

Directors' Report

Directors' Report

The Directors present their report, together with the Group Financial Statements, for FY23. The Directors' Report comprises pages 119–121 of this report, together with the sections of the Annual Report incorporated by reference as located below:

Contents	Page
Governance Report	56
Statement of Directors' Responsibilities	122
Financial instruments and financial risk management	131–189
Greenhouse gas emissions	29–31
Workforce engagement, communication and equal opportunities	26, 32–34
Employees, Customers, Suppliers and Others Reporting Requirements Under the Companies (Miscellaneous Reporting) Regulations 2018	20–21
Policy concerning the employment of disabled persons	26, 32–34
Going Concern and Viability Statement	54–55
Directors' Remuneration Report and Policy, service contracts and details of Directors' interest in shares	89–118
Likely future developments	12–13
Risk management and internal control	48–53
Anti-bribery and corruption	27

Section 414A of the CA2006 requires the Directors to present a Strategic Report in the Annual Report and Financial Statements. The information can be found on pages 9–55.

The Company has chosen, in accordance with Section 414C (11) of the CA2006 and as noted in this Directors' Report, to include certain matters in its Strategic Report that would otherwise be disclosed in this Directors' Report, including the Non-Financial Information Statement required by Section 414C of the CA2006, which can be found on page 35.

In line with the IFPR and the Capital Requirements (Country-by-Country Reporting) Regulations 2013, requiring credit institutions and investment firms to publish annually certain tax and financial data for each country where they operate, the Group's UK-regulated subsidiaries will make available their country-by-country reporting on our website.

Disclosures required pursuant to Listing Rule 9.8.4R

In compliance with the UK FCA's Listing Rules, the information in Listing Rule 9.8.4R to be included in the Annual Report and Accounts, where applicable, can be found on the following pages:

Detail	Page
Waiver of dividends	120

Modern slavery

In compliance with Section 4 (l) of the Modern Slavery Act 2015, we have published our slavery and human trafficking statement on our website.

Branch offices

As at 31 May 2023, we had the following overseas branches within the meaning of the CA2006: offices in Australia, China (Representative Office), France, Germany, Hong Kong, Italy, New Zealand, the Netherlands, Norway, Poland, South Africa, Spain and Sweden.

Corporate Governance Statement

In compliance with the UK FCA's Disclosure Guidance and Transparency Rules (DTR) 7.2.1, the disclosures required by the DTR are set out in this Directors' Report and in the Governance Report.

Profit and dividends

The Group's statutory profit for the year after taxation amounted to £363.7 million (FY22: £503.9 million), all of which is attributable to the equity members of the Company.

The Directors recommend a final ordinary dividend of 31.94 pence per share, making a total of 45.2 pence per share for the year (FY22: 44.2 pence per share). Dividends are recognised in the Financial Statements for the year in which they are paid or, in the case of a final dividend, when approved by the shareholders. The amount recognised in the Financial Statements, as described in note 11, includes this financial year's interim dividend and the final dividend from the previous year, both of which were paid.

The final ordinary dividend, if approved, will be paid on 19 October 2023 to those shareholders on the register as at 22 September 2023.

Certain nominee companies representing our Employee Benefit Trusts hold shares in the Company, in connection with the operation of the Company's share plans. Evergreen dividend waivers remain in place on shares held by them that have not been allocated to employees.

Articles of Association

The Company's Articles of Association are available on our website, or by writing to the Company Secretary at the Group's registered office. The Articles of Association were last amended by shareholders by means of a special resolution on 22 September 2021.

Board of Directors and their interests

The Directors who held office during FY23 are set out below:

Chair

Mike McTighe

Independent Non-Executive Directors

Jonathan Moulds
Rakesh Bhasin
Andrew Didham
Wu Gang
Sally-Ann Hibberd
Malcolm Le May
Susan Skerritt
Helen Stevenson

Executive Directors

June Felix
Jon Noble
Charlie Rozes



Directors' Report continued

Appointment and retirement of Directors

The rules concerning the appointment and replacement of Directors are set out in the Articles of Association. The Board has the power to appoint any person as a Director to fill a casual vacancy or as an additional Director, provided the total number of Directors does not exceed the maximum prescribed in the Articles of Association. Any such Director holds office only until the next AGM and is then eligible to offer themselves for election.

The Articles of Association also require that all those Directors who have been in office at the time of the two previous AGMs, and who did not retire at either of them, must retire as Directors by rotation. Such Directors are eligible to stand for re-election. However, in line with the Code's recommendation, all Directors will stand for re-election at the 2023 AGM.

Directors' conflicts of interest

In accordance with the CA2006, all Directors must disclose both the nature and extent of any potential, actual or perceived conflicts with the interests of the Company. We explain the procedure for this on page 61.

Insurance and indemnities

The Group has Directors' and Officers' liability insurance in place, providing appropriate cover for any legal action brought against its Directors. Qualifying third-party indemnity provisions (as defined by Section 234 of the CA2006) were in force during FY23 and a Deed of Indemnity with the Directors was put

in place. These provisions remain in force for the benefit of the Directors, in relation to certain losses and liabilities which they may incur (or have incurred) to third parties in the course of acting as Directors of the Company.

Research and development

In the ordinary course of business, we regularly develop new products and services.

Political donations

The Company made no political donations to political organisations or independent election candidates and incurred no political expenditure in the year (FY22: £nil).

Share capital

The Company has three classes of shares: ordinary shares, deferred redeemable shares and preference shares. As at 31 May 2023, our issued shares comprised 408,947,842 ordinary shares of 0.005 pence each (representing 99.97% of the total issued share capital), 65,000 deferred redeemable shares of 0.001 pence each (representing 0.01% of the total issued share capital) and 40,000 preference shares of £1.00 each (representing 0.01% of the total issued share capital). Details of movement in our share capital and rights attached to the issued shares are given in note 23 to the Financial Statements. Information about the rights attached to our shares can also be found in the Articles of Association. Details of the Group's required regulatory capital are disclosed in the Business Performance Review on pages 39–47.

Variation of rights

Subject to the provisions of applicable statutes, the rights attached to any class of shares may be varied, either with the consent in writing of the holders of at least three-quarters in nominal value of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class.

Restrictions on transfer of securities

There are no specific restrictions on the transfer of securities in the Company, other than as contained in the Articles of Association, this paragraph and certain laws or regulations, such as those related to insider trading, which may be imposed from time to time. The Directors and certain employees are required to obtain approval prior to dealing in the Company's securities. Certain parties who were previously shareholders in tastytrade are subject to contractual restrictions on transfer in accordance with the terms of the sale arrangements. We are not aware of any agreements between holders of securities that may result in restrictions on the transfer of securities or on voting rights.

Exercise of rights of shares in employee share schemes

The trustees of the IG Menkul Değerler Employee Benefit Trusts do not seek to exercise voting rights on shares held in the employee trusts, other than on the direction of the underlying beneficiaries. No voting rights are exercised in relation to shares unallocated to individual beneficiaries. The trustees have a dividend waiver in place in respect of unallocated shares held in the trust.

Powers of the Directors to issue or purchase the Company's shares

The Articles of Association permit the Directors to issue or repurchase the Company's own shares, subject to obtaining shareholders' prior approval. The shareholders gave this approval at the 2022 AGM. The authority to issue or buy back shares will expire at the 2023 AGM, and it will be proposed at the meeting that the Directors be granted new authorities to issue or buyback shares. The Directors currently have authority to purchase up to 43,015,803 of the Company's ordinary shares. 22,819,706 shares were purchased during the year.

During the year, the Company instructed the trustees of the Employee Benefit Trusts to purchase shares in order to satisfy awards under our share-incentive plan schemes and also issued shares in respect of the sustained performance plan. Details of the shares held by our Employee Benefit Trusts, and the amounts paid during the year, are disclosed in note 24 to the Financial Statements.

At the AGM held on 21 September 2022, the Company was granted authority to allot ordinary shares in the Company up to an aggregate nominal amount of £7,000, being 33% of the total issued share capital at that date, amounting to 142,419,570 ordinary shares. In addition, the Company was granted authority to allot further ordinary shares in the Company up to an aggregate nominal amount of £7,000 pursuant to a rights issue, being 33% of the total issued share capital at that date, amounting to 142,419,570 ordinary shares. No ordinary shares were issued under these authorities during the year.

Directors' Report continued

Major interest in shares

Information provided to the Company by major shareholders pursuant to the FCA and DTRs is published via a Regulatory Information Service and is available on our website. The information in the table below has been received in accordance with information made available to the Company and in accordance with DTR5, from holders of notifiable interests in the Company's issued share capital as at 31 May 2023. The lowest threshold is 3% of the Company's voting rights, and holders are not required to notify us of any change until this, or the next applicable threshold, is reached or crossed.

Major interest in shares	No. of shares	Percentage ¹
Artemis Investment Management LLP	18,510,435	5.01%
BlackRock, Inc.	19,820,667	5.36%
Massachusetts Financial Services Company	20,960,928	5.08%
Tom Sosnoff	14,888,162	3.40%
Standard Life Aberdeen	11,137,095	3.01%

¹ The percentage is as at the date of notification

The Company has not been informed of any other changes to the notifiable interests between 31 May 2023 and the date of this Annual Report.

Change of control

Following any future change of control of the Company, participating lenders in the Group's bank facility agreements have the option to cancel their commitment. Upon such cancellation, any outstanding loans, including accrued interest and other amounts due to lenders, will become immediately due and payable. Further details may be found in note 19 to the Financial Statements.

There are no agreements between the Company and its Directors or employees providing for compensation on any loss of office or employment that occurs because of a takeover bid. However, options and awards granted to employees under our share schemes and plans may vest on a takeover, under the schemes' provisions.

AGM

The Company's AGM will be held on 20 September 2023. Details of the resolutions to be proposed will be provided in the AGM Notice.

Independent Auditors

Resolutions to reappoint PwC as the Company's External Auditor, and to authorise the Directors to determine PwC's remuneration, will be put to shareholders at the AGM on 20 September 2023.

Subsequent events

Please refer to note 35 to the Financial Statements.

On behalf of the Board



Charles A. Rozes
Chief Financial Officer
19 July 2023