

International Coal Group, Inc.
Form DEF 14A
April 26, 2006

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the

Securities Exchange Act of 1934

(Amendment No.)

Filed by the Registrant Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential, For Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to Section 240.14a-12.

INTERNATIONAL COAL GROUP, INC.

(Name of Registrant as Specified in its Charter)

N/A

(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

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- No fee required.
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(1) Title of each class of securities to which transaction applies:

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(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

2000 Ashland Drive

Ashland, Kentucky 41101

April 26, 2006

Dear International Coal Group, Inc. Stockholder:

You are cordially invited to attend the 2006 Annual Meeting of International Coal Group, Inc., which will be held on Friday, May 26, 2006, at 10:00 a.m. at The Ritz Carlton, 50 Central Park South, New York, NY 10019.

All holders of record of International Coal Group, Inc. common stock as of April 10, 2006 are entitled to vote at the 2006 Annual Meeting.

As described in the accompanying Notice and Proxy Statement, you will be asked to elect two Class I directors for three-year terms expiring in 2009 and to ratify the appointment of Deloitte & Touche LLP as our independent registered public accountants for 2006.

Our Annual Report for the year ended December 31, 2005 is enclosed. Your proxy card is also enclosed. If you are the registered holder of your shares, then you can only vote your shares by proxy by mailing your signed proxy card in the enclosed return envelope. If you hold your shares in street name through a bank, broker or other nominee, then you may vote your shares by proxy by mailing your signed proxy card in the enclosed return envelope, or by telephone or the Internet if your bank, broker or other nominee has provided you with instructions on how to do so. Specific instructions for voting by telephone or the Internet will be provided by your bank, broker or nominee.

Sincerely,

Wilbur L. Ross, Jr.
Chairman of the Board

Bennett K. Hatfield
President and Chief Executive Officer

2000 Ashland Drive

Ashland, Kentucky 41101

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

TO BE HELD ON MAY 26, 2006

The 2006 Annual Meeting of Stockholders of International Coal Group, Inc., a Delaware corporation, will be held on Friday, May 26, 2006, at 10:00 a.m., at The Ritz Carlton, Samuel Halpert Room, 50 Central Park South, New York, NY 10019, for the following purposes:

- (1) To elect two Class I directors to serve for a three-year term expiring in 2009;
- (2) To ratify the appointment of Deloitte & Touche LLP as ICG's independent registered public accountants for the fiscal year ending December 31, 2006; and
- (3) To transact such other business as may properly come before the 2006 Annual Meeting or any adjournment or postponement thereof. The Board of Directors has fixed the close of business on April 10, 2006 as the record date for the determination of stockholders entitled to notice of, and to vote at, the 2006 Annual Meeting or any adjournment or postponement thereof.

A list of stockholders entitled to vote at the 2006 Annual Meeting will be available for examination by any stockholder, for any purpose concerning the meeting, during ordinary business hours at ICG's principal executive offices, located at 2000 Ashland Drive, Ashland, Kentucky 41101, during the ten days preceding the 2006 Annual Meeting.

By Order of the Board of Directors,

Roger L. Nicholson
Senior Vice President, General Counsel and Secretary

April 26, 2006

YOUR VOTE IS IMPORTANT. IF YOU ARE THE REGISTERED HOLDER OF YOUR SHARES, THEN YOU CAN ONLY VOTE YOUR SHARES BY PROXY BY MAILING YOUR SIGNED PROXY CARD IN THE ENCLOSED RETURN ENVELOPE. IF YOU HOLD YOUR SHARES IN STREET NAME THROUGH A BANK, BROKER OR OTHER NOMINEE, THEN YOU MAY VOTE YOUR SHARES BY PROXY BY MAILING YOUR SIGNED PROXY CARD IN THE ENCLOSED RETURN ENVELOPE, OR BY TELEPHONE OR THE INTERNET IF YOUR BANK, BROKER OR OTHER NOMINEE HAS PROVIDED YOU WITH INSTRUCTIONS ON HOW TO DO SO. SPECIFIC INSTRUCTIONS FOR VOTING BY TELEPHONE OR THE INTERNET WILL BE PROVIDED BY YOUR BANK, BROKER OR NOMINEE.

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2000 Ashland Drive

Ashland, Kentucky 41101

PROXY STATEMENT

QUESTIONS AND ANSWERS ABOUT THE 2006 ANNUAL MEETING

The Company mailed this proxy statement, proxy card and ICG's Annual Report for the fiscal year ended December 31, 2005 to all stockholders entitled to vote at the 2006 Annual Meeting on or about April 28, 2006. The 2006 Annual Meeting will be held on Friday, May 26, 2006, at 10:00 a.m. at The Ritz Carlton, Samuel Halpert Room, 50 Central Park South, New York, NY 10019. Directions to the 2006 Annual Meeting can be found at the back of this proxy statement.

Q: Why did I receive this proxy statement?

A: The Board of Directors is soliciting your proxy to vote at the 2006 Annual Meeting of Stockholders because you were a holder of International Coal Group, Inc. common stock as of April 10, 2006, the record date, and are entitled to vote at the 2006 Annual Meeting. As of the record date, there were 152,686,868 shares of common stock outstanding. This proxy statement summarizes the information you need to know to vote at the 2006 Annual Meeting.

Q: What are the voting recommendations of the Board of Directors?

A: The Board of Directors recommends the following votes:

FOR each of the director nominees (Proposal 1).

FOR ratification of the appointment of Deloitte & Touche LLP as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2006 (Proposal 2).

Q: Will any other matters be voted on?

A: The Company is not aware of any other matters that will be brought before the stockholders for a vote at the 2006 Annual Meeting. If any other matter is properly brought before the meeting, your proxy will authorize your appointed proxies to vote on such matters in their discretion.

Q: How many votes do I have?

A: Each share of common stock that you owned at the close of business on April 10, 2006, the record date, is entitled to one vote. These shares include:

shares held directly in your name as the stockholder of record; and

shares held for you as the beneficial owner through a broker, bank, or other nominee in street name.

Q: How do I vote by proxy?

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A: If you are the registered holder of your shares, then you can only vote your shares by proxy by mailing your signed proxy card in the enclosed return envelope. If you hold your shares in street name through a bank, broker or other nominee, then you may vote your shares by proxy by mailing your signed proxy card in the

enclosed return envelope, or by telephone or the Internet if your bank, broker or other nominee has provided you with instructions on how to do so. Specific instructions for voting by telephone or the Internet will be provided by your bank, broker or nominee. If you choose to vote by mail, simply mark your proxy card, date and sign it, and return it in the postage-paid envelope provided.

The shares represented by all valid proxies received will be voted in the manner specified on the proxies. Where specific choices are not indicated on a valid proxy, the shares represented by such proxies received will be voted: (i) for the nominees for director named in this proxy statement, (ii) for the appointment of Deloitte & Touche LLP as the Company's independent registered public accountants for the year ending December 31, 2006, and (iii) in accordance with the best judgment of the persons named in the enclosed proxy, or their substitutes, for any other matters which properly come before the 2006 Annual Meeting.

Returning your completed proxy will not prevent you from voting in person at the 2006 Annual Meeting should you be present and desire to do so.

Q: Can I change my vote?

A: Yes, if you are a stockholder of record, you can change your vote or revoke your proxy at any time before the 2006 Annual Meeting by:

submitting by mail a valid, later-dated proxy;

if your bank, broker or other nominee has provided you with instructions on how to do so, submitting a valid, subsequent vote by telephone or the Internet;

notifying the Company's Secretary in writing before the 2006 Annual Meeting that you have revoked your proxy; or

voting in person at the 2006 Annual Meeting.

Q: If I hold shares in street name, how can I vote my shares?

A: You can submit voting instructions to your bank, broker or nominee. In most instances, you will be able to do this over the Internet, by telephone, or by mail. Please refer to the voting instruction card included in these proxy materials by your bank, broker or nominee.

Q: What will happen if I do not instruct my bank, broker or other nominee how to vote?

A: If your shares are held in street name and you do not instruct your bank, broker or other nominee how to vote, your bank, broker or other nominee may vote your shares at its discretion on routine matters such as the election of directors (Proposal 1) or ratification of the independent registered public accounting firm (Proposal 2).

On non-routine matters, if any, banks, brokers and other nominees cannot vote without instructions from the beneficial owner, resulting in so-called broker non-votes. Broker non-votes have the same effect as votes cast against a particular proposal except for the election of directors for which broker non-votes will have no impact.

Q: How many shares must be present to hold the 2006 Annual Meeting?

A: Holders of a majority of the shares of the Company's outstanding common stock as of the record date, or 76,343,435 shares, must be represented in person or by proxy at the 2006 Annual Meeting in order to conduct business. This is called a quorum. If you vote, your shares will be part of the quorum. Abstentions, withhold votes and broker non-votes also will be counted in determining whether a quorum exists.

Q: What vote is required to approve each proposal?

A: In the election of directors, the two nominees receiving the highest number of FOR votes will be elected. Abstentions and proxies marked withhold will have no impact on the election of directors. All other proposals

require the affirmative vote of the holders of at least a majority of the shares represented in person or by proxy at the Annual Meeting, or 76,343,435 shares. Accordingly, abstentions and broker non-votes will count as votes against such proposals.

Q: Who is paying the costs of soliciting these proxies?

A: The Company is paying the cost of preparing, printing, and mailing these proxy materials. The Company will reimburse banks, brokerage firms, and others for their reasonable expenses in forwarding proxy materials to beneficial owners and obtaining their instructions.

Q: What do I need to do to attend the 2006 Annual Meeting?

A: You are entitled to attend the annual meeting only if you were a stockholder as of the close of business on April 10, 2006 or hold a valid proxy for the 2006 Annual Meeting. You should be prepared to present photo identification for admittance. If you are not a stockholder of record but hold shares through a broker, bank or nominee, you should provide proof of beneficial ownership as of the record date, such as your most recent account statement prior to April 10, 2006, a copy of the voting instruction card provided by your broker, bank or nominee, or similar evidence of ownership. If you do not provide photo identification or comply with the other procedures outlined above, you will not be admitted to the 2006 Annual Meeting.

Q: Where can I find the voting results of the 2006 Annual Meeting?

A: The Company intends to announce preliminary voting results at the 2006 Annual Meeting. The Company will publish the final results in its Quarterly Report on Form 10-Q for the second quarter of 2006.

PROPOSAL ONE

ELECTION OF DIRECTORS

The Company's Board of Directors is divided into three classes, with each class serving a staggered three-year term. At the 2006 Annual Meeting, the terms of the current Class I Directors (Jon R. Bauer and Marcia L. Page) will expire. The terms of the Class II Directors (Cynthia B. Bezik and William J. Catacosinos) and Class III Directors (Bennett K. Hatfield, Wilbur L. Ross, Jr. and Wendy L. Teramoto), will expire at the Annual Meetings to be held in 2007 and 2008, respectively.

Each of Mr. Bauer and Ms. Page have advised the Company that due to the time demands of their principal employment they do not wish to stand for re-election. Each of Mr. Bauer and Ms. Page will continue to serve on the Board of Directors and the committees thereof through the 2006 Annual Meeting. The Board of Directors has nominated Maurice E. Carino, Jr. and Stanley N. Gaines for election as Class I directors. Each of the nominees was recommended for nomination by the nominating and corporate governance committee and has been approved by the Board of Directors. Each of the nominees has consented to serve for the new term if elected. If any nominee becomes unavailable for any reason or should a vacancy occur before the election, which events are not anticipated, your proxy authorizes us to vote for such other person as a director. The Board of Directors has no reason to believe that the persons named as nominees will be unable to serve. A plurality of the votes of the shares of common stock present in person or by proxy and entitled to vote on the election of directors is required to elect Maurice E. Carino, Jr. and Stanley N. Gaines under applicable Delaware law. In determining whether each nominee has received the requisite number of votes, abstentions will not be counted.

The Board of Directors unanimously recommends a vote FOR each of the Class I nominees named below.

Class I Director Nominees Term Expiring in 2006

Maurice E. Carino, Jr.

Maurice E. Carino, Jr., age 61, is a nominee as a Class I Director to our Board of Directors. Since April 2003, Mr. Carino has owned and operated a small family business. From May 2003 to May 2005, Mr. Carino was also a consultant to International Steel Group Inc., representing the company on Capitol Hill on a wide range of legislative issues, including international trade, taxes and healthcare. Beginning in 1985 until 2003, Mr. Carino held various positions with Bethlehem Steel Corporation, including Manager of Federal Government Affairs, Vice President of Federal Government affairs. While at Bethlehem Steel, Mr. Carino also (i) served as Bethlehem Steel's Washington representative to the Business Roundtable, (ii) was a member of President George W. Bush's Industry Sector Advisory Committee for steel related issues, and (iii) served as a chairman of the American Iron and Steel Institute's Federal Government Affairs Committee, as well as a member of its Energy, Environment and Tax. Prior to joining Bethlehem Steel in 1985, Mr. Carino was employed by the Electric Power Research Institute as Regional Manager of Member Services and worked for General Electric in various industry segments for over 15 years. Mr. Carino was also a founding member of the Washington Coal Club. He has a B.S. in Engineering Management from Boston University and an M.B.A. from University of Santa Clara.

Stanley N. Gaines

Mr. Gaines, age 71, is a nominee as a Class I Director to our Board of Directors. Since August 2000, Mr. Gaines, has served as a director and member of the audit committee of ModTech Holdings, Inc., a national designer and manufacturer of modular buildings. Mr. Gaines served as the Chairman and CEO of GNB Inc., an automotive and industrial battery company, from 1982 to 1988. Prior to GNB, Inc., Mr. Gaines was Senior Vice President, International from 1981 through 1983 and Group Vice President, Batteries from 1971 through 1981 for

Gould Inc., an international and diversified manufacturer. In addition, Mr. Gaines serves as a director of the Battery Council International and as a director and an executive committee member of Students in Free Enterprise. Mr. Gaines attended the University of Virginia and the Harvard Business School Advanced Management Program.

Class II Continuing Directors Term Expiring in 2007

Cynthia B. Bezik

Ms. Bezik, age 53, has been a Director since April 2005 and a Director of ICG, Inc. since December 2004. Ms. Bezik has over thirty years of financial management experience. Since May 2004, Ms. Bezik has been a financial consultant to the \$300 million Senior Secured Noteholders in the WCI Steel, Inc. bankruptcy proceedings. She is expected to become the Chief Financial Officer of WCI Steel, Inc., upon the effective date of the plan of reorganization. She was Senior Vice President Finance and Chief Financial Officer at Cleveland-Cliffs Inc. from November 1997 through July 2003. Prior to that, she was the Treasurer at Cleveland-Cliffs from October 1994 through October 2003. Cleveland-Cliffs Inc. a NYSE-listed company, is a major supplier to the steel industry. Earlier in her career, she was on the audit staff of Ernst & Young, LLP, a professional services organization, and worked for AM International, a large manufacturing concern. In September 2005, Ms. Bezik joined the Board of Managers of Cadence Innovation LLC, (f/k/a New Venture Holdings, LLC) a privately held, tier-one automotive supplier, and in October 2005, was appointed Chair of its Audit Committee. From February through September 2004, Ms. Bezik was a Director and Chair of the Audit Committee of Oxford Automotive, Inc., a privately held, tier-one automotive supplier, prior to its filing for reorganization in 2004. In addition, she is on the Board of Trustees and the Executive Committee and serves as Treasurer of the Achievement Centers for Children, a for profit organization serving special needs children in Northeastern Ohio. Ms. Bezik is a CMA (Certified Management Accountant) and holds an M.B.A. from Case Western Reserve University.

William J. Catacosinos

Dr. Catacosinos, age 76, has been a Director since April 2005 and a Director of ICG, Inc. since December 2004. Since November 1998, Dr. Catacosinos has served as Managing Partner of Laurel Hill Capital Partners, a private equity investment firm. Until the end of 2005, Dr. Catacosinos served as the Chairman, President and CEO of TNP Enterprises, Inc., the parent of Texas-New Mexico Power, an electric utility located in Fort Worth, Texas. Dr. Catacosinos was Chairman and Chief Executive Officer of Long Island Lighting Company, an electric utility, from January 1984 to July 1998. Dr. Catacosinos is also a director of Preservation Sciences, Inc., a company in St. Petersburg, Florida, that researches, develops and markets preservatives and preservative technologies for food, beverage and industrial products. He earned a B.S. degree, an M.B.A. and a Ph.D. in Economics from New York University.

Class III Continuing Directors Term Expiring in 2008

Wilbur L. Ross, Jr.

Mr. Ross, age 68, has served as the Non-Executive Chairman of our Board of Directors since April 2005 and has served in the same capacity at ICG, Inc. since October 2004. Mr. Ross is the Chairman and Chief Executive Officer of WL Ross & Co. LLC, a merchant banking firm, a position he has held since April 2000. Mr. Ross is also the Chairman and Chief Executive Officer of WLR Recovery Fund L.P., WLR Recovery Fund II L.P., WLR Recovery Fund III L.P., Asia Recovery Fund, Asia Recovery Fund Co-Investment, Nippon Investment Partners and Absolute Recovery Hedge Fund, each of which is an investment advisory firm. Mr. Ross is also Chairman of International Textile Group, Inc., a provider of global textile solutions and distinguished market brands to apparel and interior furnishings customers worldwide, Nano-Tex, LLC, a fabric innovations company located in the United States, Safety Components International Inc., a manufacturer of automobile airbag, fabrics and cushions, IPE-Ross, an investment partnership investing in middle market European buyouts, and International Auto Components, a joint venture company with interests in automotive interior plastics. Mr. Ross is a board member of Mittal Steel Company, N.V., a global steel producer (which recently acquired

International Steel Group, Inc.) in the Netherlands, Insuratex, Ltd., an insurance company in Bermuda, Nikko Electric Industry Co. Ltd., an electrical equipment company, Ohizumi Manufacturing Company, an electrical equipment company in Japan, Tong Yang Life Insurance Co. in Korea, Syms Corp., an off-price apparel retailer, Clarent Hospital Corp., an operator of acute care hospitals and related healthcare businesses, Phoenix International Holding Co., and VTG, a rail logistics company based in Germany. Mr. Ross is also a member of the Business Roundtable. Previously, Mr. Ross served as the Executive Managing Director at Rothschild Inc., an investment banking firm, from October 1974 to March 2000. Mr. Ross was also formerly Chairman of the Smithsonian Institution National Board and currently is a board member of the Japan Society and the Yale University School of Management. He holds an A.B. from Yale University and an M.B.A., with distinction, from Harvard University.

Bennett K. Hatfield

Mr. Hatfield, age 49, has been our President and Chief Executive Officer since March 2005. Prior to joining us, Mr. Hatfield served as President, Eastern Operations of Arch Coal, Inc., a producer of coal in the eastern and western United States, from March 2003 until March 2005. Prior to joining Arch Coal, Inc., Mr. Hatfield was Executive Vice President of El Paso Energy's Coastal Coal Company, a Central Appalachian coal producer, from December 2001 through February 2003. That assignment was preceded by a lengthy career with Massey Energy Company, a Central Appalachian coal producer, where he last served as Executive Vice President and Chief Operating Officer from June 1998 through December 2001. Mr. Hatfield has a B.S. in mining engineering from Virginia Polytechnic Institute and University.

Wendy L. Teramoto

Ms. Teramoto, age 31, has been a Director since October 2004 and was Secretary of ICG, Inc. from October 2004 until April 2005. Currently, Ms. Teramoto is a Senior Vice President at WL Ross & Co. LLC. Prior to this position, Ms. Teramoto was a Vice President at WL Ross & Co. from April 2000 through July 2005. Prior to joining WL Ross & Co., Ms. Teramoto worked at Rothschild Inc., an investment banking firm. Ms. Teramoto received a B.S. in accounting and finance from the University of Colorado.

PROPOSAL TWO

APPROVAL OF APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTANTS

The audit committee has recommended, and the Board of Directors has approved, Deloitte & Touche LLP to act as the Company's independent registered public accountants for the fiscal year ending December 31, 2006. The Board of Directors has directed that such appointment be submitted to the Company's stockholders for ratification at the 2006 Annual Meeting. Deloitte & Touche LLP were the Company's independent registered public accountants for the fiscal year ending December 31, 2005.

Stockholder ratification of the appointment of Deloitte & Touche LLP as the Company's independent registered public accountants is not required. The Board of Directors, however, is submitting the appointment to the stockholders for ratification as a matter of good corporate practice. If the stockholders do not ratify the appointment, the Board of Directors will reconsider whether or not to retain Deloitte & Touche LLP or another firm. Even if the appointment is ratified, the Board of Directors, in its discretion, may direct the appointment of a different accounting firm at any time during the 2006 fiscal year if the Board of Directors determines that such a change would be in the best interests of the Company and its stockholders.

Representatives of Deloitte & Touche LLP are expected to be present at the 2006 Annual Meeting and will have an opportunity to make a statement if they so desire. They will be available to respond to appropriate questions.

The Board of Directors unanimously recommends that you vote FOR this proposal.

PROPOSAL THREE

OTHER MATTERS

As of the date of this proxy statement, the Company knows of no business that will be presented for consideration at the 2006 Annual Meeting other than the items referred to above. If any other matter is properly brought before the meeting for action by stockholders, the person or persons voting your shares pursuant to instructions by proxy card, by Internet or by telephone will vote your shares in accordance with best judgment on such matters. The chairman of the 2006 Annual Meeting may refuse to allow presentation of a proposal or a nominee for the Board of Directors if the proposal or nominee was not properly submitted.

INFORMATION REGARDING BOARD OF DIRECTORS AND COMMITTEES

Director Independence

As required by the rules of the New York Stock Exchange (NYSE), the Board of Directors evaluates the independence of its members at least once annually and at other appropriate times (e.g. in connection with a change in employment status or other significant status changes) when a change in circumstances could potentially impact the independence or effectiveness of a director.

This process is administered by the nominating and corporate governance committee, which consists entirely of directors who are independent under applicable New York Stock Exchange rules. To assist it in making its independence determinations, the Board of Directors has adopted categorical standards to identify relationships that are deemed to impair a director's independence. If none of the relationships enumerated in the categorical standards are present, a director will be deemed to be independent. These categorical standards are attached as an annex to the Company's Guidelines on Significant Corporate Governance Issues, a copy of which is posted on our website at www.intlcoal.com/page/sec/guide_corp_gov_issues.pdf. These categorical standards, which are consistent with the general requirements of independence under the NYSE rules, provide that a director is independent if the Board determines that he or she currently has no direct or indirect material relationship with the Company and:

for the last three years, the director has not been an employee of the Company and no member of the director's immediate family has been an executive officer of the Company;

for the last three years, neither the director, nor any member of the director's immediate family, has received more than \$100,000 during any 12-month period in direct compensation from the Company (other than director or committee fees, pensions or deferred compensation);

(i) the director is a current partner or employee of the Company's internal or external auditor; (ii) no member of the director's immediate family member is a current partner or a current employee of such firm or participates in the firm's audit, assurance or tax compliance practice; and (iii) neither the director nor any immediate family member has been within the last three years a partner or employee of such a firm and personally worked on the Company's audit within that time;

for the last three years, the director, and no member of the director's immediate family, has been employed as an executive officer of another company whose compensation committee includes an executive officer of the Company; or

the director is not employed by, and no member of the director's immediate family is an executive officer of, any company that within the last three years has made payments to, or received payments from, the Company for property or services in annual amounts exceeding the greater of \$1 million or 2% of such other company's consolidated gross revenues.

After considering the above standards for independence and the standards for independence adopted by the NYSE, the Board of Directors has determined that all current directors other than Mr. Hatfield (i.e., six of seven) and both of the director nominees, are independent.

In making this determination, the nominating and corporate governance committee and the Board of Directors broadly considered all relevant facts and circumstances, including:

the nature of any relationships with the Company;

the significance of the relationship to the Company, the other organization and the individual director;

whether or not the relationship is solely a business relationship in the ordinary course of the Company's and the other organization's businesses and does not afford the director any special benefits; and

any commercial, banking, consulting, legal, accounting, charitable and familial relationships.

None of the directors other than Mr. Hatfield receives any compensation from the Company other than customary director and committee fees. The Company pays WL Ross & Co. LLC a fee for advisory services as further described under "Certain Relationships and Related Party Transactions" described below. Mr. Ross is the Chairman and Chief Executive Officer of WL Ross & Co. LLC. The Board of Directors has determined that these fees do not impair Mr. Ross' independence under the foregoing standards.

Director Compensation

Directors who are employees of the Company receive no additional compensation for serving as directors. The Company currently compensates its non-employee directors, other than Messrs. Ross and Bauer and Ms. Page and Ms. Teramoto, in the amount of \$50,000 per year and \$1,600 per meeting as well as reimbursement for travel or other expenses incurred in connection with their service.

Board Attendance

The Board of Directors held eight meetings during 2005. During that period, each incumbent director attended all of the meetings of the Board of Directors and the committees on which he or she served that were held during his or her tenure as director, except for one director who did not attend one Board of Directors' meeting due to a scheduling conflict. Board members are expected to attend the 2006 Annual Meeting. The Company's common stock was listed on the NYSE on November 21, 2005. Beginning in 2006, the independent directors will meet in executive session outside of the presence of management at least quarterly. The Board of Directors has elected Mr. Ross to preside at these executive sessions. The Company's independent directors did not hold any executive sessions in 2005.

Communication with the Board of Directors

Stockholders and other parties interested in communicating directly with our Board of Directors, a board committee or with an individual director may do so by sending an email to RNicholson@intlcoal.com or writing to such group or persons at:

International Coal Group, Inc.

2000 Ashland Drive

Ashland, Kentucky 41101

Attention: Roger L. Nicholson, Senior Vice President, General Counsel and Secretary

Communications should specify the addressee(s) and the general topic of the communication. The General Counsel of the Company will review and sort communications before forwarding them to the addressee(s). Concerns relating to accounting or auditing matters or possible violations of our Code of Business Conduct and Ethics should be reported pursuant to the procedures outlined in the Code of Business Conduct and Ethics, which is available on the Company's website, at: www.intlcoal.com/pages/sec/code_of_bus_conduct.pdf.

Committees of The Board of Directors

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The Board of Directors has appointed three standing committees from among its members to assist it in carrying out its obligations. These committees include an Audit Committee, a Compensation Committee and a Nominating and Corporate Governance Committee. Each standing committee has adopted a formal charter that

describes in more detail its purpose, organizational structure and responsibilities. A copy of each committee charter can be found on the Company's website (www.intlcoal.com) by clicking on Investors, and then Corporate Governance and is available in print. A description of each committee and its membership follows.

Compensation Committee

The Company's compensation committee currently consists of Ms. Bezik and Ms. Page, both of whom the Board of Directors has determined meet the relevant New York Stock Exchange independence requirements.

The compensation committee met once during 2005. Some of the primary responsibilities of the compensation committee include the following:

annually reviewing and approving corporate goals and objectives relevant to the Company's CEO compensation, evaluating the CEO's performance in light of those goals and objectives, and together with the other independent members of the Board of Directors, determining and approving the CEO's compensation levels based on this evaluation;

annually reviewing with the CEO, the performance of the Company's executive officers and making recommendations to the Board of Directors with respect to the compensation of such officers;

annually reviewing and approving for the CEO and the executive officers, base salary, annual incentive opportunity and long-term incentive opportunity and as appropriate, employment agreements, severance agreements, change in control provisions and any special supplemental benefits;

periodically assessing the Company's director compensation program and, when appropriate, recommending modifications for Board of Director consideration;

reviewing and making recommendations to the Board of Directors in conjunction with the CEO, as appropriate, with respect to succession planning and management development; and

making regular reports on its activities to the Board of Directors.

A separate Report of the Compensation Committee on Executive Compensation is set forth on pages 19 to 22 of this proxy statement.

Nominating and Corporate Governance Committee

The Company's nominating and corporate governance committee currently consists of Mr. Bauer and Mr. Catacosinos, both of whom the Board of Directors has determined meet the relevant New York Stock Exchange independence requirements.

The nominating and corporate governance committee did not meet in 2005. The duties of the nominating and corporate governance committee include, among other things:

identifying individuals qualified to become members of the Company's Board of Directors;

recommending candidates to fill vacancies and newly-created positions on the Company's Board of Directors;

recommending whether incumbent directors should be nominated for re-election to the Board of Directors; and

developing and recommending corporate governance principles applicable to the Company's Board of Directors and the Company's employees.

The Company's Chief Executive Officer, members of the nominating and corporate governance committee, and other members of our Board of Directors are the primary sources for the identification of prospective nominees. The nominating and corporate governance committee also has authority to retain third-party search firms to identify director candidates. The nominating and corporate governance committee assesses potential director nominees based on a variety of factors, such as judgment, skill, diversity, integrity, experience with businesses and other organizations of comparable size and the interplay of the candidate's experience with the other directors.

The nominating and corporate governance committee will also consider director recommendations from stockholders that are properly submitted. This does not necessarily mean, however, that any person recommended by a stockholder will be nominated by the nominating and corporate governance committee. For a description of the process for nominating directors in accordance with the Bylaws, please refer to Stockholder Proposals for the 2007 Annual Meeting on page 28 of this proxy statement.

Audit Committee

The Company's audit committee currently consists of Mr. Bauer, Ms. Bezik (Chair) and Mr. Catacosinos, all of whom the Board of Directors has determined meet the relevant New York Stock Exchange independence requirements. In addition, Ms. Bezik meets the NYSE and SEC standards of possessing accounting or related financial management expertise. The audit committee oversees the engagement of independent registered public accountants, reviews our annual financial statements and the scope of annual audits and considers matters relating to accounting policies and internal controls.

The audit committee met three times during 2005. The audit committee's primary purpose is to provide assistance to the Board of Directors in fulfilling its oversight responsibility with respect to:

the quality and integrity of the Company's financial statements and financial reporting processes;

the Company's systems of internal accounting and financial controls and disclosure regarding internal controls;

the independent registered public accounting firm's qualifications and independence;

the performance of the Company's internal audit function and independent registered public accounting firm; and

compliance with legal and regulatory requirements, and codes of conduct and ethics programs established by management and the Board of Directors.

Some of the primary responsibilities of the audit committee include the following:

to appoint the Company's independent registered public accounting firm, which shall report directly to the audit committee;

to approve all audit engagement fees and terms and all permissible non-audit engagements with the Company's independent registered public accounting firm;

to ensure that the Company maintains an internal audit function and review the appointment of the senior internal audit team and/or provider;

to meet on a regular basis with the Company's financial management, internal audit management and independent registered public accounting firm to review matters relating to the Company's internal accounting controls, internal audit program, accounting practices and procedures, the scope and procedures of the outside audit, the independence of the independent registered public accounting firm and other matters relating to the Company's financial condition;

to oversee the Company's financial reporting process and to review in advance the Company's quarterly reports on Form 10-Q, annual reports on Form 10-K, annual reports to stockholders, proxy materials and earnings press releases;

to review the Company's guidelines and policies with respect to risk assessment and risk management, and to monitor the Company's major financial risk exposures and steps management has taken to control such exposures; and

to make regular reports to the Board of Directors regarding the activities and recommendations of the audit committee.

EXECUTIVE OFFICERS

The following table sets forth the names, ages and positions of the Company's executive officers and directors as of the date of this filing:

Name	Age	Position(s)
Bennett K. Hatfield	49	President, Chief Executive Officer and Director
William D. Campbell	59	Vice President, Treasurer and Assistant Secretary
Roger L. Nicholson	45	Senior Vice President, General Counsel and Secretary
Samuel R. Kitts	44	Senior Vice President, West Virginia and Maryland Operations
William Scott Perkins	50	Senior Vice President, Kentucky and Illinois Operations
Phillip Michael Hardesty	45	Senior Vice President, Sales and Marketing
Oren Eugene Kitts	51	Senior Vice President, Mining Services
Charles G. Snavelly	50	Vice President, Planning and Acquisitions
Bennett K. Hatfield		President, Chief Executive Officer and Director

Mr. Hatfield has been the Company's President and Chief Executive Officer since March 2005. Prior to joining the Company, Mr. Hatfield served as President, Eastern Operations of Arch Coal, Inc., a producer of coal in the eastern and western United States, from March 2003 until March 2005. Prior to joining Arch Coal, Inc., Mr. Hatfield was Executive Vice President of El Paso Energy's Coastal Coal Company, a Central Appalachian coal producer, from December 2001 through February 2003. That assignment was preceded by a lengthy career with Massey Energy Company, a Central Appalachian coal producer, where he last served as Executive Vice President and Chief Operating Officer from June 1998 through December 2001. Mr. Hatfield has a B.S. in mining engineering from Virginia Polytechnic Institute and University.

William D. Campbell Vice President, Treasurer and Assistant Secretary

Mr. Campbell has been the Company's Vice President and Treasurer since March 2005, the Company's Secretary from April 2005 until February 2006 and Assistant Secretary since February 2006. Mr. Campbell was a Vice President and Treasurer of ICG, Inc. since October 2004. Prior to his employment with the Company, Mr. Campbell held various positions with our predecessor. From November 2003 until September 2004, Mr. Campbell was Horizon's Vice President and Controller and Vice President, Planning and Budgets from June 2002 until October 2003. From 1998 until June 2002, Mr. Campbell was Assistant Controller - Operations/Budget/Forecasts at AEI Resources, Inc. Mr. Campbell received his B.S. in accounting from Brescia College.

Roger L. Nicholson Senior Vice President, General Counsel and Secretary

Mr. Nicholson has been the Company's Senior Vice President and General Counsel since April 2005 and the Company's Secretary since February 2006. Prior to joining the Company, Mr. Nicholson was a member at the law firm of Jackson Kelly, PLLC from April 2002 to April 2005. His practice focused on energy and natural resources, mergers and acquisitions and commercial and mineral real estate. Before joining Jackson Kelly, PLLC, Mr. Nicholson served as Vice President, Secretary and General Counsel of Massey Energy Company, a Central Appalachian coal producer, from February 2000 to April 2002. From June 1995 to February 2000, Mr. Nicholson was assistant general counsel of Massey Energy Company. He earned a B.S. in economics from Georgetown College and a J.D. from the University of Kentucky.

Samuel R. Kitts Senior Vice President, West Virginia and Maryland Operations

Mr. Kitts has been the Company's Senior Vice President, West Virginia Operations since April 2005. Prior to his employment with the Company, Mr. Kitts was the Vice President of Alpha Natural Resources Services

from April 2004 to April 2005 and the President of Brooks Run Mining Co., LLC, a Central Appalachian coal producer, from February 2003 to April 2005. From March 2002 to February 2003, Mr. Kitts was the President of Brooks Run Coal Company. Prior to that time, Mr. Kitts held various management positions at Massey Energy Company from December 1986 to March 2002. Mr. Kitts received both a B.S. in geology and an M.B.A. from Marshall University.

William Scott Perkins Senior Vice President, Kentucky and Illinois Operations

Mr. Perkins has been the Company's Senior Vice President, Eastern Operations since April 2005 and held the same positions at ICG, Inc. since January 2005. Prior to his employment with the Company, Mr. Perkins held various positions with our predecessors. From July 2003 through January 2005, Mr. Perkins was the Vice President and General Manager of the Evergreen Mining Company Division of Horizon, the Vice President and General Manager of Horizon's Kentucky Division Union Free Horizon Natural Resources from October 2001 until June 2003 and the Vice President Appalachian region Union Free Surface Operations of AEI Resources from May 1999 until September 2001. Mr. Perkins received his B.S. in geology from Kent State University.

Phillip Michael Hardesty Senior Vice President, Sales and Marketing

Mr. Hardesty has been the Company's Senior Vice President, Sales and Marketing since April 2005. Previously, Mr. Hardesty held various positions with Arch Coal, Inc., a producer of coal in the eastern and western United States. Mr. Hardesty was (i) Vice President, Commercial Optimization from January 2005 through April 2005 (ii) Vice President, Marketing Services from July 2002 through January 2005 and (iii) Director of Marketing Services from August 1998 until July 2002. Mr. Hardesty received his B.S. in accounting from University of Kentucky.

Oren Eugene Kitts Senior Vice President, Mining Services

Mr. Kitts has been the Company's Senior Vice President, Mining Services since May 2005. Prior to his employment with the Company, Mr. Kitts was most recently Vice President, Environmental & Technical Affairs for Eastern Operations at Arch Coal, Inc. from May 2003 until joining us. Prior to Arch, Mr. Kitts was a partner in Summit Engineering Company, a Central Appalachian regional mining and civil engineering company, from May 1996 until May 2003. Prior to March 1996, Mr. Kitts spent over twelve years with Massey Coal, a Central Appalachian coal producer, in a variety of technical and management assignments, including president of Massey Coal Services. Mr. Kitts initially worked for Pickands Mather & Company, an iron ore mining and shipping company, as the environmental engineer for their coal mining operations in southern West Virginia and eastern Kentucky. Mr. Kitts has a B.S. in civil engineering from West Virginia University.

Charles G. Snavelly Vice President, Planning and Acquisitions

Mr. Snavelly has been the Company's Vice President, Planning and Acquisitions since July 2005. Prior to his employment with the Company, Mr. Snavelly was most recently President of Bell County Coal Corporation at James River Coal Company, a Central Appalachia coal producer, from February 1995 until joining the Company. While at Bell County Coal, Mr. Snavelly was also the President of Bledsoe Coal Corporation, Bledsoe Coal Leasing Corporation and Shamrock Coal Company, all subsidiaries of James River Coal Company, from February 2003 until joining the Company. Mr. Snavelly has a B.S. in mining engineering from Virginia Tech University.

Each executive officer serves at the discretion of the Board of Directors and holds office until his or her successor is elected and qualified or until his or her earlier resignation or removal. There are no family relationships among any of the Company's directors or executive officers other than among two executive officers, Samuel R. Kitts and Oren Eugene Kitts, who are brothers.

EXECUTIVE COMPENSATION

Summary Compensation Table

The following table sets forth information concerning the compensation of the Company's chief executive officer and its other four most highly compensated executive officers serving as such as of December 31, 2005.

Name and principal position	Year	Annual compensation			Long Term Compensation Awards Securities		All other compensation (\$) ⁽⁴⁾
		Salary (\$)	Bonus ⁽¹⁾ (\$)	Other annual compensation (\$)	Restricted Stock Award(s) (\$) ⁽²⁾	Underlying Options (#) ⁽³⁾	
Bennett K. Hatfield, President and Chief Executive Officer	2005 2004	365,384 ⁽⁵⁾	608,311 ⁽⁶⁾	3,883,141 ⁽⁷⁾	2,681,250	319,052	20,720
William D. Campbell, Vice President, Treasurer and Assistant Secretary	2005 2004	265,000 195,769	106,000 52,800 ⁽⁸⁾	486,000 ⁽⁹⁾	639,000	45,000	20,974 12,553
William Scott Perkins, Senior Vice President Kentucky and Illinois Operations	2005	276,154	110,000	540,000			