



IG EUROPE GMBH

REMUNERATION DISCLOSURES

31/05/2024

REMUNERATION DISCLOSURE

Remuneration Policy disclosures are made in accordance with Article 450 of the EU Capital Requirements Regulation (the 'CRR') and within Article 51 of the new EU's Investment Firm Regulation (the 'IFR').

IG Group Holdings presents its remuneration disclosures for Financial Year 2024 ('FY24') on a consolidated basis. IG Europe GmbH (IGE) presents its remuneration disclosures for Financial Year 2024 ('FY24') on an individual firm basis.

Remuneration Policy & Practices

This section describes the remuneration policies and practices applied by IGE for categories of staff whose professional activities are deemed to have a material impact on the company's risk profile (Material Risk Takers).

Decision making policy for Remuneration Policy

The Remuneration Committee

The Remuneration Committee of the Board of IG Group Holdings plc (the Group) is responsible for reviewing and approving the Group-wide remuneration policies, plans and practices, as well as approving individual remuneration awards for Material Risk Takers (MRTs) including in relation to IG's relevant regulated EU entities within the Group.

The Committee members are Non-Executive Directors (the Board Chairman plus four other Non-Executive Directors including a Committee Chairman).

The Committee met 6 times during FY24. Further details on the Terms of Reference for the Group Remuneration Committee, its members and its role are published on the Group Investor Relations public website.

The Role of Advisors in the Policy-setting process

The Remuneration Committee obtained independent external advice in the period from Deloitte LLP, a consultancy which specialises in executive remuneration. The Committee also considers advice from the Chief Executive and Company Secretary - but not in relation to their personal remuneration - and actively engages with major shareholders through consultation where material changes to remuneration policy for executives are proposed.

The Committee also takes account of the overall approach to reward for employees in the group as a whole when setting remuneration policy for MRTs.

The link between pay and performance

The Remuneration Committee's Terms of Reference sets out clearly its approach to linking pay and performance as follows:

The link between individual reward, the delivery of strategy and the long-term performance of the Company and the wider group should be clear. Outcomes should not reward poor performance and incentive schemes should drive behaviours consistent with the groups purpose, values and strategy.

Its objective is to ensure that remuneration encourages, reinforces and rewards the growth and preservation of shareholder value. The Group Remuneration Policy is therefore set to ensure that remuneration remains competitive and provides both appropriate incentives for performance and good conduct.

The Committee has agreed that all matters relating to remuneration of Group employees should:

- Ensure that the Group operates Remuneration practices which are gender neutral and non-discriminatory. Gender neutrality is a core feature of our policies and practices, in support of equal pay for male and female workers, for equal work or work of equal value. IG believes all individual remuneration decisions should be made on fair and equitable basis regardless of an employee's race, colour, religion, gender, gender expression, sexual orientation, age or disability.
- Align with the best interests of the Company's shareholders and other stakeholders
- Recognise and reward good and excellent performance of employees that helps drive sustainable growth of the Group
- Focus on retaining high-performing senior management
- Be consistent with regulatory and corporate governance requirements
- Be designed to achieve effective risk management
- Be straightforward, easy for shareholders and employees to understand and easy for the Group to monitor
- Not be used to reward behaviour that inappropriately increases the Group's exposure to risks

The Committee considers that a successful remuneration policy needs to be sufficiently flexible to take account of future changes in the Company's business environment and in remuneration practice. There must be transparency and alignment to the delivery of strategic objectives at both a Company and an individual level. There must also be scope to reward for exceptional effort and achievement that delivers value both for the Company and the shareholders. Likewise, failure to achieve, individually or at Company level, will not be rewarded.

The Committee is also mindful of ensuring that there is an appropriate balance between the level of risk and reward for the individual, the Company and for shareholders.

When setting levels of variable remuneration, the degree of stretch in performance conditions and the balance of equity and cash within a package, consideration is given to obtaining the appropriate balance of each so as not to encourage unnecessary risk-taking. As well as financial risk, the Committee also ensures that there is an appropriate focus on regulatory and governance matters.

The total remuneration package is structured so that a significant proportion is linked to performance conditions, and it is the Company's policy to ensure that a high proportion of the potential remuneration package is provided via share-based instruments. This ensures that Executives and senior management have a strong ongoing alignment with shareholders through the Company's share price performance.

The Committee has implemented the Sustained Performance Plan (SPP) which provides a simple and competitive incentive mechanism that encourages and rewards both annual and sustained long-term performance, linked to the Company's strategic objectives.

For Executive Directors the SPP encapsulates traditional annual bonus and long-term incentive plans. For Executive Directors 30% of any award will be delivered in cash with the 70% deferred into shares, encouraging executives to build up a substantial stake in the Company and thereby continuing to align the interests of management with shareholders.

For the remaining members of the Executive Committee and senior managers the SPP acts as a long-term incentive plan with awards delivered fully in shares.

A separate Long-Term Incentive Plan (LTIP) has been made available to selected members of the next tier of management who are not invited to participate in the SPP. The award replicates a restricted stock type model with an assessment of performance prior to vesting based on affordability, risk and conduct. The LTIP as share-based incentive plan, provides alignment of IG's management with the Group's shareholders.

Employees, including Executive Directors, are also encouraged to become shareholders through the operation of all employee share plans which are operated in the following locations: the UK, Australia and the US, and since FY25, Bermuda, Cyprus, France, Germany, India, Italy, Japan, Poland, Singapore, South Africa, Spain, Sweden, Switzerland and UAE.

Employees who are not members of the Board are also eligible for the Group's discretionary bonus scheme. Individual performance reflects three elements i) employee's role and responsibilities ii) achievement against goals and iii) behaviour against IG Group values.

Risk adjustment

Risk assessment and adjustment is an important part of IG's remuneration policy and practices. The Chief Risk Officer prepares a report to be presented to the Committee which sets out their review of performance against risk appetite and material risk events (incidents or issues) at a collective and/or individual level to determine whether any adjustments to remuneration outcomes are warranted. The Group also operates a Risk Adjustment Policy and processes. This policy applies to all entities within the IG Group.

Design characteristics of the remuneration system

The remuneration system has been designed to be clear and simple to operate. The Group provides the following pay elements:

- base salary, generally the Group aims to offer competitive salaries in the markets we operate;
- pension contribution (or equivalent cash allowance);
- benefits such as medical and life insurance;

- eligibility for discretionary bonus awards based on combination of Group and individual performance; and
- for more senior roles participation in either the Group's SPP or LTIP.

For SPP, until FY23, the TSR performance was assessed at the end of the plan year by using a trailing three-year basis (i.e. the three-year period ending at the conclusion of the plan year). From FY25, it will be assessed based on future performance only, in line with market practice, such that the period for measurement incorporates the three-year period commencing at the start of the plan year. Performance will be assessed based on the performance in the plan year and the two years after the plan year, effectively introducing a long-term award component to the SPP. The weighting on TSR has been increased to 30% in FY24 (from 25% in FY23), in order to increase the focus of the SPP on long-term performance and to further incentivise the creation of shareholder value.

In order to manage the transition between the current approach and the proposed approach, for FY24 only, we split the assessment of TSR performance such that half (15% of the overall award) is assessed on the current basis (i.e. trailing basis looking at FY22 to FY24) and the remaining award (15% of the overall award) is assessed incorporating future years (i.e. FY 24 to FY26).

To further support the delivery of the Group strategy, a 'revenue diversification' metric has been included as part of the SPP. Therefore, the performance metrics for the FY24 award are: 30% Relative TSR (measured on both a trailing basis and with reference to future years), 30% Adjusted EPS, 20% revenue diversification, and 20% non-financial measures.

MRTs are required to receive at least 50% of their variable remuneration in non-cash instruments, which will be in the form of IG shares. The amount required to be paid in shares each year may vary across an MRT's different variable remuneration plan awards.

Executive Directors are also required to build and maintain a shareholding in the company (200% of salary for all Executive Directors), to further align their interests with sustained performance for shareholders.

The LTIP has been made available to management and key employees that are not invited to participate in the SPP.

Under the LTIP, awards of nominal cost options are granted which vest after three years, conditional upon continued employment at the vesting date. The LTIP awarded in the current year vests after three years with a predefined number of shares allocated.

The Group also operates sales incentive plans which are overseen by our Remuneration Governance Committee and ultimately by the Group Remuneration Committee. Each sales incentive plan is governed by specific plan rules and employees eligible to participate in any of the sales plans do not participate in the discretionary annual bonus.

The bonus pool for Risk, Compliance and Internal Audit at a Group level was set with reference to group performance to Group performance from an affordability perspective only. The final bonus pool for these functions was determined based on a functional scorecard for Risk and Compliance and for Internal Audit at a group level. Bonus figures at an individual level were then determined based on employee performance from the relevant bonus pools.

IG also provides, where appropriate, non standard forms of variable remuneration in the form of guaranteed variable remuneration, buy outs and retention awards. IG's remuneration policy for FY23 requires that any

guaranteed or retention awards for MRTs are subject to the same general rules for variable remuneration including deferral, payments in shares instruments and retention periods (where appropriate) and malus and clawback. The policy requires for buyouts that reasonable steps are taken to ensure that they are no more generous in amount or terms compared to the awards being bought out.

Deferral of variable pay for MRTs

MRTs (except those who are exempt from the deferral requirements) will be subject to a minimum three-year deferral period. In any case, variable remuneration awarded to MRTs are subject to a minimum deferral of 40% (or 60% if the individual's variable remuneration for the financial year is equal to or more than £500,000 for IFPR MRTs in respect of IG's UK regulated entities and EUR 500,000 for IFD MRTs in respect of IGE).

Retention periods for MRTs

All awards made to MRTs in shares, will be subject to a retention period post vesting. The specific length of the retention period vary depending on MRT status and jurisdiction. For IFPR MRTs in respect of IG's UK regulated entities, the minimum retention period will be six months and for IFD MRTs in respect of IGE, this will be twelve months.

Dividends for MRTs

IFPR MRTs in respect of IG's UK regulated entities, dividend equivalents can be accrued during the deferral period, but will not be paid until the point of vesting. However, due to regulatory requirements under the IFD, dividend equivalents will not be paid on instruments which have been awarded as variable remuneration under deferral arrangements to IFD MRTs in respect of IGE.

Ratios between fixed and variable remuneration

In line with the requirements of IFPR and IFD the Committee has set appropriate fixed to variable to fixed remuneration ratios for those identified as MRTs for FY24, with the highest variable to fixed ratio being 7:1. The ratios set are based on the business activities of the investment firm and associated risks, the impact that different categories of MRTs have on the risk profile of the investment firm the roles performed by the MRTs as well as accounting for local market expectations. The ratios set for those MRTs within control functions are lower than the ratios set for MRTs in other roles.

Performance criteria for awards of variable remuneration including shares or options

For executives a significant proportion (70%) of awards are delivered in shares, with the size of the award dependent on performance against targets set by the Committee for each relevant financial year. SPP metrics include total shareholder return relative to the constituent companies in the FTSE 250 index (excluding investment trusts), earnings per share relative to a performance scale set by the Committee, and a range of non-financial metrics including measures of strategic enablers (FY24 measures include targets related to the performance of the US, Japan and European ETD businesses), people, culture and community (including diversity and inclusion) and client experience.

LTIP vesting is based on continued employment over a 3-year period. In determining the extent to which the award will vest the Committee considers the Company's continued ability to maintain a sound capital base, whether the Company or relevant entities have maintained a satisfactory risk, compliance and internal control

environment and the personal performance and conduct of the participant and may make such adjustments to the extent to which the award vests as it deems necessary.

Employees who are not members of the Board are also eligible for the Group's discretionary bonus scheme. The total bonus pool available for all eligible employees is calculated by reference to financial and non-financial measures. The financial element of the pool is calculated based on Group profit before tax (excluding variable remuneration) against budgeted profit before tax. The non-financial element is driven by a range of non-financial metrics, with performance approved by the Remuneration Committee. Individual awards are designed to be reflective of the employee's performance, role and time spent at work within the financial year.

Main parameters and rationale for any variable component

Variable pay for the Executive Directors is awarded in the form of nominal cost options through the company's Sustained Performance Plan (SPP), which is designed to provide a clear link to key performance metrics, be simple to operate, and deliver awards in shares that have phased vesting over the long-term. The maximum award under the SPP is five times base salary for the CEO and four times base salary for the CFO, CCO and COO for excellent performance; for on-target performance across the performance metrics, awards are two and half times base salary and two times base salary respectively. For others participating in the SPP the maximum award size is two times base salary for excellent performance.

Other management participate in the LTIP which is delivered in the form of nil cost options.

Variable pay under both long-term plans can be recouped by the Committee in exceptional circumstances such as material misstatement of financial results, an error in assessing performance, a substantial failure of risk management, or serious misconduct. the timeframe over which awards can be recouped is 5 years from the date of grant. In addition, the circumstances in which an award can be recouped have been extended to include when there has been serious reputational damage to the Company, there has been a material corporate failure, a participant is not considered to be fit and proper to perform their role, a participant was responsible for fraud or other conduct or severe negligence which resulted in significant losses to the group, there has been a significant increase in the economic or regulatory capital base of the Company or regulatory sanctions have been imposed on any member of the Group and the conduct of the relevant participant materially contributed to such regulatory sanction.

For MRTs a clawback period of 3 years will apply from the point of payment.

More information on the executive directors' remuneration is detailed on pages 97 of IG Group Holdings plc's Annual Report.

Aggregate quantitative information on remuneration

The table below shows aggregate remuneration information for those MRTs identified within IGE. Please note all figures are rounded to the nearest EUR 5k.

Senior Management

Table c)i) remuneration awarded in the financial year

Total Fixed Remuneration (EUR)	Total Variable Remuneration (EUR)	Number of senior management MRTs	Fixed components
675k	160k	3	The fixed components of pay are constituted of salary.

Table c)ii) the amounts and forms of awarded variable remuneration

Variable pay delivered as cash (no deferral) (EUR)	Variable deferred in shares (deferred) (EUR)
60k	125k

Table c)iii) the amounts of deferred remuneration awarded for previous performance periods

Deferred variable remuneration which vested in FY24 (EUR)*	Deferred variable remuneration which will vest after FY24 relating to prior years (deferred) (EUR)*
340k	230k

* Valued using the share price as at 31 May 2024

Table c)vii) the amounts of severance payments awarded during the financial year

Severance payments awarded during the financial year, paid during the year (EUR)	Number of beneficiaries
1,067k	1

Notes

- No deferred remuneration due to vest in the year was reduced through performance adjustment
- No guaranteed variable remuneration payments were awarded or paid to MRTs
- All above figures relate to senior management MRTs
- Under IFD IGE has not applied proportionality at a firm level and no MRT is below the individual proportionality thresholds

Other members of staff whose actions have a material impact on the risk profile of the firm

Table c)i) remuneration awarded in the financial year

Total Fixed Remuneration (EUR)	Total Variable Remuneration (EUR)	Number of other MRTs	Fixed components
180k	80k	1	The fixed components of pay are constituted of salary.

Table c)ii) the amounts and forms of awarded variable remuneration

Variable pay delivered as cash (no deferral) (EUR)	Variable deferred in shares (deferred) (EUR)
40k	40k

Table c)iii) the amounts of deferred remuneration awarded for previous performance periods

Deferred variable remuneration which vested in FY24 (EUR)*	Deferred variable remuneration which will vest after FY24 relating to prior years (deferred) (EUR)*
-	85k

* Valued using the share price as at 31 May 2024

Notes

- No severance pay was awarded to non senior management MRTs during the year
- No deferred remuneration due to vest in the year was reduced through performance adjustment
- No guaranteed variable remuneration payments were awarded or paid to MRTs
- All above figures relate to other MRTs who are not senior management
- Under IFD IGE has not applied proportionality at a firm level and no MRT is below the individual proportionality thresholds