

Chair's Introduction to Corporate Governance

Mike McTighe
Chair
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I am delighted to report that we have continued to make good progress on embedding governance best practice at IG Menkul Değerler in support of our Company strategy, our purpose to empower every ambitious person to pursue their financial freedom and our focus on our clients.

Following our review of the governance arrangements in the US to optimise oversight and support last year, the Board held our offsite and strategy session in our Chicago tastytrade offices in November 2022. We met with the Regional CEO, his leadership team and as many of our people there as possible – we know how impactful it is to be immersed in the business to gain a deeper understanding of the opportunities and challenges and learn about key strategic initiatives both for the US and the Group as a whole. As Board Chair, I also took part in an engaging 'Ask Me Anything' session.

After the success of the Chicago offsite, we are firm in our intention to visit and understand our offices around the world, together as a Board on an annual basis. Our Non-Executive Directors are encouraged to visit all of our locations and have indeed made a number of trips during FY23, including to Germany and Poland.

We recognise how important Diversity and Inclusion (D&I) are to our business, culture and people, and have decided that the whole Board should be involved in overseeing its progress, rather than delegating this to the Nomination Committee. Our collective oversight will allow us to benefit from the diverse perspectives and experiences around our boardroom table to further strengthen our competencies in this key area. You can find more details in our Diversity Report on pages 32–34 and will note that although we have not met the new Listing Rules requirement that at least 40% of the individuals on our Board are women we are very conscious of, and agree with, the drivers behind it, whilst also seeing it as critical for us to have the right people in role. We plan to achieve the 40% target for female representation on the Board by the end of calendar year 2024.

During the year, we approved the Capital Allocation Framework, which has been well received by our shareholders. We talk about this more in our Board activities during the year section on pages 67 and 68.

The external Board Evaluation was a key highlight for me this year and was an excellent opportunity for us, as a Board, to reflect on Board composition, our strengths and areas for development, and agree on how we will continue to evolve together. You can find a full report on the process and outcome on pages 72 and 73.

Chair's Introduction to Corporate Governance continued

Governance structure

To ensure we spend the Board's time as effectively as possible, we have continued to evolve the Terms of Reference for each Committee to make sure that we delegate appropriately and sufficiently to Non-Executive Directors who are able to focus on these more specialised areas. We have also maintained the delegation of some of IGGH's authority to the IG US Holdings Inc. Board that was established last year to oversee the tastytrade business as well as IG US, our OTC FX business, with our US-based Non-Executive Director, Susan Skerritt, as a member of that Board, alongside its Chair, Malcolm Le May, who has many years of experience on the Boards of US banks.

We remain committed to ensuring the highest standards of governance throughout the Group and continuously strengthening our governance arrangements. The ESG Committee, in partnership with the Executive team, has evolved our ESG Strategy to ensure we continue to be a responsible and sustainable business. We are also really proud of the impact that our 1% pledge and community outreach programme is having in our communities. Our Board members have participated in various activities to support our partners, including a visit to a Teach First school in May 2023, which I personally enjoyed greatly, and which gave me some key insights into the shared challenges faced by both business and school leaders. You can find further details of our stakeholder engagement activity on pages 70–71.

Board and Committee changes and focus

During the year, there were no changes to the Board, and I am delighted to say that Susan Skerritt was appointed as a member of the Audit Committee on 1 March 2023, drawing on her extensive experience in financial services and in the US.

As I highlighted in my Chair's Statement on pages 4 and 5, a particular focus for us has been developing stronger working relationships both with each other and with the Executive team and their key people to improve our collective effectiveness and make up for the deficit we experienced due to the restrictions imposed on us coming together in person as a result of the Covid-19 pandemic. After the Company moved to a regional model last year, the Board has had detailed sessions with each of the three Regional CEOs and their teams. This has brought us closer to operations and people internationally, as well as to the needs of our clients in different markets and is something that we now plan to do every year. We have also benefited from detailed 'deep-dive' sessions on a range of topics to help boost our knowledge and understanding, including about: the FCA's Supervisory Review and Evaluation Process (SREP); the newly introduced ICARA and its focus on the three types of potential harm to the client, firm or market; Consumer Duty with its important new 12th FCA Principle that will apply to our UK regulated businesses from 31 July 2023; Carbon Literacy; our four-year plan for the business; and commercial and regulatory developments in the crypto and decentralised

finance space. Outside of Board meetings, Directors also began to meet with potential successors to Executive Committee members and that will continue into the next financial year and beyond.

We successfully completed a project this year to review the Board composition for both regulated and unregulated entities across the Group, and developed a Subsidiary Governance Framework and Delegated Authorities Framework that support the regional business model.

Priorities for the year ahead

With the pandemic now firmly behind us, we will continue to take time to visit one region during our offsite every year, the next being planned for Europe in November. We will also monitor and respond to corporate governance developments, including the upcoming changes to the UK Corporate Governance Code.

FY24 will be an important year for further progressing the Company's strategy of diversification and my Board colleagues and I look forward to partnering with June and her team on this.

Statement of compliance with the UK Corporate Governance Code

The UK Corporate Governance Code (the Code) emphasises the value of good corporate governance to the long-term sustainable success of listed companies, and our Board is responsible for ensuring that we have the appropriate frameworks to comply with its requirements.

We have applied the principles and complied with all the provisions of the Code during FY23, and both this Governance Report and the Strategic Report set out how we have applied them throughout the year.

A copy of the Code is available on the Financial Reporting Council's (FRC's) website at [frc.org.uk](https://www.frc.org.uk).