

REMUNERATION POLICY

Approved and adopted on 13 January 2023



Contents

Clause		Page
1	INTRODUCTION	3
2	POLICY	3
2.1	Non-executive directors	3
2.2	Executive-directors	3
2.3	Applicable law	3
2.4	Interpretation	3

Annexes

Annex 1	Flow Traders Remuneration Policy for the Supervisory Board
Annex 2	Flow Traders General Remuneration Policy

1 Introduction

- 1.1 This remuneration policy (the "**Policy**") applies to the board of Flow Traders Ltd. (the "**Company**"). The Policy is established in accordance with Bye-Law 26.1 and clause 6.2(f) of the Company's board rules. The Policy has been adopted prior to, and will apply as of the first day of trading of the Company's common shares on Euronext Amsterdam.
- 1.2 The Policy contains two annexes: 'Flow Traders Remuneration Policy for the Supervisory Board' and 'Flow Traders General Remuneration Policy' (together the "**NV Policies**"). The NV Policies reflect the remuneration policies that applied to Flow Traders N.V. until the update of the holding structure. Pursuant to this Policy, the NV Policies will apply *mutatis mutandis* to the Company and to the remuneration of the members of the Company's board until a new Policy has been adopted by the Company's general meeting. For this purpose, a reference to the 'Company' in Annex 1 and Annex 2 shall be read as references to the Company as defined in paragraph 1.1 above.

2 Policy

2.1 Non-executive directors

Non-executive directors will be remunerated in accordance with the Flow Traders Remuneration Policy for the Supervisory Board attached as Annex 1. For this purpose, references to the 'Chair of the Supervisory Board' shall be read as references to the chairman of the Company's board, references to 'Member(s) of the Supervisory Board' or 'Supervisory Board members' shall be read as references to the Company's non-executive directors, and references to the 'Supervisory Board' shall be read as references to the Company's board. The term set out in clause 3 of Annex 1 shall be replaced the term set out in Bye-Law 21.1, with the rotation schedule being schedule 3 to the board rules of the Company. The first two sentences set out in clause 4 of Annex 1 shall be replaced by the relevant provisions of Bye-Law 26.

2.2 Executive-directors

Executive directors will be remunerated in accordance with the Flow Traders General Remuneration policy attached as Annex 2. For this purpose, references to the 'member(s) of the Management Board' or 'Management Board members' shall be read as references to the Company's executive directors. References to the 'Management Board' shall read as references to the Company's board or the Company's executive directors respectively, as context requires, and 'Supervisory Board' shall be read as references to the Company's board or the Company's non-executive directors respectively, as context requires. Clause 6.1 of Annex 2 under '*Governing law and amendments*' shall not apply.

2.3 Applicable law

The Policy (including its annexes) shall be governed by the laws of Bermuda. Where any law or regulation deviates from, or overrides, this Policy, the Company will apply the relevant provisions of this Policy to the extent compliant with such law or regulation.

2.4 Interpretation

Any question of interpretation of any provision of this Policy (including its annexes) shall be resolved by the Board with due observation of the intention to continue, *mutatis mutandis*, application of the NV Policies.

Annex 1 Flow Traders Remuneration Policy for the Supervisory Board

1 Scope and definitions

1.1 Scope

This Remuneration Policy sets out the policies and procedures, which shall be applied by Flow Traders with respect to the remuneration of members of its Supervisory Board for 2021 onwards. Ongoing compliance with applicable laws and regulations will be reviewed on an annual basis.

1.2 Definitions

1.2.1 AGM means Annual General Meeting; and

1.2.2 Flow Traders means Flow Traders B.V. and Flow Traders N.V. and is also referred to as the Company.

2 Remuneration philosophy and compensation structure

2.1 Philosophy

2.1.1 The Remuneration Policy ensures that the remuneration of the Supervisory Board members is appropriate to the size and organisation of Flow Traders, the nature, scope and complexity of Flow Traders' activities as well as the responsibilities of the role and the time spent. The Company's remuneration practices have been built on, and are driven by, a gender-neutral approach.

2.1.2 Given the nature of the responsibilities of the Supervisory Board as an independent body, remuneration of the members of the Supervisory Board is not tied to the performance of the Company.

2.2 Compensation structure

2.2.1 The remuneration of the members of the Supervisory Board consists of a fixed annual fee, committee member fees and committee chairman fees. The fixed remuneration is higher for the Chair than for other members of the Supervisory Board, given the greater time commitment and enhanced level of responsibilities.

2.2.2 The Supervisory Board fees (on an annual basis) are as follows:

Fixed fee	
Chair of the Supervisory Board	EUR 100.000,-
Member of the Supervisory Board	EUR 70.000,-
Committee and Committee Chair fees	
Committee Chair fee (All Committees except Audit and Remuneration & Appointment Committee)	EUR 10.000,-
Audit and Remuneration & Appointment Committee Chair fee	EUR 15.000,-
Committee member fee	EUR 7.500,-

2.2.3 Members of the Supervisory Board do not receive variable remuneration. Also, Flow Traders does not grant any share-based remuneration, personal loans, guarantees or the like to the members of the Supervisory Board as part of their compensation package.

2.2.4 Supervisory Board members are compensated for expenses, based on actual costs incurred.

3 Term

Appointments of members of the Supervisory Board are for a fixed term of maximum 4 years, after which reappointment is possible. Members of the Supervisory Board shall resign in accordance with the rotation schedule, as published on the website of the Company. No notice period or termination fees are applicable.

4 Governance

The fixed fee for Supervisory Board members is reviewed once every four years, based on relevant market benchmarks. This remuneration policy may only be amended by the General Meeting of Shareholders pursuant to a proposal of the Supervisory Board. The Remuneration and Appointment Committee supports the Supervisory Board in this area.

Annex 2 Flow Traders General Remuneration Policy

1 Introduction

- 1.1 Our aim is to make a positive contribution to society, which we do in a number of ways. One way is through our day-to-day business, by providing liquidity to financial markets globally. We help ensure that thousands of Exchange Traded Products (ETPs) and similar products can be traded across the world's markets, by continuously quoting bid and ask prices. As an innovative segment of global financial markets, ETPs have introduced efficiencies and cut investment costs substantially for a wide range of investors, from pension funds to retail investors. Increased liquidity, higher execution quality, and lower overall trading costs are just some of the benefits that liquidity providers, such as Flow Traders, offer through these innovative financial products.
- 1.2 Another way in which we contribute to society is by creating and retaining high quality jobs in the countries where we operate, and by sharing rewards across our global employee base. Since we started in 2004, our goal has been to foster a culture that encourages innovation, entrepreneurialism and risk-awareness, while focusing on drive, teamwork and ownership. By developing talent in-house and maintaining a committed and substantial employee shareholder base, we create a stable, forward-looking team. We encourage our people to move between offices internationally, to share ideas and best practices across the company, while experiencing life in different cultures. We also believe that a diverse workforce can supply a greater variety of ideas and provide better solutions to the challenges we face. We aim to recruit and retain the best talent available, regardless of their gender, age, ethnicity, faith or sexual orientation. We are committed to providing equal employment opportunities to all qualified job applicants.
- 1.3 Our General Remuneration Policy reflects the above. We reward contributions to the long-term success of the company as a whole, rather than to an employee's individual results or accomplishments in the direct area of responsibility.
- 1.4 Our General Remuneration Policy is a global policy that applies to all employees, from back-office to management, from Amsterdam to Cluj to New York to Singapore. It incorporates our risk-mitigating way of doing business. Since our inception, bonuses above a certain threshold have been paid out over several instalments to account for any potential losses Flow Traders may face. It also includes the possibility to adjust or clawback remuneration awarded to any and all employees. Additionally, we do not accept unethical or illegal behaviour under any circumstances within any part of the company.
- 1.5 Finally, Flow Traders not only creates transparency in the financial markets, it also firmly believes in providing it. We will adhere to the relevant publication requirements.

2 Scope

This General Remuneration Policy sets out the policies and procedures which shall be applied by Flow Traders N.V. and its group companies ("Flow Traders") with respect to the remuneration of its employees and members of the Management Board for performance year 2016 onward. Flow Traders N.V. shall ensure that this General Remuneration Policy is complied with by its group companies. Ongoing compliance with applicable laws and regulations will be reviewed on an annual basis.

3 Key elements

3.1 Sound and effective risk management

Remuneration should:

- (a) be consistent with and promote sound and effective risk management;
- (b) encourage alignment of the risks taken by the employees or members of the Management Board, and of Flow Traders itself, and not encourage risk taking which is inconsistent with the risk profile of Flow Traders;
- (c) be in line with the business strategy, objectives, values and interests of Flow Traders and include measures to avoid conflict of interests; and
- (d) not lead to risks that third parties are treated improperly.

3.2 Types of remuneration

Flow Traders awards the following types of remuneration to employees and members of the Management Board:

- (a) Fixed component
 - (i) All employees and members of the Management Board are awarded a fixed remuneration component.
 - (ii) In order to (i) control the level of fixed costs within Flow Traders, (ii) provide effective risk mitigating incentives and (iii) provide significant rewards for employees and members of the Management Board only if the firm is actually profitable, the fixed component is typically at a modest, prudent level.
- (b) Variable component
 - (i) Eligible employees and members of the Management Board may be awarded a variable remuneration component in the form of a profit sharing distribution. Flow Traders only awards variable remuneration if Flow Traders is actually profitable.
 - (ii) Variable remuneration is awarded on the basis of an individual's contribution to the firm as a whole, not just in respect of his or her own responsibilities or performance: Flow Traders does not base variable remuneration on financial results achieved individually.
 - (iii) Any award of a Variable Component is contingent upon positive operating results of Flow Traders over the relevant performance year. 40% of Flow Traders' operating profits over the performance year minus applicable adjustments (e.g. taxes, capital charges and extraordinary items) are available for variable remuneration components.

3.3 Guaranteed variable components

Flow Traders does not award a guaranteed variable component to employees or members of the Management Board unless the following conditions are all met:

- (a) the guaranteed variable component is awarded in relation to hiring new staff;
- (b) the award is limited to the first year of employment; and
- (c) Flow Traders has a sound and strong capital base.

3.4 Severance pay

Flow Traders does not award severance payments in any of the following situations:

- (a) where an employee or member of the Management Board resigns voluntarily, unless this is the consequence of serious imputable act or negligence (*ernstig verwijtbaar handelen of nalaten*) by Flow Traders; and
- (b) where there is serious imputable act or negligence by the employee or member of the Management Board in the fulfilment of his or her function.

3.5 Deferral

Above a certain threshold Flow Traders shall pay variable components in at least two instalments, where such deferred instalments shall be paid during at least one subsequent year after the first instalment

3.6 Reduction and clawback

In addition to provisions of applicable law from time to time relating to reductions and clawbacks, deferred instalments of variable components may be subject to reduction and forfeiture when Flow Traders incurs a loss.

3.7 Other benefits

Benefits other than remuneration, if any, must be consistent to the principles set out in this General Remuneration Policy.

4 Remuneration of Management Board members

4.1 The Supervisory Board is responsible for the implementation of this General Remuneration Policy in respect of members of the Management Board. Such implementation must be consistent with this General Remuneration Policy and applicable laws and regulations.

4.2 The remuneration of, and other agreements with, the members of the Management Board are determined by the Supervisory Board with due observance of this General Remuneration Policy, any extended remuneration policies and laws and regulations applicable from time to time.

4.3 Criteria for awarding variable remuneration to members of the Management Board are set by the Supervisory Board. These criteria reflect financial performance and include other quantitative and qualitative criteria related to the company's non-financial performance.

4.4 In addition to the foregoing provisions relating to severance payments for all employees, Flow Traders does not award severance payments to members of the Management Board:

- (a) in excess of 100% of the annual fixed remuneration; or
- (b) where there is a failure of Flow Traders, and the person that resigns is a member of the Management Board.

5 Remuneration of employees

5.1 The Management Board is primarily responsible for the implementation of this General Remuneration Policy in respect of employees. Such implementation must be consistent with this General Remuneration Policy and applicable laws and regulations.

- 5.2 The remuneration of, and other agreements with, employees are determined by the Management Board with due observance of this General Remuneration Policy, any extended remuneration policies and laws and regulations applicable from time to time.

6 Governing law and amendments

- 6.1 This Policy is governed by the law of the Netherlands to the extent not conflicting with the governing laws applicable to the employment agreements or other agreements of engagement of the employees. Where any law or regulation deviates from, or overrides, this General Remuneration Policy Flow Traders will apply the relevant provisions of this General Remuneration Policy to the extent compliant with such law or regulation.
- 6.2 Ongoing compliance with the applicable laws and regulations will be reviewed on an annual basis and amendments may be implemented into this General Remuneration Policy. Amendments to this General Remuneration Policy, to the extent it does not constitute a legally required amendment pursuant to law or regulation and as far as the remuneration of Management Board members is concerned, are subject to the General Meeting's approval.