

## ESG Committee Terms of Reference

The Committee is a Committee of the Board from which it derives its authority and to which it regularly reports.

The ESG Committee provides oversight on behalf of, and advice to, the Board in relation to IG Group's ESG strategy and activities. It assists on such other matters related to ESG as may be referred to it by the Board, and ensures that all stakeholders receive appropriate information about IG Group's ESG activities.

### 1. Duties

The Committee shall undertake its responsibilities for the IG Group as a whole and where relevant for the individual entities forming part of the IG Group.

#### 1.1 ESG Strategy

The Committee shall:

have oversight of the ESG Strategy;

- 1.1.1 including advocating and bringing greater focus on wider ESG matters within the Company;
- 1.1.2 have oversight of IG Group's ESG targets and key performance indicators;
- 1.1.3 have oversight of the Charitable Giving budget, as well as major ad-hoc pieces of spending related to ESG;
- 1.1.4 have oversight of third-party partnerships entered into in relation to the ESG Strategy; and
- 1.1.5 have oversight of how the ESG Strategy is communicated internally and externally.

#### 1.2 Monitor and Review

The Committee shall:

- 1.2.1 monitor how the ESG Strategy is received and regarded by IG Group's employees;
- 1.2.2 monitor how the ESG Strategy is received and regarded by external stakeholders, including the Company's shareholders, the media, relevant regulators and ESG rating agencies; and
- 1.2.3 monitor how the ESG Strategy's ongoing implementation compares to ESG strategies adopted by competitors, the expectations of regulators, and more general ESG trends.

#### 1.3 ESG Reporting

The Committee shall:

- 1.3.1 have oversight of how all elements of the ESG Strategy are reported in the Company's Annual Report and other public reporting;
- 1.3.2 have oversight of the Company's reporting to ESG rating agencies; and
- 1.3.3 have oversight of upcoming ESG reporting requirements and ensure that adherence to these is a fundamental element of the ESG Strategy.

#### 1.4 Policies

The Committee shall:

- 1.4.1 ensure IG Group maintains appropriate policies in order to effectively support the ESG framework; and
  - 1.4.2 ensure that where possible, relevant ESG policies are publicly available.
- 1.5 The Committee shall have regard to, or consider in the reporting to the Committee, management's compliance with the new (twelfth) FCA Principle introduced by the FCA's Consumer Duty regulation which requires firms "to act to deliver good outcomes for retail clients" in respect of UK regulated entities. Consumer Duty creates a higher and more exacting standard of conduct.

## 2. Membership

- 2.1 Members of the Committee shall be appointed by the Board, on the recommendation of the Nomination Committee in consultation with the Committee Chair.
- 2.2 The Committee shall be made up of at least three members, the majority of whom shall be independent Non-Executive Directors.
- 2.3 Only members of the Committee have the right to attend Committee meetings. However, other individuals may be invited to attend for all or part of any meeting, as and when appropriate.
- 2.4 The Board shall appoint the Committee Chair who shall be an independent Non-Executive Director. In the absence of the Committee Chair, the remaining members present shall elect one of themselves to chair the meeting.

## 3. Secretary

- 3.1 The Group Company Secretary ("Secretary") or their nominee shall act as the Secretary of the Committee and attend all meetings. The Secretary will ensure that the Committee receives information and papers in a timely manner to enable consideration to be given to all matters by the Committee.

## 4. Quorum

- 4.1 The quorum necessary for the transaction of business shall be two. A duly convened meeting of the Committee at which a quorum is present (in person or virtually) shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.

## **5. Conflicts of Interest**

- 5.1 Each member of the Committee should consider whether they have any conflicts of interest prior to participating in meetings of the Committee and making decisions regarding the business of the Company.

## **6. Frequency of Meetings**

- 6.1 The Committee shall meet at least four times a year and otherwise at such time as the Chair shall require.

## **7. Notice of Meetings**

- 7.1 Meetings of the Committee shall be called by the Secretary of the Committee at the request of the Committee Chair or by any of its members.
- 7.2 Notice of each meeting confirming the venue, time and date together with an agenda, shall be sent to Committee members no later than five working days before the date of the meeting, or as otherwise agreed by the Committee Chair.
- 7.3 Supporting papers shall be sent to Committee members and to other attendees in a timely fashion as appropriate or at shorter notice with the approval of the Committee Chair.

## **8. Minutes of Meetings**

- 8.1 The Secretary shall minute the proceedings and decisions of all Committee meetings, including the names of those present and in attendance.
- 8.2 Draft minutes of Committee meetings shall be circulated to all members of the Committee in the next meeting pack, unless a conflict of interest exists.
- 8.3 Where required due to urgency or expediency, a decision may be recorded and agreed by all the members of the Committee electronically. Such a decision will be as effective as a resolution passed at a Committee meeting.

## **9. Annual General Meeting**

- 9.1 The Committee Chair shall attend the Annual General Meeting to respond to any shareholder questions on the Committee's activities.

## **10. Reporting Responsibilities**

- 10.1 The Committee Chair shall report formally to the Board after each meeting on the content of its discussion, recommendation and action to be taken.
- 10.2 The Committee shall produce a report to be included in the Company's Annual Report describing the work of the Committee, including the issues that the Committee considered during the year and how these issues were addressed. Membership of the Committee and attendance shall also be noted in the Annual Report.

## **11. Authority**

The Committee is authorised:

- 11.1 to investigate any activity within its terms of reference and to seek any information it requires from any employee of IG Group in order to perform its duties. The Committee shall have access to all records of the Company and any relevant internal or external reports;
- 11.2 to obtain, at IG Group's expense, outside legal or other professional advice on any matter within its terms of reference; and
- 11.3 to call any employee to be questioned at a meeting of the Committee as and when required.

## **12. Other Matters**

The Committee shall:

- 12.1 have access to sufficient resources in order to carry out its duties, including access to the Company Secretary for assistance as required;
- 12.2 be provided with appropriate and timely training, both in the form of an induction and on an ongoing basis for all members.
- 12.3 give due consideration to all applicable laws and regulations, in particular the Directors' duties contained in the Companies Act 2006, the UK Corporate Governance Code and the requirements of the Listing Rules, Prospectus Rules and Disclosure Guidance and Transparency Rules published by the Financial Conduct Authority and any other applicable rules, as appropriate;
- 12.4 monitor the progress of any relevant corporate governance or regulatory developments that may impact the Committee and recommend any action or changes it considers necessary to the Board for approval;
- 12.5 work and liaise as necessary with all Board Committees; and
- 12.6 at least annually, review its own performance, constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval. The Board shall review the Committee's effectiveness annually.

## **2 Definitions**

Reference to 'the Board' shall mean the Board of Directors of IG Group Holdings plc.

Reference to 'the Committee' shall mean the ESG Committee.

Reference to 'the Company' shall mean IG Group Holdings plc.

Reference to 'the IG Group' shall mean all companies within the IG Group Holdings plc group of companies.

Reference to 'ESG' shall mean Environmental, Social and Governance.