the same level as prevailed prior to the Special Dividend, a consolidation of the Company's ordinary share capital is proposed. The effect of the Share Consolidation is that the Existing Ordinary Shares will be replaced by New Ordinary Shares so as to reduce the number of ordinary shares in issue to reflect the amount of cash to be returned to shareholders.

The total amount of the Special Dividend is equivalent to approximately 9.7% of the market capitalisation of the Company (adjusted to take account of the proposed Final Dividend) as at 31 May 2016 (being the latest practicable date prior to the publication of this document). The effect of the Share Consolidation will be to reduce the number of ordinary shares in issue by approximately the same percentage, with the result that shareholders will receive 8 New Ordinary Shares for every 9 Existing Ordinary Shares held at 5:00 p.m. on 29 July 2016. It is possible, however, that between 31 May 2016 and the date of the Annual General Meeting the price of an Existing Ordinary Share could change (including, for example, as a result of a vote in the referendum to be held on 23 June 2016 that the United Kingdom should leave the European Union), such that a consolidation using this ratio would not maintain comparability of the Company's share price before and after the payment of the Special Dividend. If this is the case, the Directors are not obliged to but may, in their absolute discretion, propose certain changes to Resolution 18 so as to adjust the Share Consolidation ratio to maintain, as far as possible, comparability of the Company's share price before and after the payment of the Special Dividend. If the Directors determine that these steps are to be taken, this will be made clear during the Annual General Meeting. In addition, notice will be given by issuing an announcement through a Regulatory Information Service.

As all ordinary shares in the Company will be consolidated, each shareholder's percentage holding in the total issued ordinary share capital of the Company immediately before and after the implementation of the Share Consolidation will (save in respect of very minor variations arising from the treatment of any fractional entitlements) remain unchanged. Although the New Ordinary Shares will have a different nominal value, they will carry equivalent rights under the Articles of Association to the Existing

Ordinary Shares currently in issue. The payment of any fractional amounts arising from the Share Consolidation will be made separately to the relevant shareholders.

Resolution 18 is conditional on the passing of Resolution 17. If shareholders do not approve the Special Dividend in Resolution 17, the Share Consolidation will not occur.

Further details of the Share Consolidation are set out in Appendix I and the Explanatory Notes to the Notice of Annual General Meeting set out in this document.

TAXATION OF SPECIAL DIVIDEND AND SHARE CONSOLIDATION

A limited summary of the tax consequences of the Special Dividend and the Share Consolidation for certain categories of UK resident shareholders is set out in paragraph 6 of Appendix I to this document.

Shareholders should read paragraph 6 of Appendix I to this document and, if they are in any doubt as to their tax position, consult their own independent tax advisers.

GENERAL MEETING

A notice convening the Annual General Meeting of the Company to be held at 2:00 p.m. on 21 July 2016 at Juxon House, 100 St Paul's Churchyard, London EC4M 8BU is set out on pages 6 to 8 of this document.

The purpose of the Annual General Meeting is to seek shareholders' approval for the Resolutions. If you hold Existing Ordinary Shares in the Company, you are entitled to attend and vote at the Annual General Meeting.

You will find enclosed the Form of Proxy for use at the Annual General Meeting. Instructions in respect of the Form of Proxy may be found on page 9 of this document.

If there are any questions in relation to the proposals, please contact Andrew Lewis, Company Secretary of the Company, at the Company's registered office or on 020 3201 7700.

Please note that, assuming Resolution 3 is passed, the Final Dividend of 15.8 pence per Existing Ordinary Share will still be paid even if the Special Dividend and the Share Consolidation are not approved.

The Board is confident that the proposed changes will leave the Company well capitalised and able to meet regulatory capital requirements. We will continue to monitor the capital position of the Company.

RETIREMENT OF CHAIRMAN AND RECOMMENDATION

As you may be aware from the announcement made on 11 February 2016, I am retiring from the Board at the end of the Annual General Meeting after serving as a Director since 2006. I have served as Chairman since 2010 and I am grateful to all shareholders for their support for the Board in this period.

The Board has proposed that Kevin Parry should succeed me as Chairman, subject to his reappointment as a Director being approved at the Annual General Meeting. Kevin has extensive experience of the financial services sector and has been an immensely valuable contributor to Board proceedings during my time as Chairman. I am confident that he will prove to be an effective and strong Chairman for the next stage of the Company's growth.

The Board considers the Resolutions I have described above, along with the other proposed Resolutions in the Notice of Annual General Meeting set out in this document, to be in the best interests of the Company and its shareholders as a whole.

Accordingly, the Board unanimously recommends that shareholders vote in favour of the Resolutions to be proposed at the Annual General Meeting, as the Directors intend to do in respect of their own beneficial holdings.

Yours faithfully,



Justin Dowley

Chairman

Part II – Notice of Annual General Meeting

Notice is hereby given that the annual general meeting (the “**Annual General Meeting**”) of Intermediate Capital Group plc (the “**Company**”) will be held at Juxon House, 100 St Paul’s Churchyard, London EC4M 8BU on 21 July 2016 at 2:00 p.m. to consider and, if thought fit, to pass the following Resolutions.

It is intended to propose Resolutions 14, 15 and 16 as Special Resolutions. All other Resolutions will be proposed as Ordinary Resolutions. Voting on all Resolutions for consideration at the Annual General Meeting will be by way of poll rather than a show of hands. In this way a shareholder has one vote for every share held.

RESOLUTION 1

1. To receive the financial statements and reports of the directors of the Company (the “**Directors**”) and auditors for the financial year ended 31 March 2016.

RESOLUTION 2

2. To approve the Directors’ Remuneration Report (other than the part containing the Directors’ Remuneration Policy) as set out in the Annual Report and Accounts for the financial year ended 31 March 2016.

RESOLUTION 3

3. To declare a final dividend of 15.8 pence per ordinary share for the financial year ended 31 March 2016 payable on 5 August 2016 to holders of ordinary shares on the register of members of the Company at the close of business on 17 June 2016 in respect of all ordinary shares then registered in their names.

RESOLUTION 4

4. To reappoint Deloitte LLP as auditors of the Company to hold office as the Company’s auditors from the conclusion of this Annual General Meeting until the conclusion of the Company’s next annual general meeting in 2017.

RESOLUTION 5

5. To authorise the Audit Committee, for and on behalf of the Directors, to set the remuneration of the auditors.

RESOLUTION 6

6. To reappoint Kevin Parry as a Director of the Company.

RESOLUTION 7

7. To reappoint Peter Gibbs as a Director of the Company.

RESOLUTION 8

8. To reappoint Kim Wahl as a Director of the Company.

RESOLUTION 9

9. To reappoint Kathryn Purves as a Director of the Company.

RESOLUTION 10

10. To reappoint Christophe Evain as a Director of the Company.

RESOLUTION 11

11. To reappoint Philip Keller as a Director of the Company.

RESOLUTION 12

12. To reappoint Benoît Durteste as a Director of the Company.

RESOLUTION 13

13. That, in substitution for all existing authorities, the Directors be generally and unconditionally authorised for the purposes of section 551 of the Companies Act 2006 (the “**Act**”), to exercise all the powers of the Company to allot shares in the Company and grant rights to subscribe for, or convert any security into, shares in the Company:

- (a) up to an aggregate nominal amount (within the meaning of section 551(3) and (6) of the Act) of £25,364,129 (such amount to be reduced by the aggregate nominal amount allotted or granted under (b) below in excess of £25,364,129); and
- (b) comprising equity securities (as defined in section 560(1) of the Act) up to an aggregate nominal amount (within the meaning of section 551(3) and (6) of the Act) of £50,728,259 (such amount to be reduced by the aggregate nominal amount of any allotments or grants made under (a) above) in connection with or pursuant to an offer by way of a rights issue:
 - (i) in favour of holders of ordinary shares in proportion (as nearly as practicable) to the respective number of ordinary shares held by them on the record date for such allotment; and
 - (ii) to holders of any other equity securities entitled to participate therein or if the Directors consider it necessary, as permitted by the rights of those securities,

but subject to such exclusions or other arrangements as the Directors may consider necessary or appropriate to deal with fractional entitlements, treasury shares, record dates or legal, regulatory or practical difficulties which may arise under the laws of, or the requirements of any regulatory body or stock exchange in any territory or any other matter whatsoever,

these authorisations to expire at the conclusion of the next annual general meeting of the Company after this Resolution is passed (or, if earlier, on 30 September 2017), (save that the Company may before such expiry make any offer or agreement which would or might require shares to be allotted, or rights to subscribe for or convert any security into shares to be granted, after such expiry and the Directors may allot shares, or grant such rights, in pursuance of any such offer or agreement as if the authorisations conferred hereby had not expired).

RESOLUTION 14

14. That, in substitution for all existing powers and subject to the passing of Resolution 13 set out in this notice of Annual General Meeting, the Directors be generally empowered pursuant to sections 570(1) and 573 of the Act to:

- (a) allot equity securities (as defined in section 560(1) of the Act) of the Company for cash pursuant to the authorisation conferred by Resolution 13; and

- (b) sell ordinary shares (as defined in section 560(1) of the Act) held by the Company as treasury shares for cash, as if section 561 of the Act did not apply to any such allotment or sale, provided that this power shall be limited:
 - (i) to the allotment of equity securities for cash and the sale of treasury shares for cash in connection with or pursuant to an offer of or invitation to acquire equity securities (but in the case of an allotment pursuant to the authorisation granted under Resolution 13(b), such power shall be limited to the allotment of equity securities in connection with an offer by way of a rights issue only) in favour of holders of ordinary shares in proportion (as nearly as practicable) to the respective number of ordinary shares held by them on the record date for such allotment or sale and to holders of other equity securities entitled to participate therein or if the Directors consider it necessary, as permitted by the rights of those securities, but subject to such exclusions or other arrangements as the Directors may consider necessary or appropriate to deal with fractional entitlements, treasury shares, record dates or legal, regulatory or practical difficulties which may arise under the laws of or the requirements of any regulatory body or stock exchange in any territory or any other matter whatsoever; and
 - (ii) to the allotment of equity securities pursuant to the authorisation granted under Resolution 13(a) and/or sale of treasury shares for cash (in each case otherwise than pursuant to paragraph (i) of this Resolution), up to an aggregate nominal amount of £7,609,238, calculated, in the case of equity securities which are rights to subscribe for, or to convert securities into, ordinary shares by reference to the aggregate nominal amount of relevant shares which may be allotted pursuant to such rights,

and shall expire at the conclusion of the next annual general meeting of the Company after this Resolution is passed (or, if earlier, on 30 September 2017), save that the Company may before such expiry make any offer or agreement that would or might require equity securities to be allotted, or treasury shares to be sold, after such expiry and the Directors may allot equity securities, or sell treasury shares in pursuance of any such offer or agreement as if the power conferred hereby had not expired.

RESOLUTION 15

15. That the Company is generally and unconditionally authorised for the purposes of section 701 of the Act to make market purchases (within the meaning of section 693(4) of the Act) of any of its ordinary shares on such terms and in such manner as the Directors may from time to time determine provided that:

- (a) the maximum number of ordinary shares which may be purchased is:
 - (i) if Resolution 18 is passed and becomes effective, 29,362,415 ordinary shares, representing approximately 10% of the issued ordinary share capital of the Company immediately after the share consolidation; or

- (ii) if Resolution 18 is not passed or does not become effective, 32,611,024 ordinary shares representing approximately 10% of the issued ordinary share capital of the Company as at 31 May 2016;
- (b) the minimum price that may be paid for each ordinary share is the nominal value of that share (exclusive of expenses);
- (c) the maximum price (exclusive of expenses) that may be paid for each ordinary share is an amount equal to the higher of: (i) 105% of the average of the middle market quotations for an ordinary share of the Company as derived from the Daily Official List of the London Stock Exchange plc for the five business days immediately preceding the day on which such share is contracted to be purchased and (ii) the higher of the price of the last independent trade and the highest current independent bid on the trading venue where the purchase is carried out;
- (d) unless renewed, revoked or varied, this authority shall expire at the conclusion of the next annual general meeting of the Company after this Resolution is passed (or, if earlier, on 30 September 2017); and
- (e) the Company may, before this authority expires, make a contract to purchase ordinary shares that would or might be executed wholly or partly after the expiry of this authority, and may make purchases of ordinary shares pursuant to it as if this authority had not expired.

RESOLUTION 16

16. That a general meeting of the Company (other than an annual general meeting) may be called on not less than 14 clear days' notice.

RESOLUTION 17

17. That a special dividend of 63.4 pence per ordinary share be declared and payable on 5 August 2016 to holders of ordinary shares on the register of members of the Company at close of business on 29 July 2016 in respect of all ordinary shares then registered in their names.

RESOLUTION 18

18. That, subject to the passing of Resolution 17 and conditional upon admission of the New Ordinary Shares (as defined below) to the premium segment of the Official List and to trading on London Stock Exchange plc's main market for listed securities, every 9 existing ordinary shares of 23¹/₃ pence each in the Capital of the Company in issue as at close of business on 29 July 2016 (or such other time and date as the Directors may determine) (each an "**Existing Ordinary Share**") be consolidated into 8 new ordinary shares of 26¹/₄ pence each (or such other number and nominal value as the Directors may in their absolute discretion determine if the price of an Existing Ordinary Share and the number of Existing Ordinary Shares in issue shortly before the date of the Annual General Meeting mean that this ratio would no longer maintain comparability of the Company's share price before and after the payment of the special dividend proposed in Resolution 17 of 63.4 pence per Existing Ordinary Share) in the capital of the Company (each a "**New Ordinary Share**"), provided that no member shall be entitled to a fraction of a share and any fractions of New Ordinary Shares arising out of the consolidation

pursuant to this Resolution will, so far as possible, be aggregated with the fractions of New Ordinary Shares to which other members of the Company may be entitled and the Directors be and are hereby authorised to sell (or appoint any other person to sell), on behalf of the relevant members, the whole number of New Ordinary Shares so arising and the net proceeds of sale will be distributed in due proportion (rounded down to the nearest pence) among those members who would otherwise have been entitled to such fractional entitlements, save that any net proceeds of sale not exceeding £3.00 for any member shall be donated by the Company to the charity ShareGift (registered number 1052686). For the purpose of implementing the provisions of this Resolution, the Directors of the Company may authorise or nominate any person to execute transfers on behalf of any person entitled to any such fractions and may generally make all arrangements and do all acts and things which appear to the Directors of the Company to be necessary or appropriate for the settlement and/or disposal of such fractional entitlements, or which are in accordance with the directions of the buyer of any such New Ordinary Shares.

RESOLUTION 19

19. That, for the purposes of Article 97 (Directors' fees) of the Company's articles of association, the maximum aggregate amount per annum which the directors (other than alternate directors) shall be entitled to receive by way of fees for their services as directors shall be increased from £600,000 per annum to £1,000,000 per annum.

BY ORDER OF THE BOARD



Andrew Lewis

Company Secretary
3 June 2016

Registered Office:
Juxon House
100 St Paul's Churchyard
London EC4M 8BU

Registered in England and Wales No. 02234775

Notes

1. PROXIES

A member is entitled to appoint another person as his proxy to exercise all or any of his rights to attend, to speak and to vote at the Annual General Meeting. A member may appoint more than one proxy in relation to the meeting, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by him. A proxy need not be a member of the Company. A proxy form which may be used to make such appointment and give proxy instructions accompanies this Notice. To be valid, forms of proxy need to be received by post or by hand (during normal business hours only) by the Company's registrar, Computershare, at The Pavilions, Bridgwater Road, Bristol BS99 6ZY, in each case not later than 2:00 p.m. on 19 July 2016 (or if the Annual General Meeting is adjourned 48 hours before the time of the adjourned meeting). In calculating this time period no account shall be taken of any part of a day that is not a working day. Completion of a form of proxy (or electronic proxy appointment or any CREST Proxy Instruction, each as further outlined below) will not preclude a member attending and voting in person at the meeting, or any adjournment thereof.

2. ELECTRONIC PROXIES

As an alternative to completing and returning the printed proxy form, you may submit your proxy electronically by accessing www.investorcentre.co.uk/eproxy. For security purposes, members will need to provide their control number, shareholder reference number (SRN) and personal identification number (PIN) to validate the submission of their proxy online. Members' individual control, SRN and PIN numbers are shown on the printed proxy form. For further information, see the instructions printed on the proxy form. You may not use any electronic address provided in this Notice to communicate with the Company for any purposes other than those expressly stated. If a member wishes to appoint more than one proxy, the member should contact the Computershare Contact Centre on telephone number 0370 707 1064. In any case your proxy form must be received by the Company's registrars no later than 2:00 p.m. on 19 July 2016 (or, if this meeting is adjourned, 48 hours before the time of any adjourned meeting). In calculating this time period no account shall be taken of any part of a day that is not a working day.

CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the Annual General Meeting and any adjournment(s) thereof by using the procedures, and to the address, described in the CREST Manual (available via www.euroclear.com) subject to the provisions of the Articles of Association. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "**CREST Proxy Instruction**") must be properly authenticated in accordance with Euroclear's specifications and must contain the information required for such instructions, as described in the CREST Manual.

The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID 3RA50) no later than 2:00 p.m. on 19 July 2016. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, their CREST sponsors or voting service provider(s) should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service provider(s) are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5) (a) of the Uncertificated Securities Regulations 2001.

3. DOCUMENTS ON DISPLAY

Copies of the following documents are available for inspection at the Company's registered office during normal business hours from the date of this Notice until the close of the Annual General Meeting (Saturdays, Sundays and public holidays excepted) and will be available for inspection at the place of the Annual General Meeting for at least 15 minutes prior to and during the meeting:

- Directors' service agreements;
- terms and conditions of appointment of Non Executive Directors; and
- Directors' deeds of indemnity.

4. RIGHT TO ATTEND AND VOTE

Pursuant to regulation 41 of the Uncertificated Securities Regulations 2001 and section 360B(2) of the Act, the Company specifies that in order to have the right to attend and vote at the Annual General Meeting (and also for the purpose of determining how many votes a person entitled to attend and vote may cast), a person must be entered on the register of members of the Company at 6.00 p.m. on 19 July 2016 or, in the event of any adjournment, at 6.00 p.m. on the date which is two working days before the day of the adjourned meeting. Changes to entries on the register of members after this time shall be disregarded in determining the rights of any person to attend or vote at the meeting.

5. CORPORATE MEMBERS

Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares.

6. NOMINATED PERSONS

Any person to whom this Notice is sent who is a person nominated under section 146 of the Act to enjoy information rights (a "**Nominated Person**") may have a right, under an agreement between him/her and the member by whom he/she was nominated, to be appointed (or to have someone else appointed) as a proxy for the Annual General Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may have a right, under such an agreement, to give instructions to the member as to the exercise of voting rights.

The statement of the above rights of the members in relation to the appointment of proxies does not apply to Nominated Persons. Those rights can only be exercised by members of the Company.

7. WEBSITE PUBLICATION OF AUDIT CONCERNS

Shareholders should note that it is possible that under section 527 of the Act, members meeting the threshold requirements under that section have the right to require the Company to publish on a website a statement setting out any matter relating to: (i) the audit of the Company's accounts (including the auditor's report and the conduct of the audit) that are to be laid before the Annual General Meeting; or (ii) any circumstance connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual accounts and reports were laid in accordance with section 437 of the Act, (in each case) that the members propose to raise at the Annual General Meeting. The Company may not require the members requesting any such website publication to pay its expenses in complying with sections 527 or 528 of the Act. Where the Company is required to place a statement on a website under section 527 of the Act, it must forward the statement to the Company's auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the Annual General Meeting includes any statement that the Company has been required under section 527 of the Act to publish on a website.

8. TOTAL NUMBER OF SHARES AND VOTING RIGHTS

As at 31 May 2016 (being the last practicable date prior to the publication of this Notice) the Company's issued share capital consists of 330,327,168 ordinary shares with a nominal value of 23¹/₃ pence each and carrying one vote each. As at 31 May 2016, the Company held 4,200,000 ordinary shares in treasury, in respect of which it cannot exercise any votes. Accordingly, the total voting rights in the Company as at 31 May 2016 was 326,127,168.

9. RIGHT TO ASK QUESTIONS

Any member attending the Annual General Meeting has the right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the meeting but no such answer need be given if (a) to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information, (b) the answer has already been given on a website in the form of an answer to a question, or (c) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.

10. COMMUNICATION

You may not use any electronic address (within the meaning of section 333(4) of the Act) provided in this Notice of Annual General Meeting (or in any related documents including the covering letter and Form of Proxy) to communicate with the Company for any purposes other than those expressly stated.

11. ELECTRONIC COPIES

A copy of this Notice, and other information required by section 311A of the Act, can be found at www.icgam.com.

Explanatory Notes

Further information on each of the Resolutions to be proposed at the Annual General Meeting follows. Resolutions 14, 15 and 16 will be proposed as Special Resolutions. All other Resolutions will be proposed as Ordinary Resolutions. To pass Special Resolutions more than 75% of the votes cast must be in favour, while in the case of Ordinary Resolutions more than 50% of the votes cast must be in favour. Voting on all Resolutions will be by way of poll. The results of the polls will be announced as soon as practicable and will appear on the Company's website (www.icgam.com).

1. RESOLUTION 1 – ANNUAL REPORT AND ACCOUNTS.

The Directors are required to present to shareholders at the Annual General Meeting the annual report and accounts for the financial year ended 31 March 2016 (the “**Annual Report and Accounts**”). The Annual Report and Accounts will be mailed on 20 June 2016 to those shareholders who have elected to receive it in hard copy form.

Any shareholder may from 10 June 2016 access the Annual Report and Accounts on the Company's website (www.icgam.com) or may from 20 June 2016 obtain a copy on application to the Company Secretary at Juxon House, 100 St Paul's Churchyard, London EC4M 8BU.

2. RESOLUTION 2 – DIRECTORS' REMUNERATION REPORT.

The Directors are required to seek approval of the shareholders to the Directors' Remuneration Report for the financial year ended 31 March 2016. This Resolution is an advisory vote, as permitted by law, and no entitlement of a Director to remuneration is made conditional on the Resolution being passed.

The Directors' Remuneration Report is set out in full on pages 69 to 93 (inclusive) of the Annual Report and Accounts, which will be mailed on 20 June 2016 to those shareholders who have elected to receive it in hard copy form. Any shareholder may from 10 June 2016 access the Annual Report and Accounts on the Company's website (www.icgam.com) or may from 20 June 2016 obtain a copy on application to the Company Secretary at the postal address shown at explanatory note 1 above.

The Directors' Remuneration Policy was approved by shareholders at the 2014 annual general meeting and is not therefore required to be approved at this year's Annual General Meeting. The Directors' Remuneration Policy will be put to shareholders again no later than the Company's annual general meeting in 2017.

3. RESOLUTION 3 – FINAL DIVIDEND.

The Directors recommend a dividend of 15.8 pence per ordinary share. The Final Dividend cannot exceed the amount recommended by the Directors. If approved by shareholders, the Final Dividend will be paid on 5 August 2016 to those ordinary shareholders on the register at 5:00 p.m. on 17 June 2016.

4. RESOLUTIONS 4 AND 5 – THE AUDITORS.

The shareholders are asked every year to approve the reappointment of the auditors until the conclusion of the next annual general meeting and authorise the Audit Committee, for and on behalf of the Directors, to fix the remuneration of the auditors. The Board believes that the quality of audit service provided by Deloitte LLP is appropriate and that they demonstrate independence and objectivity. Therefore, on the recommendation of the Audit Committee, the Board proposes that Deloitte LLP be reappointed as auditors and recommends that shareholders vote in favour of such reappointment.

5. RESOLUTIONS 6 TO 12 – REAPPOINTMENT OF DIRECTORS.

In accordance with the UK Corporate Governance Code, each of Kevin Parry, Peter Gibbs, Kim Wahl, Kathryn Purves, Christophe Evain, Philip Keller and Benoît Durteste will offer himself or herself for re-election at this year's Annual General Meeting. As announced on 11 February 2016, Justin Dowley, Chairman of the Company, will retire from the Board at the conclusion of this year's Annual General Meeting. Kevin Parry has agreed to become Chairman, subject to his re-election as a Director at this year's Annual General Meeting.

In relation to the Directors who are standing for re-election, the Board considers that following formal performance evaluation each Director continues to make an effective and valuable contribution and demonstrates commitment to his or her role. The Board considers all of its Non Executive Directors to be independent in character and judgement. Accordingly the Board unanimously recommends these Directors' re-election.

Biographies of all the Directors standing for re-election will appear on pages 42 and 43 (inclusive) of the Annual Report and Accounts, which will be mailed on 20 June 2016 to those shareholders who have elected to receive it in hard copy form. Any shareholder may access the Annual Report and Accounts from 10 June 2016 onwards on the Company's website (www.icgam.com) or may from 20 June 2016 obtain a copy on application to the Company Secretary at the postal address shown at explanatory note 1 above.

6. RESOLUTION 13 – ALLOTMENT OF SHARES.

The Directors may allot shares and grant rights to subscribe for, or convert any security into, shares only if authorised to do so by shareholders. The authority granted at the last annual general meeting is due to expire at this year's Annual General Meeting. Accordingly, Resolution 13 will be proposed as an Ordinary Resolution to grant new authorities to allot shares and grant rights to subscribe for, or convert any security into, shares. If given, these authorities will expire at the annual general meeting in 2017 or on 30 September 2017, whichever is the earlier.

Paragraph (a) of Resolution 13 will allow the Directors to allot ordinary shares up to a maximum nominal amount of £25,364,129, which represents approximately one third of the Company's existing issued share capital (excluding treasury shares) calculated as at 31 May 2016 (being the latest practicable date prior to publication of this document) and which will continue to represent approximately one third of the Company's issued share capital (excluding treasury shares) if Resolution 18 is passed and the Share Consolidation effected.

In accordance with the latest institutional guidelines issued by the Investment Association, paragraph (b) of Resolution 13 will also allow the Directors to allot, including the ordinary shares referred to in paragraph (a) of Resolution 13, further ordinary shares in connection with a pre-emptive offer by way of a rights issue to ordinary shareholders up to a maximum nominal amount of £50,728,259, which represents approximately two thirds of the Company's existing issued share capital (excluding treasury shares) calculated as at 31 May 2016 and which will continue to represent approximately two thirds of the Company's existing issued share capital (excluding treasury shares) if Resolution 18 is passed and the Share Consolidation effected.

The Directors have no present intention of exercising this authority. However, if they do exercise the authority, the Directors intend to follow emerging best practice as regards its use (including, where appropriate, the Directors standing for reappointment).

As at the date of this document the Company holds 4,200,000 treasury shares, which represents approximately 1.3% of the Company's issued ordinary share capital (excluding treasury shares) as at 31 May 2016 (being the latest practicable date before publication of this document).

7. RESOLUTION 14 – DIS-APPLICATION OF PRE-EMPTION RIGHTS.

If authorised by shareholders, the Directors may allot equity securities or sell treasury shares for cash without first offering them to existing shareholders pro rata to their holdings. The power granted at the last annual general meeting is due to expire at this year's Annual General Meeting and, as there may be occasions when the Directors need flexibility to finance business opportunities by the allotment of ordinary shares without a pre-emptive offer to existing shareholders, Resolution 14 will be proposed as a Special Resolution to grant such a power.

Paragraph (i) of Resolution 14 allows for allotments or sales to holders of ordinary shares in proportion to the respective number of ordinary shares they hold and to holders of other equity securities entitled to participate therein or if the Directors consider it necessary (as permitted by the rights of those securities). Paragraph (ii) of Resolution 14 allows the Directors to issue up to an aggregate nominal amount of 7,609,238 ordinary shares for cash without having first to offer the shares to existing shareholders. This number represents approximately 10% of the issued share capital of the Company as at 31 May 2016 (the latest practicable date before publication of this document) and will continue to represent approximately 10% of the issued share capital of the Company if Resolution 18 is passed and the Share Consolidation effected. It is in line with the Pre-emption Group's Statement of Principles, as updated in March 2015 (the "Statement of Principles"). In exercising this power, the Board intends to adhere to the provisions in the Statement of Principles and not to allot shares for cash on a non pre-emptive basis pursuant to the authority in Resolution 13:

- (a) in excess of an amount equal to 5% of the total issued ordinary share capital of the Company excluding treasury shares; or

- (b) in excess of an amount equal to 7.5% of the total issued ordinary share capital of the Company excluding treasury shares within a rolling three year period, without prior consultation with shareholders,

in each case other than in connection with an acquisition or specified capital investment which is announced contemporaneously with the allotment or which has taken place in the preceding six month period and is disclosed in the announcement of the allotment.

If given, this power will expire on 30 September 2017 or at the conclusion of the annual general meeting in 2017, whichever is the earlier.

8. RESOLUTION 15 – REPURCHASE OF OWN SHARES.

This Resolution 15 will give the Company authority to purchase its own shares in the markets up to a limit of approximately 10% of its issued ordinary share capital (excluding treasury shares) immediately after the Share Consolidation in Resolution 18 or, if Resolution 18 is not passed or the Share Consolidation does not become effective, approximately 10% of its issued ordinary share capital (excluding treasury shares) as at 31 May 2016. The maximum and minimum prices are stated in the Resolution.

In the event that shares are purchased, they would either be cancelled (and the number of shares in issue would be reduced accordingly) or, in accordance with the Act, be retained as treasury shares for re-sale or transfer for use with the Company's employee share plans. The Directors have no present intention of exercising the authority to make market purchases, however, they believe that it is advantageous for the Company to have this additional flexibility in the management of its capital base. The Directors will exercise this authority only if they are satisfied that a purchase could be expected to result in an increase in the earnings per share of the Company and would be in the interests of shareholders generally.

As at 31 May 2016 (being the latest practicable date before the publication of this document), the total number of options over shares that were outstanding was 673,435, which if exercised would represent 0.21% of the Company's issued share capital (excluding treasury shares) at that date. If the Company were to purchase its own shares to the fullest possible extent of its authority from shareholders (existing and being sought), this number of outstanding options would represent 0.25% of the issued share capital of the Company. No warrants over shares in the capital of the Company are in existence as at 31 May 2016.

9. RESOLUTION 16 – GENERAL MEETINGS.

Under the Act, general meetings must be held on 21 clear days' notice unless shareholders approve a shorter notice period, which cannot however be less than 14 clear days' notice. This Resolution 16 seeks the necessary shareholder approval to have the ability to call general meetings (other than an annual general meeting) on not less than 14 clear days' notice. The power granted at the last annual general meeting to allow the Company to call general meetings (other than an annual general meeting) on 14 clear days' notice is due to expire at this year's Annual General Meeting. If granted, the approval will be effective until the Company's next annual general meeting, or until 30 September 2017, whichever is the earlier.

The shorter notice period would not be used as a matter of routine, but only where the flexibility is merited by the business of the meeting and is thought to be in the interests of shareholders as a whole. The Company will also need to meet the requirements for electronic voting under the Act before it can call a general meeting on not less than 14 clear days' notice.

10. RESOLUTION 17 – SPECIAL DIVIDEND

Consistent with the Board's position last year and the Group's continued strong performance, the Board is recommending a Special Dividend to holders of ordinary shares in the register of members of the Company as at 5:00 p.m. on 29 July 2016 of 63.4 pence per ordinary share, in addition to the Final Dividend of 15.8 pence per ordinary share in respect of the financial year ended 31 March 2016. Having reviewed the Group's balance sheet, the Board believes that the Group has significant resources to meet its needs.

For administrative reasons, the option to participate in a dividend reinvestment programme shall not be available for the Special Dividend.

Please refer to Appendix I for further information and details on the Special Dividend.

11. RESOLUTION 18 – SHARE CONSOLIDATION

Resolution 18 will effect the Share Consolidation, following which the total number of issued ordinary shares will be reduced and the nominal value of the ordinary shares will change. The purpose of the Share Consolidation is to seek, so far as possible, to maintain comparability of the Company's share price at a broadly similar level before and after payment of the Special Dividend. The Share Consolidation is conditional on the New Ordinary Shares being admitted to the premium listing segment of the Official List and being admitted to trading on the London Stock Exchange's main market for listed securities.

Please refer to Appendix I for further information and details on the Share Consolidation.

12. RESOLUTION 19 – FEES FOR NON EXECUTIVE DIRECTORS

Pursuant to Article 97 (Directors' fees) of the Articles of Association, the maximum aggregate amount of fees that Directors (other than alternate Directors) are entitled to receive per annum for their services as Directors is £600,000 or such other sum as the Company in general meeting shall from time to time determine. Such fees are distinct from any salary or remuneration payable to a Director pursuant to any other provisions of the Articles of Association, such as the salary or remuneration of Executive Directors, and as such are relevant only in relation to the fees payable to the Company's Non Executive Directors.

This Resolution proposes to increase the maximum aggregate amount in fees that may be paid to Directors under Article 97 (Directors' fees) of the Articles of Association from £600,000 per annum to £1,000,000 per annum. The increase is being sought as a preparatory measure to provide the Company with flexibility in appointing additional Directors and setting Directors' fees in the future. The Directors have no current intention to award fees in excess of the existing £600,000 aggregate fee limit. All payments will be made in accordance with the terms of the Directors' Remuneration Policy.

Appendix I – Further details of the Special Dividend and Share Consolidation

1. SPECIAL DIVIDEND AND SHARE CONSOLIDATION

The Company intends to pay a Special Dividend of 63.4 pence per Existing Ordinary Share. As at the close of business on 31 May 2016, when the closing mid-market price per Existing Ordinary Share was 668 pence and there were 326,127,168 Existing Ordinary Shares in issue (excluding the Existing Ordinary Shares held by the Company in treasury), the total amount of the Special Dividend was equivalent to approximately 9.7% of the market capitalisation of the Company (adjusted to take account of the proposed Final Dividend). The effect of the Share Consolidation will be to reduce the number of ordinary shares in issue (including those held in treasury) by approximately the same percentage.

The Share Consolidation is intended to maintain comparability, as far as possible, of the Company's share price before and after the payment of the Special Dividend. The effect of the Share Consolidation will be that shareholders on the Company's register of members at 5:00 p.m. on 29 July 2016 will, on the completion of the Share Consolidation, receive:

8 New Ordinary Shares for every 9 Existing Ordinary Shares

and in that proportion for any other number of Existing Ordinary Shares then held.

As outlined above, the ratio used for the Share Consolidation has been set by reference to the closing mid-market price of 668 pence per Existing Ordinary Share and the number of Existing Ordinary Shares in issue on 31 May 2016. It is possible, however, that between 31 May 2016 and the date of the Annual General Meeting the price of an Existing Ordinary Share could change (including, for example, as a result of a vote in the referendum to be held on 23 June 2016 that the United Kingdom should leave the European Union), such that a Share Consolidation using this ratio would not maintain comparability of the Company's share price before and after the payment of the Special Dividend.

If this is the case, the Directors are not obliged to but may, in their absolute discretion, propose certain changes to Resolution 18 so as to adjust the Share Consolidation ratio to maintain, as far as possible, comparability of the Company's share price before and after the payment of the Special Dividend. If the Directors determine that these steps are to be taken, this will be made clear during the Annual General Meeting. In addition, notice will be given by issuing an announcement through a Regulatory Information Service.

To effect the Share Consolidation it may be necessary to issue or repurchase for cancellation such minimum number of additional Existing Ordinary Shares so that the number of the Company's Existing Ordinary Shares is exactly divisible by 9.

2. EFFECTS OF PROPOSALS

For purely illustrative purposes, examples of the effects of the Special Dividend and the Share Consolidation in respect of certain holdings of Existing Ordinary Shares are set out below:

Existing Ordinary Shares	New Ordinary Shares	Fractional entitlement*	Special dividend
1	–	0.89	£0.634
5	4	0.44	£3.17
10	8	0.89	£6.34
50	44	0.44	£31.70
100	88	0.89	£63.40
1000	888	0.89	£634.00

* The fractional entitlement represents the fraction of a New Ordinary Share which will be sold on behalf of shareholders as soon as practicable after the Share Consolidation. The net proceeds of the sale will be despatched to shareholders thereafter or, in the case of individual entitlements of less than £3.00, donated to ShareGift.

Following the Share Consolidation, although each shareholder will hold fewer ordinary shares than before, each shareholder's proportionate interest in the ordinary share capital of the Company will, save for minor adjustments as a result of the fractional entitlement provisions set out below, remain unchanged. It is only the number of ordinary shares in issue which will have changed as a result of the Share Consolidation and, other than this, each New Ordinary Share will carry the same rights and entitlements (including to dividend and voting) as set out in the Articles of Association that currently attach to the Existing Ordinary Shares. The New Ordinary Shares will rank equally with one another.

Additionally, the Share Consolidation will not have any impact on the Company's net assets as no change in the total aggregate nominal value of the Company's issued share capital will occur. Following the Share Consolidation, and assuming no further shares in the Company are issued after the date of this document, the Company's issued share capital will consist of 293,624,150 New Ordinary Shares (including treasury shares).

3. FRACTIONAL ENTITLEMENTS

If an individual shareholding is not exactly divisible by 9, the Share Consolidation will generate an entitlement to a fraction of a New Ordinary Share. No shareholder will be entitled to a fraction of a New Ordinary Share. Instead, their entitlement will be rounded down to the nearest whole New Ordinary Share. Only shareholders with a holding not exactly divisible by 9 will become Fractional Shareholders. If this rounding down process results in a Fractional Shareholder being entitled to zero New Ordinary Shares, then they will cease to hold any ordinary shares in the Company.

Any fractional entitlements arising from the Share Consolidation will, in so far as possible, be aggregated to form whole New Ordinary Shares. Such New Ordinary Shares will then be sold in the market on behalf of the relevant shareholders in accordance with the relevant provisions of the Articles of Association as soon as practicable after Resolution 18 is passed.

The Company is generally required to distribute the net proceeds of such sale (after the deduction of expenses of the sale) in due proportion amongst the relevant Fractional Shareholders save that, where the net proceeds of such a sale (after the deduction of expenses of the sale) do not exceed £3.00 (such limit being that which is specified in Article 43.1(a) of the Articles of Association), the Company shall donate such proceeds to the charity ShareGift (registered number 1052686). If the Company's share price does not exceed £3.00, no payments to shareholders in respect of fractional entitlements to New Ordinary Shares will be made.

The proceeds of the sale are expected to be sent to shareholders on 5 August 2016. The value of any shareholder's fractional entitlement will not exceed the market value of one New Ordinary Share.

4. CONDITIONS

The Share Consolidation is conditional on shareholder approval of the Special Dividend and the New Ordinary Shares being (i) admitted to the premium segment of the Official List of the Financial Conduct Authority, and (ii) admitted to trading on the London Stock Exchange's main market for listed securities.

5. SHARE PLANS

Any awards outstanding under the employee share plans of the Company will be reviewed and any appropriate adjustments under the rules of those plans will be made following the Share Consolidation. Any adjustments made shall be consistent with the practice followed in July 2015, the last time the Company's shares were consolidated.

6. TAXATION

The following summary is intended as a general guide only and relates only to certain limited aspects of the UK taxation treatment of the Special Dividend. It is based on current UK tax law and what is understood to be the current practice of HM Revenue and Customs (or, where expressly stated, anticipated future changes in UK law and practice). It applies only to shareholders who are resident for tax purposes in the UK (except insofar as express reference is made to the treatment of non-UK residents), who are the absolute beneficial owners of their shares and any dividends paid on them, and hold them as an investment (but not through an individual savings account or self-invested personal pension). The tax position of certain categories of shareholders who are subject to special rules (such as persons acquiring their shares in connection with employment, dealers in securities, insurance companies and collective investment schemes) is not considered.

Shareholders who are in any doubt as to their tax position or who may be subject to tax in a jurisdiction other than the UK are strongly recommended to consult their own independent tax advisers.

SPECIAL DIVIDEND

The Company is not required to withhold tax when paying a dividend. Liability to tax on the Special Dividend will depend upon the individual circumstances of a shareholder.

(I) UK RESIDENT INDIVIDUAL SHAREHOLDERS

The Finance Bill currently before the United Kingdom Parliament contains provisions which, if enacted in their current form, will make significant changes to the United Kingdom income tax treatment of dividends received by individual shareholders who are resident for tax purposes in the United Kingdom (an "**Individual UK Resident Shareholder**") with effect from 6 April 2016.

Assuming that the Finance Bill 2016 is enacted in its current form, if an Individual UK Resident Shareholder receives the Special Dividend from the Company, the Special Dividend, together with all dividends from other sources, will form part of the shareholder's total income for income tax purposes and will constitute the top slice of that income. A nil rate of income tax will apply to the first £5,000 of taxable dividend income received by the shareholder in a tax year. Where the dividend income is above the £5,000 dividend allowance, the first £5,000 of the dividend income will be charged at the nil rate and any excess amount will be taxed at the rate that would apply to that amount if the nil rate did not exist. The rates are 7.5% to the extent that the excess amount falls within the basic rate tax band, 32.5% to the extent that the excess amount falls within the higher rate tax band and 38.1% to the extent that the excess amount falls within the additional rate tax band.

If the Finance Bill 2016 is not enacted in its current form and no changes are made to the current treatment of taxation of Individual UK Resident Shareholders who receive the Special Dividend, the treatment will be as follows:

- (a) an Individual UK Resident Shareholder who receives the Special Dividend will generally be entitled to a tax credit equal to one ninth of the amount of the dividend received, which is equivalent to 10% of the aggregate of the dividend received and the tax credit (the "**Gross Dividend**"), and will be subject to income tax on the Gross Dividend;
- (b) an Individual UK Resident Shareholder who is subject to income tax at a rate or rates not exceeding the basic rate will be liable to tax on the Gross Dividend at the rate of 10%, so that the tax credit will satisfy the income tax liability of such a shareholder in full. Where the tax credit exceeds the shareholder's tax liability the shareholder cannot claim repayment of the tax credit from HM Revenue and Customs;
- (c) an Individual UK Resident Shareholder who is subject to income tax at the higher rate will be liable to income tax on the Gross Dividend at the rate of 32.5% to the extent that such sum, when treated as the top slice of that shareholder's income, falls within the bracket for higher rate income tax. To the extent the Gross Dividend falls within that bracket, after taking into account the 10% tax credit a higher rate taxpayer will therefore be liable to additional income tax equal to 22.5% of the Gross Dividend, which equates to 25% of the net dividend; and

- (d) an Individual UK Resident Shareholder who is subject to income tax at the additional rate will be liable to income tax on the Gross Dividend at the rate of 37.5% to the extent that such sum, when treated as the top slice of that shareholder's income, exceeds the threshold for additional rate income tax. To the extent the Gross Dividend exceeds that threshold, after taking into account the 10% tax credit an additional rate taxpayer will therefore be liable to additional income tax of 27.5% of the Gross Dividend, which equates to approximately 30.6% of the net dividend.

(II) UK RESIDENT CORPORATE SHAREHOLDERS

For UK resident corporate shareholders, it is likely that the Special Dividend will fall within one or more of the classes of dividend qualifying for exemption from corporation tax. However, it should be noted that the exemptions are not comprehensive and are also subject to anti-avoidance rules.

Shareholders within the charge to corporation tax should consult their own independent tax advisers.

(III) UK RESIDENT EXEMPT SHAREHOLDERS

UK resident shareholders who are not liable to UK tax on dividends, including pension funds and charities, will not be liable to tax on the Special Dividend.

(IV) NON-UK RESIDENT SHAREHOLDERS

Shareholders who are resident outside the UK for tax purposes will not generally be liable to UK tax on the Special Dividend. A shareholder resident outside the UK may be subject to non-UK taxation on dividend income under local law.

SHARE CONSOLIDATION

It is expected that, for the purposes of UK taxation on chargeable gains, the Share Consolidation will be treated as follows:

- a) the New Ordinary Shares arising from the Share Consolidation will result from a reorganisation of the share capital of the Company. Accordingly, to the extent that a shareholder receives New Ordinary Shares, the shareholder should not be treated as making a disposal of all or part of the shareholder's holding of Existing Ordinary Shares by reason of the Share Consolidation being implemented, and the New Ordinary Shares which replace a shareholder's holding of Existing Ordinary Shares as a result of the Share Consolidation will be treated as the same asset acquired at the same time as the shareholder's holding of Existing Ordinary Shares was acquired;

- b) to the extent that a shareholder receives cash by virtue of a sale on his or her behalf of any New Ordinary Shares to which he or she has a fractional entitlement, the shareholder will not under current HM Revenue & Customs practice normally be treated as making a part disposal of the shareholder's holding of Existing Ordinary Shares on the basis that any consideration should be small (i.e. less than £3,000), the proceeds instead being deducted from the base cost of the shareholder's new holding. If those proceeds exceed that base cost, however, or if a shareholder holds only 1 Existing Ordinary Share at the Effective Date and so is not entitled to any New Ordinary Shares, the shareholder will be treated as disposing of part or all of his or her holding of Existing Ordinary Shares and will be subject to tax in respect of any chargeable gain thereby realised; and
- c) on a subsequent disposal of the whole or part of the New Ordinary Shares comprised in the new holding, a shareholder may, depending on his or her circumstances, be subject to tax on the amount of any chargeable gain realised.

7. DEALINGS, SETTLEMENT AND SHARE CERTIFICATES FOR THE NEW ORDINARY SHARES

An application will be made to the UK Listing Authority for the Official List to be amended to reflect the New Ordinary Shares arising from the Share Consolidation. Application will also be made to the London Stock Exchange for the New Ordinary Shares to be admitted to trading on the London Stock Exchange's main market for listed securities. Trading on the London Stock Exchange for the Existing Ordinary Shares (under ISIN GB00BY5B507) is expected to close at 4:30 p.m. on 29 July 2016, and it is expected that Admission of the New Ordinary Shares will become effective and trading in the New Ordinary Shares (under ISIN GB00BYT1DJ19) will commence at 8:00 a.m. on 1 August 2016.

Payment of fractional entitlements (if any) is expected to be despatched on, or around, 5 August 2016 by CREST payment or by cheque. CREST shareholders will receive their fractional entitlement payment (if any) via their CREST accounts. Non-CREST shareholders, regardless of whether they have an existing mandate to a bank or building society account, will receive their fractional entitlement payment (if any) via cheque.

The Act and the Articles of Association require that shareholder consent is sought from holders of Existing Ordinary Shares for the Share Consolidation, and approval will be sought at this Annual General Meeting.

It is anticipated that new certificates for the New Ordinary Shares will be issued and dispatched to shareholders who hold their shares in certificated form, at the risk of the relevant shareholder, on 5 August 2016. Share certificates will be sent to the registered address of the relevant shareholder, or, in the case of joint holders, to the holder whose name appears first in the register of members. On receipt of the new share certificates, all share certificates previously issued will no longer be valid and should be destroyed. Pending the issue of new share certificates, existing share certificates will remain valid until close of business on 29 July 2016. **Any share certificate dated prior to 29 July 2016 will no longer be valid and will not be accepted in support of any instrument of transfer.**

If you do not receive a new share certificate (allowing for the time of postage from the date of dispatch) and you believe you are entitled to one please contact the Company's registrars, Computershare (contact details can be found on page 1 of this document).

Shares in the Company may be held in uncertificated form. Shareholders who hold their entitlement in uncertificated form through CREST will have their CREST accounts adjusted to reflect their entitlement to New Ordinary Shares on 1 August 2016. The existing ISIN (under ISIN GB00BYY5B507) will be disabled as at 5:00 p.m. on 29 July 2016 with the New Ordinary Shares (under ISIN GB00BYT1DJ19) commencing at 8:00 a.m. on 1 August 2016.

8. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of this document will be available for inspection at the Company's registered office during normal business hours until the close of the Annual General Meeting (Saturdays, Sundays and public holidays excepted).

Appendix II – Definitions

The following definitions apply throughout this document and the accompanying Form of Proxy, unless the context otherwise requires:

“Act”	the Companies Act 2006, as amended;
“Admission”	the admission of the New Ordinary Shares to the premium segment of the Official List and to trading on the London Stock Exchange’s main market for listed securities;
“Annual General Meeting”	the Annual General Meeting of the Company convened for 2:00 p.m. on 21 July 2016 (or any adjournment of it), notice of which is set out in this document;
“Articles” or “Articles of Association”	the Articles of Association of the Company as at the date of this document;
“Board” or “Directors”	the Directors of the Company
“Company”	Intermediate Capital Group plc (incorporated in England and Wales No. 02234775);
“Computershare”	Computershare Investor Services plc (incorporated in England and Wales No. 03498808);
“CREST”	the UK based central securities depository operated by Euroclear;
“Effective Date”	the date on which entitlement to the Special Dividend and Share Consolidation becomes effective;
“Euroclear”	Euroclear UK & Ireland Limited;
“Existing Ordinary Shares”	the existing ordinary shares with nominal value of 23 ¹ / ₃ pence each in the capital of the Company;
“Final Dividend”	the dividend of 15.8 pence per ordinary share for the financial year ended 31 March 2016 payable on 5 August 2016 to holders of ordinary shares on the register of members of the Company at the close of business on 17 June 2016 in respect of all ordinary shares then registered in their names;
“Financial Conduct Authority”	the Financial Conduct Authority of the UK (or any successor body in respect thereof);
“Form of Proxy”	the form of proxy relating to the Annual General Meeting being sent to shareholders with this document;
“Fractional Shareholder”	a shareholder who is entitled to a fraction of a New Ordinary Share (whether or not such a shareholder is also entitled to one or more whole New Ordinary Shares);
“FSMA”	the Financial Services and Markets Act 2000, as amended;
“Group”	the Company and its existing subsidiary undertakings;
“London Stock Exchange”	London Stock Exchange plc;
“m”	million
“New Ordinary Share”	the proposed new ordinary shares with nominal value of 26 ¹ / ₄ pence each in the capital of the Company resulting from the Share Consolidation;
“Notice of Annual General Meeting” or “Notice”	the notice convening the Annual General Meeting as set out on pages 6 to 10 of this document;
“Official List”	the official list of the Financial Conduct Authority;
“Resolution(s)”	the resolution(s) set out in the Notice of Annual General Meeting;
“Share Consolidation”	the share capital consolidation to be proposed pursuant to Resolution 18 whereby, if such Resolution is approved by shareholders, every 9 Existing Ordinary Shares will be consolidated into 8 New Ordinary Shares (or such other amount as the Directors may determine in order to maintain comparability of the Company’s share price before and after payment of the Special Dividend);
“Special Dividend”	the proposed special dividend of 63.4 pence per ordinary share declared and payable to holders of ordinary shares on the register of members of the Company at the close of business on 29 July 2016 in respect of all ordinary shares then registered in their names;
“UK” or “United Kingdom”	the United Kingdom of Great Britain and Northern Ireland; and
“UK Listing Authority”	the Financial Conduct Authority acting in its capacity as the competent authority for the purposes of Part IV of FSMA.

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AUTHORISED AND REGULATED BY
THE FINANCIAL CONDUCT AUTHORITY

iCG

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