

Chair's Introduction to Corporate Governance



We have made significant progress during the year to implement governance best practice, but there is still more work to be done as we strive to become 'best in class'."

Mike McTighe
Chair



Mike McTighe, Chair of the Board, gives his introduction to corporate governance in respect of the financial year.

During the year, the Board has been able to come together again in person, which has enabled us to consolidate the building blocks put in place last year as we become an ever-more cohesive and effective Board.

In support of the acquisition of tastytrade, the Board took the opportunity to review the governance arrangements in the US to optimise oversight and support of the US companies by the wider IG Group. The Board decided that a North American Board should focus on governance, regulation and compliance in particular. The IGNA Board is chaired by IGGH Non-Executive Director Malcolm Le May and comprises IGGH Non-Executive Director Susan Skerritt, IGGH Executive Director Charlie Rozes and Joe (JJ) Kinahan, the regional CEO for North America. In the year ahead, governance arrangements for IGNA will remain under review as the business develops, to ensure that optimal governance is in place to support the region's success.

During the financial year, a new UK regulated entity, IGT&I received FCA authorisation. In the early part of FY23, IG's UK non-leveraged business, currently within IGM will be transferred to this entity, allowing IGM to focus on the CFD business, including external-hedging arrangements. As with our other UK-regulated entities, IGM and IGI, the Board of IGT&I will mirror that of IGGH, with Non-Executive Directors providing enhanced oversight, and support and meetings for all four boards being held concurrently.

Governance structure

To ensure Board discussions are of appropriate length and with the right balance of time spent on historical, current and forward-looking agenda items, we have reviewed the Terms of Reference of each of our Committees and ensured that as much delegation as appropriate has been made. We also delegated some of IGGH's authority to the IGNA Board. All of this is to ensure we are making the most effective use of our time, moving governance oversight closer to our individual businesses where it is proportionate to do so and generally instilling good governance at the heart of our businesses and processes.

The Board remains committed to ensuring the highest standards of governance throughout the organisation and continuously strengthening our governance arrangements, as you will see reflected in the following pages of this report. As a key part of this, our ESG Committee goes from strength to strength as we embed ESG values into the heart of everything we do and deliver on our commitment to donate the equivalent of 1% of prior-year post-tax profits to the Brighter Future Fund.

Board and Committee changes

During the year, we have welcomed Susan Skerritt (appointed to the Board in July 2021) as a Non-Executive Director of the Company. Susan is an established Non-Executive Director and a US resident. She brings significant financial markets experience working with US-based companies and regulators. That experience and local knowledge is already proving invaluable to us as we increase our focus on the US. Susan is a member of both the IGNA Board and the IGGH Board Risk Committee.

A particular focus for the Board has been developing strong working relationships and getting to know each other in order to work together effectively. While the Board has continued to work together effectively remotely throughout the restrictions imposed by the Covid-19 pandemic, we have been particularly pleased to be able to come back together in person, which has helped to deepen these relationships. Newer Directors

to the Board have benefited from in-depth 'deep-dive' sessions to help them understand our operations and culture, and build stronger relationships with management.

A review of the effectiveness of the Board, its Committees and individual Directors was undertaken by the Company, with facilitation from Lintstock, an independent consultancy. The evaluation showed that the Board has performed well as a collaborative team and continues to build good-quality relationships between ourselves and with management.

During the year we progressed the actions from the 2021 evaluation, including consideration of the structure and frequency of Board and Committee meetings and holding additional workshops in between formal meetings to provide the Non-Executive Directors with more in-depth and focused sessions into key areas of the Group's activities. Further details can be found on page 70.

Outside of Board meetings, we held a number of additional in-depth strategy sessions on a range of topics to support the Board in their knowledge and understanding of our operations, particularly from an international perspective, focusing in on each of the geographic regions.

Diversity, inclusion and equality

The Board is committed to having a diverse and inclusive membership, which helps us to make good decisions by having a broad range of perspectives. I'm pleased that we continue to meet the Hampton-Alexander target of at least one-third female representation on the Board and exceed the Parker Review target of one ethnic minority Director on the Board well ahead of the 2024 deadline.

The Board currently consists of nine Non-Executive Directors and three Executive Directors. While the Executive Directors run the operational aspects of the business on a day-to-day basis, the Non-Executive Directors provide appropriate guidance, challenge and support.

Priorities for the year ahead

Following the establishment of the IGNA Board, as anticipated, a project has begun to review the Board structures for our other Regulated Entities across the globe through the creation of a new Subsidiary Governance Framework that also supports our business model. Regional CEOs and leadership teams will be attending IGGH Board meetings and every financial year the Board will visit one of the regions, starting with North America in FY23.

As a purpose-led global fintech, we continue to power the pursuit of financial freedom for the ambitious, growing and becoming an ever more global, diversified and sustainable business.

Following strong performance in FY22, we continue to stand out from other companies, as we strive to make a difference for our clients and for the wider societies in which we operate. We have made significant process during the year to implement governance best practice, but there is still more work to be done as we strive to become 'best in class'.



Mike McTighe
Chair
20 July 2022