

Remuneration Committee Terms of Reference

The Remuneration Committee (the “Committee”) is a Committee of the IG Group Holdings plc (“IGGH” or the “Company”) Board from which it derives its authority and to which it regularly reports.

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, in line with the requirements including the UK Corporate Governance Code, the Financial Conduct Authority (“FCA”)’s MIFIDPRU Remuneration Code (“SYSC 19G”), the EBA Guidelines on Sound Remuneration Policies under the Investment Firm Directive (“IFD”) and the relevant German regulation implementing the IFD.

The role of the Committee is to review, approve and oversee the implementation of the remuneration principles, policies and frameworks that are applicable across the IG Group.

The Committee is responsible for developing formal and transparent policies on Executive remuneration and determining how Director and senior management remuneration should be established. The Committee establishes the Directors’ Remuneration Policy and ensures that there is a clear link between performance and remuneration. The Committee also considers and approves remuneration arrangements for the Board Chair, Directors, senior management, and other Material Risk Takers (“MRTs”) within the Group.

In accordance with the requirements of the UK Corporate Governance Code, remuneration arrangements should be transparent and promote effective engagement with shareholders and the workforce, avoid complexity, and ensure reputational and other risks from excessive reward, and behavioural risks that can arise from target-based incentive plans, are identified and mitigated. In addition, the range of possible values of rewards to individual directors, limits and discretions should be explained at the time of approving the Directors’ Remuneration Policy. 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 Group’s purpose, vision, values, culture and strategy.

1. Duties

In undertaking its responsibilities, the Committee will be responsible for the preparation of decisions regarding remuneration to be taken by the Boards of the relevant companies, including those which have implications for their risk management. Any decisions shall be gender neutral and non-discriminatory¹, in line with the business strategy, objectives, corporate culture and values, and take into account the long-term interests of shareholders, investors and other stakeholders in the relevant company and the public interest.

The Committee shall:

1.1 Remuneration Policy

1.1.1 determine and review for adequacy and effectiveness at least annually the Group

¹ In respect of gender neutrality and being non-discriminatory, from a UK perspective, 19G.2.7 highlights that the Equality Act 2010 prohibits discrimination on the basis of an individual’s protected characteristics both before and after employment is offered. The Act applies to pay and all other contractual terms, including variable remuneration. A firm must ensure that its remuneration policy complies with the Equality Act 2010 and any other relevant local legislation.

Remuneration Policy and where appropriate, invite input from the Group Chief Risk Officer and/or the Group Chief Compliance Officer. The Committee should ensure that the Group Remuneration Policy is consistent with effective risk management across the Group and consider its implications on risk and risk management. The Group Remuneration Policy should enable the use of discretion to override formulaic outcomes and include provisions that would enable recovery and/or withholding of sums or share awards and specify the circumstances in which it would be appropriate to do so;

- 1.1.2 ensure that the Group Remuneration Policy and remuneration practices are gender neutral and non-discriminatory and compliant with relevant local legislation. The Committee shall ensure that the assessment of individual performance and the award of any variable remuneration, in accordance with the relevant remuneration regulations, does not discriminate on the basis of the protected characteristics of an individual;
- 1.1.3 if applicable, recommend the Group Remuneration Policy to each relevant regulated EU entity Board for their approval and adoption;
- 1.1.4 review the performance metrics that form part of the performance assessment process for the executives and/or other employees and review workforce remuneration and related policies and the alignment of incentives and rewards with culture, taking these into account when setting the policy for executive remuneration;
- 1.1.5 determine the framework or broad policy for the remuneration of the Group Chief Executive, the Chair of the Board, and other Executive Directors (Directors' Remuneration Policy). Within the terms of the Director Remuneration Policy and the limits set out in the Articles of Association, the remuneration of Non-Executive Directors (excluding the Chair of the Board) shall be a matter for the Chair of the Board and the Executive Directors;
- 1.1.6 in determining the Directors' Remuneration Policy, take into account all factors which it deems necessary including the pay and employment conditions across the Group, especially when determining annual salary increases. The objective of the Directors' Remuneration Policy, as far as it relates to Executive Directors, shall be to ensure that Executive Directors are provided with appropriate incentives to encourage enhanced performance and are, in a fair and responsible manner, rewarded for their individual contributions to the success of the Company having regard to views of shareholders and other stakeholders and subject to, and consistent with compliance with the risk management policies of the Group Remuneration Policy;
- 1.1.7 review the ongoing appropriateness and relevance of the Directors' Remuneration Policy for recommendation to the Board for approval;
- 1.1.8 ensure that no Director or manager shall be involved in any decisions as to their own remuneration;
- 1.1.9 determine the policy for, and scope of, pension arrangements for each Executive Director and align such contributions with those available to the workforce;

1.2 Remuneration Implementation and Disclosures

- 1.2.1 ensure that the implementation of the Group Remuneration Policy and remuneration practices are subject to a central and independent internal review at least annually;

- 1.2.2 determine the total individual remuneration package of each Executive Director, including bonuses, incentive payments and share options or other share awards, and also in respect of the Chair of the Board within the terms of the agreed Directors' Remuneration Policy and in consultation with the Chair of the Board and/or Chief Executive as appropriate;
- 1.2.3 ensure that contractual terms on termination, and any payments made, are fair to the individual, and the Group, that failure is not rewarded and that the duty to mitigate loss is fully recognised;
- 1.2.4 be able to demonstrate that its decisions are consistent with a reasonable assessment of the Company's financial situation and future prospects;
- 1.2.5 review and note annually the remuneration trends across the Group;
- 1.2.6 review and approve any disclosures required to be made from time to time relating to the Group Remuneration Policy, including the preparation of the Remuneration Policy Statement and Pillar III remuneration disclosure, as required under the IFPR and IFD remuneration rules;

1.3 Remuneration Risk and Adjustment

- 1.3.1 review the design and operation of the Group's performance related pay schemes to ensure the schemes are effective and, with the assistance of the Board Risk Committee, that the risks of the schemes are adequately monitored and controlled and also take into account liquidity and capital levels;
- 1.3.2 receive and review reports annually directly from the risk management function on the implications of the Group Remuneration Policy for risk and risk management;
- 1.3.3 review and approve the Group Risk Adjustment Policy and Process document. With input from the Group Chief Risk Officer and relevant functions as required, determine whether, and to what extent, risk adjustment should be applied at the variable remuneration pool level (through ex-ante risk adjustment) and the individual level (through ex-post risk adjustment), taking into account any factors it determines relevant;

1.4 MRTs

- 1.4.1 determine the policy for the level and structure of remuneration for all MRTs identified under the Investment Firm Prudential Regime ("IFPR") and IFD and Group senior management (being the Executive Committee or the first layer of management below Board level including the Group Company Secretary, the Group Chief Risk Officer, the Group Chief Compliance Officer and Global Head of Internal Audit) within the terms of the Group Remuneration Policy. In determining such packages and arrangements, give due regard to any relevant legal and regulatory requirements and the provisions and recommendations in the UK Corporate Governance Code and associated guidance, in particular in respect of vesting and holding periods and any post-employment shareholding requirements, the FCA's MIFIDPRU Remuneration Code, the EBA Guidelines on sound remuneration policies under the IFD, the Listing Rules and associated guidance;
- 1.4.2 review and approve total individual remuneration packages for all MRTs and Group senior management (being the Executive Committee or the first layer of management below Board level including the Group Company Secretary the Group Chief Risk Officer, the Group Chief Compliance Officer and Global Head of Internal Audit) and their supporting performance

assessments to ensure these take account of all relevant financial and non-financial metrics, and personal and conduct behaviours used to assess the overall performance of each individual;

- 1.4.3 oversee IG Group's MRT identification methodology, as well as review and approve the final list of MRTs on at least an annual basis including any proposed individual exclusions under the IFD quantitative criteria;
- 1.4.4 approve the ratios set between variable and fixed remuneration for MRTs on an annual basis;
- 1.4.5 review and approve all non-standard forms of variable remuneration made to MRTs including guaranteed variable remuneration, buy-out awards, retention awards and severance payments;

1.5 Share Plans

- 1.5.1 review and ratify awards made by management to good leavers under the Group's Long-Term Incentive Plan (LTIP) and the Sustained Performance Plan (SPP) (or such other long-term incentive plans that the Company may operate) in accordance with specific criteria agreed by the Committee from time to time;
- 1.5.2 monitor the Group's share incentive plans operation and determine on an annual basis whether awards will be made, and if so, the overall amount of such awards, the individual awards to Executive Directors and the performance targets to be used;
- 1.5.3 review the design of all new share incentive plans and significant changes to existing share incentive plans (subject to the Listing Rules) for recommendation to the Board for approval and shareholders where required;

1.6 Advisors

- 1.6.1 be exclusively responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any remuneration consultants who advise the Committee, identifying them in the Annual Report and stating whether they have any other connection with the Group or individual Directors;

1.7 Other

- 1.7.1 oversee any major changes in employee benefits structures throughout the Group;
- 1.7.2 obtain reliable, up-to-date information about remuneration developments, industry guidance and benchmarking remuneration with other companies of comparable scale and complexity. The Committee shall have full authority to commission any reports or surveys which it deems necessary to help it fulfil its obligations; and
- 1.7.3 have regard to, or consider in the reporting to the Committee, management's compliance with the 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. The Committee must give due consideration to the aims of this Principle when considering remuneration and incentive schemes to ensure appropriate alignment with the Principle.

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 comprised of at least three members. The Chair of the Board may also serve as an additional member of the Committee if they were considered independent on appointment as Chair. The Chair of the Board shall not be Committee Chair.
- 2.3. Only members of the Committee have the right to attend Committee meetings. However, other individuals such as the Chair of the Board (if not a member of the Committee), the Chief Executive, the Chief People Officer, the Group Chief Risk Officer and external advisers may be invited to attend for all or part of any meeting when appropriate, provided that no Director or manager shall be present when their own remuneration is being discussed.
- 2.4. The Board shall normally appoint a Committee Chair who has previously served on a remuneration committee for at least a year. 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 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 full 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 members. 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 contributing to decisions.

6. Frequency of Meetings

- 6.1. The Committee shall meet at least four times a year and otherwise as required.

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 and any other attendees, no later than five working days

before the date of the meeting, or as otherwise agreed with the Committee Chair. Supporting papers shall be sent to Committee members and to other attendees, as appropriate, at the same time.

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 by email and will be as effective as a resolution passed at a Committee meeting.

9. Engagement with Shareholders

- 9.1. The Committee Chair shall attend the Annual General Meeting (“AGM”) to respond to any shareholder questions on the Committee's activities.
- 9.2. The Committee Chair shall seek engagement with shareholders on significant matters related to the Committee's areas of responsibility prior to the AGM, where appropriate.

10. Reporting Responsibilities

- 10.1. The Committee Chair shall report to the Board after each meeting on the content of its discussion, recommendation and action to be taken. In relation to IG Markets Limited, IG Index Limited and IG Trading and Investments Limited, the Chair shall provide periodic reports on relevant matters to the Board of Directors of those entities, including advising their respective management bodies of the matters considered in accordance with SYSC 19G.
- 10.2. The Committee shall produce the Remuneration Report to shareholders which will form part of the Annual Report of the Group and will include all relevant information in respect of the Directors' Remuneration Policy and practices and the information on directors' remuneration required by relevant legislation.
- 10.3. The Committee shall produce a report to be included in the Company's Annual Report of its work, including a statement setting out the context in which major decisions on Directors' remuneration occurred and decisions have been taken. The report to shareholders should be able to demonstrate to shareholders how executive remuneration is aligned to the group's long term strategic goals. Membership of the Committee and attendance shall also be noted in the Annual Report.
- 10.4. The Committee shall ensure that all other provisions regarding disclosure of remuneration including pensions, as set out in the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (as amended) and the UK Corporate Governance Code are fulfilled.
- 10.5. Either through the Chair of the Board or the Committee Chair, the Committee shall ensure that the Board maintains contact as required with its principal shareholders about remuneration.

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 the Group 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 the Company's expense, outside legal or other independent 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 Group Company Secretary for advice and 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 and any published guidelines or recommendations regarding the remuneration of directors, including but not limited to the Companies Act 2006, the UK Corporate Governance Code and associated guidance, the requirements of the FCA's Listing Rules, Prospectus Rules and the Disclosure Guidance and Transparency Rules sourcebook, Market Abuse Regulation, as well as guidelines published by shareholder voting agencies 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. consider the Group's Sustainability strategy and any implications during its discussions and decision making;
- 12.6. work and liaise as necessary with all other Board committees; and
- 12.7. at least annually, review its own performance, constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any necessary changes to the Board for approval.