

# INVESTCORP CAPITAL PLC

## REMUNERATION POLICY

### Introduction

Investcorp Capital plc (“**Investcorp Capital**” or the “**Company**”) and its consolidated subsidiaries (collectively, the “**Investcorp Capital Group**”) have a clear and well-defined “pay for risk-adjusted long-term performance” philosophy that pervades its culture and motivates its employees to target delivery of consistent top-quartile performance. This philosophy is reflected in its annual remuneration decisions for employees and directors.

### Purpose

The Investcorp Capital Group’s remuneration programs are designed, where appropriate, to meet the five key objectives described below. These objectives are considered and applied to ensure Investcorp Capital are able to attract and retain key talent.

#### **A. Attract and retain top talent.**

The Investcorp Capital Group competes for talent globally with investment banks, commercial banks, alternatives firms and other companies offering financial services. The Investcorp Capital Group’s ability to sustain or improve its position in this highly competitive environment depends substantially on its ability to continue to attract, retain and motivate the most qualified employees. In support of its recruitment and retention objectives, the Investcorp Capital Group monitors market pay levels and it structures its incentive awards to include deferred payment and vesting, which are provisions that protect the interests of the Investcorp Capital Group and its stakeholders.

#### **B. Deliver pay for sustainable long-term performance on a risk-adjusted basis.**

The Investcorp Capital Group’s incentive remuneration programs emphasize discretionary variable annual performance remuneration and long-term incentive remuneration linked to specific performance objectives. Variable annual performance remuneration is adjusted year over year to appropriately reward annual achievement of the Investcorp Capital Group’s financial and strategic objectives. A portion of the variable annual performance remuneration is required to be deferred.

Long term incentive remuneration is future oriented and rewards performance that serves shareholders’ interests by executing on the Investcorp Capital Group’s long term business strategy.

Deferred annual incentives and long-term incentives promote sustained shareholder value creation over the long-term. The structure of the Investcorp Capital Group’s remuneration programs balance the objectives of delivering returns for shareholders and providing appropriate rewards to motivate superior individual performance.

### **C. Align executive remuneration with shareholders' and clients' interests.**

The Investcorp Capital Group awards a significant portion of variable remuneration in the form of deferrals to align employee interests with those of shareholders and clients and to promote long-term sustainable success.

Deferrals comprise of share-linked awards or such other instrument referred to in a program deemed appropriate and approved by the Nomination and Remuneration Committee (“**NRC**”) of Investcorp Capital’ board of directors (“**Board**”). Deferred share-linked awards are subject to market, cancellation, malus and clawback risk over a multi-year period. If the value of Investcorp Capital's shares declines, the value of employees’ entitlements under these awards is automatically and correspondingly reduced. The NRC, which acts as a remuneration committee, believes that these deferred awards help motivate employees to achieve financial and strategic goals.

The alignment of interests with Investcorp Capital's shareholders is further enhanced by the ability to defer payments under share-linked awards if a payment would jeopardize the financial condition of the Investcorp Capital Group.

### **D. Mitigate excessive risk taking and incentivize top-quartile risk-adjusted returns.**

A significant portion of the deferred remuneration awarded to the Investcorp Capital Group’s senior executives is linked to the value of Investcorp Capital. These remuneration arrangements are structured and designed to ensure that they do not encourage unnecessary or excessive risk-taking that threatens the Investcorp Capital Group’s interests or gives rise to risk that could have a material adverse effect on the Investcorp Capital Group.

### **E. Ensure compliance with regulations in each country in which the Group has a regulated presence.**

Investcorp Capital is committed to providing equitable pay and ensuring individuals are fairly compensated in accordance with applicable local and international laws and regulations.

Investcorp Capital tracks and monitors regulatory compliance for each jurisdiction that it operates in, including applicable laws/regulations, tax requirements, and any required regulatory assessments.

## **Remuneration Governance**

The Board of Directors of Investcorp Capital is responsible for actively overseeing the design and operation of the Investcorp Capital Group’s remuneration systems, including remuneration schemes that support alignment with long-term shareholder interests.

The NRC is responsible for:

- Reviewing and approving this Remuneration Policy (alongside any other specific employee Remuneration Policies);
- Approving, monitoring and reviewing the Investcorp Capital Group’s remuneration systems to ensure that they operate as intended; and
- Recommending remuneration to Board members based on their attendance of meetings and performance and in compliance with relevant laws, rules (include ADX rules) and regulations .

### **Board and Executive Remuneration Policies**

Board members appointed by Investcorp Holdings B.S.C.(c) (the “**Parent**”) shall not be entitled to any compensation from Investcorp Capital.

Other Board members and senior management of the Company are otherwise entitled to remuneration as the Board and General Assembly determines for their services to Investcorp Capital. Compensation may take any form but shall not exceed the permissible thresholds set out in the articles of association of the Company or applicable laws (including the Securities and Commodities Authority’s governance rules).

Remuneration of the Company’s senior management may include components tied to performance and achievement of specific, pre-established objectives in line with the strategy of the Company which are periodically published.

With respect to the members of the Board and senior management of the company, the NRC will conduct periodical benchmarking exercises considering comparable remuneration being offered by other companies operating in the Company’s industry (including other companies within the Parent’s group).

### **Specific Employee Remuneration Policies**

Annual remuneration for employees is comprised of two key elements (in addition to retirement and health and welfare benefits):

- A fixed salary that is comprised of a base salary and in certain circumstances supplementary fixed allowances that are reviewed regularly; and
- A variable remuneration component that is based on the Investcorp Capital Group’s performance as well as individual performance factors.

The determination of whether an employee is entitled to an award of variable remuneration in respect of any year will be based upon an evaluation of that employee’s performance during that year. This evaluation will include an assessment of both (i) the employee’s performance of his or her objectives that were established for the year and (ii) a range of performance competencies including, but not limited to:

- Business acumen;
- Judgement and maturity;
- Leadership;
- Teamwork and culture;
- Commitment;
- Adherence to process; and
- Commitment to Diversity and Sustainability.

If an employee's performance warrants an award of variable remuneration, the variable remuneration is awarded as a mix of an upfront cash bonus, and/or deferred long-term incentive. A significant percentage of variable remuneration is subject to vesting requirements and market and cancellation risk, with this percentage increasing depending on the seniority and/or responsibility of the employee.

The only circumstances under which deferred remuneration may be paid out before the end of the relevant vesting period are the death or permanent disability of the employee or (at the sole discretion of the Company) in the case of a "good leaver" or takeover scenario.

The mix of remuneration will vary depending upon employees' functions and the mix must be consistent with risk alignment.

Individuals performing a Control Function (risk management, internal audit, operations, financial controls, anti-money laundering and compliance) will be remunerated in a manner that is independent of the business areas they oversee. A significant portion of the remuneration paid to these individuals will be fixed and they will be compensated based on their performance versus the objectives and targets of their functions.

Remuneration awarded across the Investcorp Capital Group is adjusted for all types of risk, including intangible and other risks such as reputation risk, liquidity risk and the cost of capital, and both quantitative and human judgment must play a role in determining risk adjustments. Remuneration outcomes must be symmetric with risk outcomes.

Variable remuneration is not guaranteed except in the case of hiring a new employee in certain circumstances, in which case any guaranteed minimum variable remuneration is expected to be limited to the first year of employment.

Investcorp Capital Group employees are required to commit themselves not to use personal hedging strategies or remuneration and liability related insurance that undermines the risk alignment embedded in the Investcorp Capital Group's remuneration programs and policies.

Total variable remuneration is determined so that, depending upon Investcorp Capital's current capital position, Investcorp Capital's ability to strengthen its capital is not limited.

The size of the Investcorp Capital Group's variable remuneration pool and its allocation takes into account the full range of current and potential risks, including:

- The cost and quantity of capital required to support the risks taken;
- The cost and quantity of the liquidity risk assumed in the conduct of the Investcorp Capital Group's business; and
- Consistency with the timing and likelihood of potential future revenues.

The Investcorp Capital Group's variable remuneration pool is linked to the overall financial performance of the Investcorp Capital Group, and individual remuneration awards are linked to the contribution of an individual employee to the overall performance of the Investcorp Capital Group.

Variable remuneration awards are reduced or deferred in the event of poor financial performance by the Investcorp Capital Group overall.

If the Investcorp Capital Group incurs losses in a year, the value of unvested portions of deferred remuneration, if in shares or share linked form, is likely to be correspondingly reduced.

Investcorp Capital Group supports employees building and maintaining a shareholding in the Company to support the aligned interests with shareholders over the long-term, and the NRC may implement formal shareholding guideline policies from time to time.

Contractual payments related to a termination of employment are aligned with long-term value creation and prudent risk-taking. Such payments are related to performance achieved over time and designed in a way that does not reward failure.

### **Approval and Amendments**

The Board is responsible for determining the compensation of the Board and recommending the remuneration and fees to the Investcorp Capital General Assembly for approval. This policy was endorsed by the NRC on 2 November 2023, endorsed by the Board on February 11, 2024 and approved by the General Assembly on [●]. In case of future amendments thereto, the General Assembly shall have the authority to approve the updated version.