



FLOW ■ TRADERS

Remuneration Report 2021

Remuneration report

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Remuneration report

The Remuneration & Appointment Committee

The key objective of the Remuneration Committee is to advise the Supervisory Board on the design and execution of the remuneration policy and to ensure that the decision making is in line with the remuneration policy, Flow Traders performance and strategic priorities. Further, during the year, the Committee engaged in a comprehensive consultation with stakeholders regarding the current remuneration policy. Based on this consultation, an updated remuneration policy will be submitted for shareholder approval at our 2022 AGM.



Chair
Linda Hovius

Members
Rudolf Ferscha
Jan van Kuijk
Roger Hodenius

The committee held 6 formal meetings in 2021 and each meeting had full attendance.

Responsibilities

- Determining, on behalf of the Supervisory Board, the company's remuneration policy for the Management Board
- Proposing the remuneration of the individual members of the Management Board to the Supervisory Board
- Reviewing the proposal of the Management Board for the remuneration and variable remuneration for all employees
- Assessing performance of the members of the Management Board in 2021 and establishing their individual key performance indicators for 2022
- Preparing the annual remuneration report

Letter from the Chairman of the Remuneration & Appointment Committee

Dear shareholder,

On behalf of the Remuneration & Appointment Committee, I am pleased to present our 2021 Remuneration Report.

This report includes a summary of our remuneration policy currently in place, as approved at the 2016 AGM, and the remuneration paid out in 2021 in accordance with this policy. The full remuneration policy has been published on our website www.flowtraders.com. The remuneration report reflects the reporting requirements originating from the updated EU Shareholder Rights Directive and the Dutch implementation of this Directive.

In addition, this report details our proposed updates to our policy we will submit to the 2022 AGM. As a growing organization, Flow Traders' revised policy has been proposed following an extensive dialogue with various stakeholders, peer analysis and the need to create a policy to continue to be able to retain and attract talent of the highest caliber.

Company performance and progress

Market conditions in 2021 were more stable compared to 2020. Volatility, as measured by the VIX index, averaged at 19.88 (2020: 29.49), with a high of 37.51 (2020: 85.47). Nevertheless, 2021 was a successful year for Flow Traders. Total value traded in 2021 amounted to €5.7 trillion (2020: €5.2 trillion); of which, €1.54 trillion was traded in ETPs (2020: €1.52 trillion). In terms of Net Traded Income (NTI), we experienced a highly successful year with NTI reaching €384 million. This is the second highest NTI result in Flow Traders' history after 2020.

On the cost side, we continued to maintain a firm discipline with fixed operating expenses amounting to €122.1 million in 2021 (2020: €118.6 million), which is within the cost guidance provided in the beginning of 2021. We saw an increase in FTEs to 613 as of 31 December 2021 compared to 554 on 31 December 2020. Despite this increase, variable employee expenses saw a significant decrease to €102.5 million in 2021 (2020: €228.1 million), reflecting the reduced variable remuneration pool. In light of the reduced top line compared to 2020 and, as a result, reduced operational leverage, net profit amounted to €114.9 million (2020: €464.5 million), while EBITDA achieved in 2021 is €159.4 million (2020: €586.6 million), with an EBITDA margin of 41%.

The wellbeing of our people has continued to be a point of focus throughout 2021. We have continued to facilitate working from home for the majority of our staff. As the pandemic evolved, we welcomed many of our colleagues back into our offices, with many adopting a hybrid working model. Further, Flow Traders opened a new office in Paris during 2021.

Remuneration in 2021

The Supervisory Board, in close consultation with, and supported by, the Management Board has decided that the 2021 firm-wide variable remuneration pool will be €83.3 million¹, corresponding to 35% of the operating result in 2021. The Supervisory Board has also determined the 2021 variable remuneration awards to the members of the Management Board, upon the proposal of the Remuneration Committee, in accordance with the remuneration policy adopted at the 2016 AGM, while also considering the new policy proposed at the 2022 AGM. The performance of the Management Board has been reviewed against their individual KPI scorecards, which cover both quantitative and qualitative targets. Following extensive considerations and thorough review of the performance of each member of the Management Board, we have decided that 6.1% of the variable remuneration pool shall be allocated to the Management Board. This is what we believe is a fair allocation and aligns with our long-standing company philosophy of sharing our profits and creating equal opportunities to share in both success and risk, followed since we were founded and has contributed to the success Flow Traders has achieved. This approach provides a relatively modest base salary, no benefits and a profit share that directly reflects company performance – therefore varying considerably in successful and less successful financial years.

¹ Amended on 18 March 2022 to €83.3m from €88.3m as previously stated

In addition, we feel it is important to highlight a number of balancing elements:

- We believe in rewarding for performance. If Flow Traders is less successful, there is a corresponding downwards impact on variable remuneration levels without any smoothing actions
- At the same time, we defer a significant portion of the variable remuneration granted, and this deferred remuneration remains at risk until vesting. If Flow Traders were to make a loss in upcoming years, any outstanding deferred variable compensation from previous years will be forfeited and used to cover this loss.
- We share our profits fairly with our shareholders and employees. Although individual award levels for members of the Management Board may be considered substantial, the other employees are paid from the same variable remuneration pool and equally benefit from the company's performance.

Activities of the Committee in 2021

In 2021, we put forward our revised remuneration policies for both the Management Board and Supervisory Board (binding vote) and our 2020 remuneration report (advisory vote) for the AGM's approval. The remuneration policy for the Supervisory Board was approved by over 97% of shareholders, while 66% of shareholders voted in favor of the remuneration report. The revised policy for the Management Board was approved by 67% of our shareholders and therefore did not obtain the required 75% majority vote from the AGM. Therefore, we continued to operate under the Remuneration Policy as approved in 2016.

Stakeholder engagement

We take our stakeholder's views very seriously and welcome an open dialogue with them on all aspects of remuneration. As the remuneration policy for the Management Board did not receive the required 75% vote at the 2021 AGM and a minority of shareholders voted against our remuneration report at the 2021 AGM, the Committee conducted consultations with those shareholders and proxy advisors to see whether we could further align our remuneration practices to shareholder expectations.

We recognize the evolution of the corporate governance landscape in recent years. We believe that the principles that underlie our approach remain relevant. We align employee pay, including the Management Board, with the interests of shareholders and our financial performance. We aim to pay levels of total pay that are competitive with our predominantly international, and in many cases privately-owned, competitors and design our remuneration structures to encourage all our employees to stay with us for the longer term. To summarize, in light of the feedback

“We take our stakeholder's views very seriously and welcome an open dialogue with on all aspects of remuneration.”

we have received, we have enhanced the disclosure around individual KPIs and vesting schedule of deferred awards in our 2021 remuneration report, and we have further discussed the Management Board's remuneration policy proposed at the 2021 AGM to see where we can further align with shareholders expectations. We summarize the main feedback provided, and how we have acted upon this feedback in the table below.

Main feedback from stakeholders

The policy appears to have a short-term focus

How we have acted upon this feedback

- Long-term value creation and share ownership are cornerstones of our remuneration philosophy. We propose to further align our remuneration policy with our philosophy and to defer a significant part of any variable remuneration award (62.5%) for a multi-year period (up to 4 years). A significant part (50%) of the variable remuneration is paid out in equity and subject to a holding period of one year after vesting.
- In addition to operating above market standards clawback provisions, we propose to update our remuneration policy and introduce post-termination vesting restrictions.
- We propose to update our remuneration policy and encourage our Management Board members to retain 50% of the shares granted as part of remuneration (after tax) until end of employment.
- We have further enhanced our disclosure practices in the 2021 remuneration report, with the aim to better explain the design of our remuneration policy and in particular the working of our variable remuneration plan, including better disclosure around individual KPI scorecards, and deferral and vesting schedule for each member of the Management Board.

Variable compensation is uncapped

- It is in our corporate DNA to share our profits fairly with our shareholders and employees, and we have done so since we were founded. The total variable remuneration pool available for all employees (including the Management Board) is capped at a maximum of 35% of operating result. In addition to this proposed change at the 2021 AGM, we propose to also introduce hard cap on Management Board individual variable remuneration award levels of 20 times versus the average employee variable remuneration awards levels.
- This translates to a hard cap of €4,066,000 on variable remuneration for each member of the Management Board in 2021. The total remuneration of each member of the Management Board was well within this limit.
- We have restructured our remuneration report, with the aim to better explain the design of our remuneration policy and in particular the working of our variable remuneration plan.

Transparency and disclosure on pay-for-performance can be improved

- Following shareholder feedback, we will propose to introduce a KPI scorecard for each member of the Management Board with both financial and non-financial performance measures. The financial measures will ensure that any remuneration awarded considers multiple aspects of financial performance and not just operating profit, while non-financial measures will be selected to ensure sustained long-term performance.
- We have restructured our remuneration report, with the aim to better explain the working of our variable remuneration plan. We have included more details on the working, dynamics, key performance indicators and performance outcomes of the Management Board member's individual KPIs.
- We believe that these changes will increase transparency and certainty for shareholders and the Management Board.

On behalf of the Committee, I thank all shareholders for the constructive feedback and are looking forward to continuing our dialogue in 2022.

Linda Hovius

Chair of the Remuneration & Appointment Committee

3 March 2022

Flow Traders' approach to remuneration

Our Management Board remuneration policy aims to attract, motivate and retain Management Board members to lead Flow Traders and sustainably execute Flow Traders' strategy. The remuneration policy reflects of our mission, corporate identity and values. The remuneration policy fosters our unique Flow Traders culture.

Our mission and corporate identity

We are a leading global-technology enabled liquidity provider, specialized in Exchange Traded Products.

As a technology company operating in a financial environment, we focus on providing liquidity in financial products both on- and off-exchange. As a result, market participants benefit from higher execution quality and lower overall trading costs, while the markets benefit from greater efficiency and more transparency. The liquidity we provide in volatile markets helps ensure that financial markets keep functioning under all circumstances. Flow Traders helps absorb market shocks by absorbing a sudden surge in trading which helps stabilize markets, ensures accurate pricing and reduces volatility.

We are an ambitious, international company, with an increasing role in the financial ecosystem in the world's largest financial markets. We operate in a fast moving, complex and highly competitive environment, at the intersection of trading, financial services and technology. As only the very best companies in this market will survive, we aim to attract and retain the very best people at every level in the organization.

Our values and culture

We strongly believe that creating a strong and successful business requires a set of shared values that everyone can rally around. Values that help shape how everyone behaves, feels and develops at work every day. That is why we have identified the core values that are the essence of Flow Traders:

- Open, informal and diverse
- Taking ownership
- Entrepreneurial
- Team player

These values reflect the things we believe in. And they shape our unique, one-team driven, culture. A culture that is underpinned by disciplined risk awareness at every level of the organization.

Our remuneration principles

We believe in sharing our profits with all relevant stakeholders, including our employees. Given good performance, employees from any role and office are entitled to receive variable compensation relative to their contribution to the firm as a whole. We are transparent about how we pay our people and how much we pay them, including management. We have a straightforward remuneration policy that permits variable remuneration only when a profit is made. And because variable remuneration is, to a large extent, deferred, it remains at risk of forfeiture if we sustain a loss. We believe this is the strongest incentive for sustainable, risk-aware behavior for all our staff.

Application of our remuneration principles

At Flow Traders, we provide our members of the Management Board a remuneration package that consists of fixed remuneration, in the form of base salary, and variable remuneration:

- The long-standing foundation of our policy is a relatively modest base salary and variable remuneration that is aligned with company performance – therefore varying considerably in successful and less successful (financial) years.
- The design of our remuneration policy reflects our mission, corporate identity, core values & culture, is aligned with our long-term interests and is underpinned by deep risk-awareness.

These principles are also reflected in our Management Board remuneration policy:

Principle	Application
Sharing	<ul style="list-style-type: none"> ▪ Given good performance, employees from any role and office are entitled to receive variable remuneration relative to their contribution to the firm as a whole. ▪ If we make no profit, we do not pay-out variable remuneration.
Operating a single & straight forward policy	<ul style="list-style-type: none"> ▪ We reward all our employees, including the Management Board, based on the same remuneration policy. ▪ We share one singular firm-wide variable remuneration pool. ▪ The Management Board does not receive material ancillary benefits beyond variable remuneration. ▪ As permitted by the remuneration policy, variable remuneration of Management Board members is voluntarily capped at a multiple of the average employee variable remuneration.
Rewarding for exceptional performance	<ul style="list-style-type: none"> ▪ Remuneration consists of a relatively modest base salary and variable remuneration linked directly to performance. ▪ The pay-mix is skewed towards variable remuneration in good (financial) years. At the same time, we do not pay-out any variable remuneration – and reclaim outstanding deferrals, if we sustain a loss.
Guarding long-term interests & stimulating risk awareness	<ul style="list-style-type: none"> ▪ We operate an integrated short-term and long-term variable remuneration plan. ▪ We defer a significant portion of variable remuneration pay-outs for a multi-year period. ▪ A significant part of any variable remuneration award is made in equity. ▪ If the company incurs a loss, any outstanding deferred variable remuneration is reduced or forfeited entirely to cover that loss. ▪ Our clawback provisions are comprehensive, irreversible and substantially exceed industry standards and regulatory requirements.
Stimulating share ownership	<ul style="list-style-type: none"> ▪ A significant part of any variable remuneration award is made in equity. ▪ We encourage our Management Board members to retain a substantial part of equity granted as part of remuneration.

These principles guide the Remuneration and Nomination Committee when making decisions on the remuneration policy and its implementation.

Our contribution to society

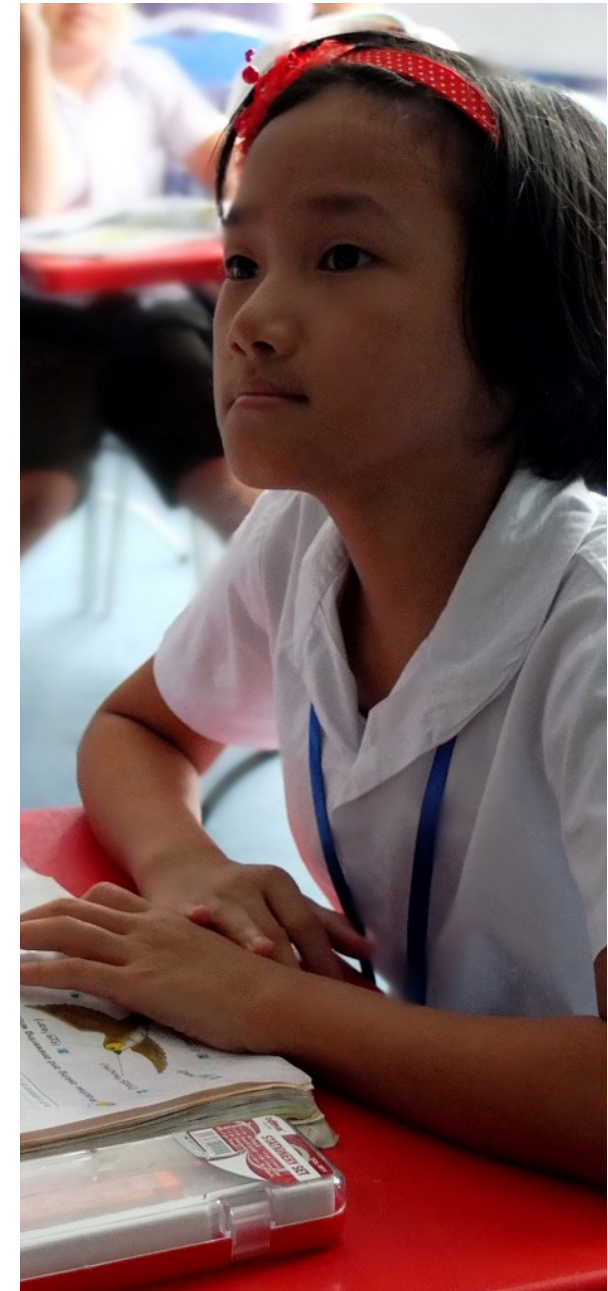
We are committed to our broader responsibility to society over and above our provision of liquidity and market making services globally (ensuring global markets keep functioning under all circumstances) and are vocal proponents of fair markets and fair taxation. With this in mind, we have always steered clear of (re-) structuring any of our operations for the objective of tax optimization.

In 2021, Flow Traders' equity with a value of €2.0 million (2020: €6.0 million) and a cash donation €0.5 million were transferred to the Foundation. These transfers have already been accrued for in 2020. Further, we have committed to donate a further €0.4 million in 2022. In addition, in 2021, we contributed a total value of €0.6 million (2020: €0.2 million) to the Flow Traders Foundation in relation to the right to appoint charities which the Foundation supports.

Policy at a glance

Our global remuneration model reflects our key principles achieved through the practical implementation of the current General Remuneration Policy (as approved by the General Meeting on 19 May 2016 and published on our website, the 'General Remuneration Policy'), the Dutch Act on Remuneration Policy of Financial Undertakings (Wet Beloningsbeleid Financiële Ondernemingen, the 'Remuneration Act'), and the related laws and regulations in a manner that is tailored to the size of our enterprise and the way it is organized, as well as the nature, scope and complexity of our business activities.

The table below provides insight into the main elements of our existing remuneration policy and those of our proposed remuneration policy (subject to shareholder approval at the 2022 AGM). We have highlighted the main changes. The full proposed policy will be published in combination with our 2022 AGM convening notice on our website.



FIXED REMUNERATION

Element	Current policy (2016)	Proposed policy (subject to 2022 AGM approval)	Rationale for change
Base salary	Relatively modest base salary	Relatively modest base salary	No proposed changes

VARIABLE REMUNERATION

Element	Current policy (2016)	Proposed policy (subject to 2022 AGM approval)	Rationale for change
Maximum variable pay	<ul style="list-style-type: none"> Management Board members may be awarded a variable remuneration entitlement in the form of a portion of the firm-wide variable remuneration pool No variable remuneration pool will exist if Flow Traders was not profitable in the performance year 40% of Flow Traders' operating profit – minus applicable adjustments – over the performance year is available for variable remuneration 	<ul style="list-style-type: none"> Management Board members may be awarded a variable remuneration entitlement in the form of a portion of the firm-wide variable remuneration pool No variable remuneration pool will exist if Flow Traders was not profitable in the performance year 35% of Flow Traders' operating profit – minus applicable adjustments – over the performance year is available for variable remuneration 	Further to shareholder feedback, we have reduced the maximum pool size from 40% to 35% of Flow Traders' operational profit
Management Board variable pay cap	<ul style="list-style-type: none"> The total variable remuneration pool available for all employees (including the Management Board) is set at a maximum of 40% of the operating profit 	<ul style="list-style-type: none"> The total variable remuneration pool available for all employees (including the Management Board) is capped at a maximum of 35% of the operating profit Variable remuneration for any Management Board member is capped at 20 times the average employee variable remuneration. Any amount above this cap is forfeited. The remuneration of each Management Board member and average employee will be calculated in accordance with the recommendations of the Dutch Monitoring Commission. In accordance with the aforementioned, the hard cap on variable remuneration for each Management Board member in 2021 corresponds to €4,066,000. 	<p>It is in our corporate DNA to share our profits fairly with our shareholders and employees, and we have done so since we were founded. We have now reflected shareholders concerns in our policy by introducing a hard cap on individual variable remuneration pay-outs of Management Board members versus the average employee.</p> <p>The proposed cap ensures that our total remuneration levels are competitive with the industry we operate in, while addressing shareholder concerns around uncapped variable remuneration approach.</p>

VARIABLE REMUNERATION

Element	Current policy (2016)	Proposed policy (subject to 2022 AGM approval)	Rationale for change
Performance measurement	<ul style="list-style-type: none"> Performance is measured over a one-year performance period Variable remuneration awards are predominantly based on Flow Traders' result on operating profit Management Board member's individual performance on individual KPIs can have an upwards or downwards impact on the award size in case of overperformance or underperformance 	<ul style="list-style-type: none"> Performance is measured over a one-year performance period Variable remuneration awards are predominantly based on Flow Traders' result on operating profit Management Board members' individual performance will be assessed against a KPI scorecard with both short-term and long-term targets. The KPI scorecard along with performance against targets will be disclosed in the annual remuneration report Management Board member's individual performance on individual KPIs can have an upwards or downwards impact on the award size in case of overperformance or underperformance 	<p>To further align our remuneration policy with shareholder expectations, we will assess each Management Board member's individual performance against a specific KPI scorecard and disclose their performance against these in the annual remuneration report.</p> <p>The proposed change is a further enhancement of what we proposed in 2021.</p>
Deferral and vesting	<ul style="list-style-type: none"> Variable remuneration is paid out fully in cash Above a certain threshold, variable remuneration is paid out in at least two instalments 	<ul style="list-style-type: none"> 50% of variable remuneration is paid out in equity 62.5% of variable remuneration is deferred over a period up to four years The cash component of the variable remuneration will vest on a pro-rata basis over a two-year period, whereby the first tranche will vest at date of award The equity component of the variable remuneration will vest over a 4-year period on a pro-rata basis, whereby the first tranche will vest at date of award All equity awards that vest are subject to a holding period of one year 	<p>We have further aligned our policy with our guiding principles for remuneration</p> <p>The proposed policy changes put more emphasis on the long-term character of our variable remuneration plan. The significant deferral in combination with a substantial pay-out in equity will lead to further alignment of Management Board interests and those of our stakeholders</p> <p>Furthermore, the deferral provisions are designed to encourage retention as deferred awards do not give rise to any immediate entitlement.</p>

VARIABLE REMUNERATION

Element	Current policy (2016)	Proposed policy (subject to 2022 AGM approval)	Rationale for change
Risk management	<ul style="list-style-type: none">Any potential award under our variable remuneration plan is subject to a thorough risk assessment both before and after the date of awardWe only provide a variable remuneration award if Flow Traders' operating profit is positiveAll previously awarded and outstanding variable remuneration acts as a first loss tranche to compensate any operating lossAll variable remuneration is subject to extensive malus and clawback provisions	<ul style="list-style-type: none">Any potential award under our variable remuneration plan is subject to a thorough risk assessment both before and after the date of award.We only provide a variable remuneration award if Flow Traders' operating profit is positiveAll previously awarded and outstanding variable remuneration acts as a first loss tranche to compensate any operating lossAll variable remuneration is subject to extensive malus and clawback provisions	No proposed changes, however, we have clarified the risk mitigating provisions in our policy

BENEFITS

Element	Current policy (2016)	Proposed policy (subject to 2022 AGM approval)	Rationale for change
Ancillary benefits	No ancillary benefits are provided to our Management Board members	No ancillary benefits are provided to our Management Board members	No proposed changes

OTHER

Element	Current policy (2016)	Proposed policy (subject to 2022 AGM approval)	Rationale for change
Encouragement of share ownership	<ul style="list-style-type: none"> No share ownership guidelines in place 	<ul style="list-style-type: none"> We encourage our Management Board members to retain 50% of the shares granted as part of the remuneration (after tax) until end of employment, equaling 25% of total variable remuneration granted 	<p>Long-term value creation and share ownership are cornerstones of our remuneration philosophy. This guideline further aligns our policy with our guiding principles for remuneration and promotes alignment to the long-term interests of Flow Traders and its shareholders</p> <p>To further emphasize confidence in the strategy and performance of Flow Traders, we have enhanced our proposed policy in 2021 by introducing shareholding guidelines for the Management Board</p>
Malus and Clawback	<ul style="list-style-type: none"> Malus and clawback provisions in place that are comprehensive, irreversible and substantially exceed regulatory requirements 	<ul style="list-style-type: none"> Malus and clawback provisions in place that are comprehensive, irreversible and substantially exceed regulatory requirements 	Clarified that triggers apply to vested and/or unvested equity
Post-termination transfer restrictions	<ul style="list-style-type: none"> No restrictions in place 	<ul style="list-style-type: none"> Upon termination, Management Board members are not allowed to sell more than 50% of their equity within the first 12 months after termination 	We further enhanced our corporate governance standards. The introduction of post-termination transfer restrictions increases alignment between our remuneration policy and stakeholders' long-term interests
Change of control	<ul style="list-style-type: none"> Not covered by policy 	<ul style="list-style-type: none"> "Double-trigger" change of control clause 	We further enhanced our corporate governance standards
Governance	<ul style="list-style-type: none"> Not covered by policy 	<ul style="list-style-type: none"> Guidelines around procedure, annual review and deviations from the policy 	We further enhanced our corporate governance standards

Remuneration for the Management Board

Introduction

The remuneration of, and other agreements with, the members of the Management Board are determined by the Supervisory Board (following a proposal by the Remuneration & Appointment Committee). The Supervisory Board has assessed the remuneration of our Management Board members based on their performance – both individual and as a team– and the company performance in 2021.

Total remuneration

The table below shows the total remuneration awarded to the individual members of the Management Board in 2021.

Scenario analyses carried out in respect of variable remuneration

The variable remuneration of the members of the Management Board is predominantly contingent upon a future, unknown, metric: the accrued firm-wide variable remuneration pool which itself depends on the operating result for the given financial year.

Because of the nature of our business activities and the fast-paced industry in which we operate, the Supervisory Board tracks actual performance of the Management Board members and eligibility for variable remuneration throughout the year, rather than performing a more hypothetical scenario analysis prior to a financial year while performing a single, one-off, assessment at the end of the year as set out in the best practice provisions of the Corporate Governance Code. Half-yearly discussions take

place between the Management Board members and the Remuneration & Appointment Committee for this purpose. Key performance indicators are set for each individual Management Board member and the Management Board as a whole. Significant underperformance or overperformance in respect of these KPIs can result in reductions or increases of the profit share that is awarded to a Management Board member.

Use of external market data

We monitor market developments to ensure that the remuneration package remains competitive. However, as our company profile is unique, and we are operating in a niche industry with a remuneration policy that is specifically tailored to unique dynamics, market comparisons are predominantly used as a second reference.

TOTAL REMUNERATION OF MEMBERS OF THE MANAGEMENT BOARD in thousands of euro

Name of Director, position (start/end)	Fixed remuneration						Variable remuneration				Extraordinary items		Pension scheme		Total remuneration		Proportional split (%) of remuneration in fixed/variable		
	Base salary (€)		Fees		Other benefits		Cash		Company share-like instruments ¹		2021	2020	2021	2020	2021	2020	2021	2020	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020									2021
Dennis Dijkstra, CEO (2014 -)	95	95	-	-	-	-	725	3,850	725	3,850	-	-	-	-	1,545	7,795	6%:94%	1%:99%	
Folkert Joling, CTrO (2018 -)	95	95	-	-	-	-	725	3,850	725	3,850	8 ²	8 ²	-	-	1,553	7,803	6%:94%	1%:99%	
Thomas Wolff, CTO (2018 -)	95	95	-	-	-	-	400	1,925	400	1,925	8 ²	8 ²	-	-	903	3,953	10%:90%	2%:98%	
Britta Achmann, CRO (2020 -)	200	183 ³	-	-	-	-	188	963	188	963	97 ⁴	175 ⁴	-	-	672	2,283	30%:70%	8%:92%	
Mike Kuehnel, CFO (2021 -) ⁵	40	-	-	-	-	-	500	-	500	-	-	-	-	-	-	1,040	-	4%:96%	-

¹ As shareholders have not approved to award actual shares, members of the Management Board receive share-like instruments.

² Prior to their appointment into the Management Board, Chief Trading Officer Folkert Joling and Chief Technology Officer Thomas Wolff had participated in the Flow Traders Cash Incentive Plan 2017 (FCIP 2017). Under the FCIP plan rules they were offered the opportunity to buy Company shares and receive an annual cash incentive over a five-year period. The right to these incentives would have been forfeited due to ceasing to be an employee and becoming a member of the Management Board in April 2018. However, special permission has been granted to both Management Board members to remain entitled to the incentive rights under the FCIP plan rules in respect of the shares bought under the FCIP at the time they were an employee of Flow Traders rather than a member of the Management Board. As a result, they have both received €8,000 annual cash incentive.

³ Britta Achmann joined the Flow Traders on 1 February, 2020.

⁴ Expense recognized in respective years for sign-on share award awarded to Britta Achmann in 2020. The share award will vest over a four-year period. No additional award was made in 2021.

⁵ Mike Kuehnel was appointed to the Management Board as CFO on 10 September 2021 and joined Flow Traders on 1 August 2021. His base salary for 2021 is pro-rated for time served.

Base salary

None of the current members of the Management Board received any base salary increases during 2021. As such, the Chief Executive Officer, Chief Trading Officer and Chief Technology Officer continue to receive an annual base salary of €94,608, while the Chief Risk Officer receives an annual base salary of €200,000. Mike Kuehnel was appointed as the Chief Financial Officer on 10 September 2021 with an annual base salary of €94,608.

Variable remuneration

The design of our variable remuneration reflects our remuneration principles. We operate a single incentive plan that drives and rewards both annual and long-term performance with a significant focus on the long-term through the multi-year pay-out mechanism and half of the award being paid in Flow Traders equity.

In line with our guiding principles, the members of the Management Board share in the same firm-wide variable remuneration pool as all other employees. This pool of variable remuneration is primarily a function of operating

results. While this structure is uncommon among listed companies, it is in line with the practice in our industry among both listed and non-listed peer companies, and necessary to be able to attract, retain and motivate individuals of highest caliber.

Total Management Board Remuneration

The more normalized conditions led to lower top line in 2021 than 2020. We maintained a disciplined approach towards the cost side with the costs remaining within the guidance provided at the beginning of 2021. As a result, we achieved a strong EBITDA in 2021 of €159.4 million (2020: €586.6 million). While we saw a reduction in the operational profit, 2021 was a successful year for Flow Traders. The Net Trading Income (NTI) achieved was the second highest in our history and we made significant progress in terms of executing our strategic growth agenda with the expansion into single bond market, broadening and deepening our digital assets and completing several strategic investments.

- The more normalized market conditions and reduced operational profit translated into a significantly smaller variable remuneration pool in 2021 compared to 2020. The firm-wide variable remuneration pool in 2021 is 35% of the operating profit. The Management Board has been awarded 6.1% of the variable remuneration pool in 2021.
- In line with the proposed cap on variable remuneration in the 2022 remuneration policy, the hard cap on variable remuneration for each Management Board member in 2021 is €4,066,000. The cap is based on average employee pay of €203,300, calculated according to the recommendation of the Dutch Monitoring Commission.

As shown below, variable remuneration for the Management Board saw a significant reduction in 2021 in comparison to 2020. Despite the reduction, performance-based variable remuneration continues to be the key driver of compensation for the Management Board.

TOTAL REMUNERATION OF DIRECTORS

Name of Director	Total cash award 2021 (€)	Total share-based award 2021 (€)	Cash to be paid in 2022 (€)	Share-like instruments to vest in 2022 (€)	Cash to be paid in 2023 (€)	Share-like instruments to vest in 2023 (€)	Share-like instruments to vest in 2024 (€)	Share-like instruments to vest in 2025 (€)	Share-like instruments to vest in 2026 (€)
Dennis Dijkstra, CEO	725,000	725,000	362,500	-	362,500	181,250	181,250	181,250	181,250
Folkert Joling, CTrO	725,000	725,000	362,500	-	362,500	181,250	181,250	181,250	181,250
Thomas Wolff, CTO	400,000	400,000	200,000	-	200,000	100,000	100,000	100,000	100,000
Britta Achmann, CRO ²	187,500	187,500	93,750	-	93,750	46,875	46,875	46,875	46,875
Mike Kuehnel, CFO ¹	500,000	500,000	250,000	-	250,000	125,000	125,000	125,000	125,000
Total	2,537,500	2,537,500	1,268,750		1,268,750	634,375	634,375	634,375	634,375

¹ The above award includes the minimum first year guaranteed variable compensation with the award terms outlined in the 2021 EGM Convening Notice and approved by shareholders at the 2021 EGM.

² The variable remuneration award does not include the portion of the sign-on bonus awarded in 2020 that vested in 2021.

Deferral and vesting

To ensure that the variable remuneration award of the Management Board is aligned with long-term value creation and shareholder experience, the Supervisory Board has decided to defer 50% of the 2021 award of the Management Board into share-like instruments. The remaining 50% is settled in cash, paid in 2022 and 2023. As shareholders have not approved awarding Flow Traders' equity as part of the Management Board's remuneration, we have utilized share-like instruments for the equity portion, which will be settled in cash at time of vesting. The value of these instruments is directly linked to Flow Traders' share price development from time of grant to vesting. Further, any outstanding variable remuneration (deferred or unvested) is at risk of being reduced or forfeited if Flow Traders incurs an operating loss. All equity-based awards are subject to a holding period of one year after vesting.

Individual performance assessment

To determine individual variable remuneration awards, the Supervisory Board conducts a holistic assessment of the performance of each individual Management Board member and the Management Board as a whole. In this holistic performance assessment, the Supervisory Board takes into account performance on individual targets, which includes both financial and non-financial key performance indicators (KPIs). Objectives for these KPIs are set prior to the beginning of the year. Objectives are set for each individual Management Board member and the Management Board as a whole.

Although performance on the KPIs is an important element of the holistic performance assessment, there is no formulaic relationship between performance on these KPIs and the variable remuneration award. However, significant underperformance or outperformance in respect of these objectives results in reductions or increases of the profit share that is awarded to a Management Board member.

1. Individual KPIs

- Individual KPIs were set for the Management Board members, tailored to their specific role and responsibilities.
- These included amongst others financial KPIs on Net Trading Income, product diversification and P/E ratio, and non-financial but quantifiable KPIs on operational performance, strategic agenda setting, organization development and role modeling desired leadership behaviors.

2. Assessing performance

- Performance was assessed throughout the year by monitoring KPIs and discussions with the Management Board members themselves and the people they work with.
- Please see the following pages for the KPIs for each of the individual Management Board members.

3. Determining variable remuneration

- Based on the financial results of the company, the resulting size of the pool available for the Management Board and the performance of the Management Board, both as individuals and as a team, the Supervisory Board has decided on this year's variable remuneration.

Performance assessment

DENNIS DIJKSTRA, CHIEF EXECUTIVE OFFICER



Age:	50
Education:	Masters degree in Business Economics from the University of Amsterdam
Flow Traders Tenure:	13

As the CEO, Dennis Dijkstra plays a pivotal role in shaping the company's strategy. He also leads our Institutional Trading, HR, Recruitment and Corporate Staff departments. He additionally focuses on internal audit, organizational structure and relationships with issuers, investors and regulators.

In determining his variable remuneration, the Remuneration & Appointment Committee took into account Dennis' strong leadership in further defining and progressing on the firm's strategic agenda in light of growing opportunities across the broader global financial market infrastructure ecosystem. In this context, Dennis has made valuable contributions in advancing with an improved structure for a transparent monitoring and an accelerated execution of the firm's strategy. Moreover, he performed strongly in developing and maintaining external relationships and in inspiring the organization with his passion and drive for excellence.

Below are the Key Performance Indicators against which Dennis is assessed throughout the year. As we consider the actual scores on these metrics market sensitive information, we refrain from sharing these.

KPIs	Description/measurement
Role modeling	Drive for excellence, accountability, teamwork, integrity
Leadership	Building high performance MB and GMT, inspiring organization
Strategy Leadership	Driving and communicating the strategic agenda
Financial performance	Maximizing trading results given market circumstances
External Relationships	<ul style="list-style-type: none"> ▪ Growing number of counterparties and quoting for issuers ▪ Quality of relationships with regulators and other important stakeholders
Shareholder Value Creation	Outperforming P/E ratio of (selected) peer group
Employee Engagement	Employee satisfaction, measured by a global survey
Efficient Use of Resources	Awareness, efficiency and control of people and cash deployed

FOLKERT JOLING, CHIEF TRADING OFFICER



Age:	42
Education:	Masters degree in Applied Mathematics from Twente University
Flow Traders Tenure:	16

As Chief Trading Officer, Folkert is responsible for the development and realization of the Flow Traders' trading strategies, business development, trading processes and our daily trading operations.

In determining his variable remuneration, the Remuneration & Appointment Committee took into account Folkert's continued dedication and focus on further advancing the firm's diversification strategy across all existing and emerging asset classes and geographies. He has introduced an increased rigor and structure to the trading operation, which has significantly helped to further excel on the execution of all underlying business plans, thereby building out the firm's foundation for continued growth. Moreover, he contributed strongly to overall strategy development and is a highly valued leader for the trading organization.

Below are the Key Performance Indicators against which Folkert is assessed throughout the year. As we consider the actual scores on these metrics market sensitive information, we refrain from sharing these.

KPIs	Description/measurement
Role modeling	Team building, continuous improvement, drive, integrity, accountability
Strategy Development	Input to company strategic agenda and delivering on strategic trading milestones
New Trading Strategies	Development and successful deployment of new trading strategies
Business Performance	Capturing market opportunities / improving market position
Product Diversification	Increasing non-ETF trading in e.g. FI and Crypto
Continuous improvement	Optimizing set up and trading organization

THOMAS WOLFF, CHIEF TECHNOLOGY OFFICER



Age: 42
Education: Applied science degree from FOM Hochschule Frankfurt a.M.
Flow Traders Tenure: 13

As Chief Technology Officer, Thomas leads the Product Development, Quality Assurance and Technology Operations departments.

In determining his variable remuneration, the Remuneration & Appointment Committee took into account Thomas' continued focus on further building the firm's Technology suite and operations, thereby also improving the firm's resilience and reliability across all key systems and applications globally. Thomas' contributions have also significantly helped the organization to align on the firm's most relevant mid- to long-term priorities as a basis for a dedicated Technology development roadmap that will support the growth of the company going forward. Moreover, he is highly valued for his deep expertise and committed leadership.

Below are the Key Performance Indicators against which Thomas is assessed throughout the year. As we consider the actual scores on these metrics market sensitive information, we refrain from sharing these.

KPIs	Description/measurement
Role modeling	Team building, continuous improvement, drive, integrity, accountability
Strategy Development	Input to company strategic agenda and delivering on strategic technology milestones
Exchange competitiveness	Low latency
Innovation	Automation and new technologies
Security and incidents	Minimized security risks and no gaps identified during audits
Reliability of planning	Timely delivery of Technology projects

BRITTA ACHMANN, CHIEF RISK OFFICER



Age: 50
Education: MBA from Carnegie Mellon University Pittsburg
Flow Traders Tenure: 2

As Chief Risk Officer, Britta leads the Risk, Operations and Legal teams.

In determining her variable remuneration, the Remuneration & Appointment Committee took into account Britta's continued contributions in further defining and implementing a dedicated risk control framework across the firm. In this context, Britta also continued to focus on building her global team, particularly through additional senior hires to systematically strengthen the firm's risk and compliance capabilities across all regions.

Below are the Key Performance Indicators against which Britta is assessed throughout the year. As we consider the actual scores on these metrics market sensitive information, we refrain from sharing these.

KPIs	Description/measurement
Role modeling	Team building, continuous improvement, drive, integrity, accountability
Strategy Development	Input to company strategic agenda and delivering on strategic control framework milestones
Control Framework	Continue to build and improve strategic control framework
Prime Brokers	Prime broker coverage and relationships
Operational and Organizational efficiency	Automation, settlement rates, staffing
Regulatory adherence	Compliance to relevant regulation, incident management

MIKE KUEHNEL, CHIEF FINANCIAL OFFICER



Age: 44
Education: MBA in Accounting and Finance from University of Chicago
Flow Traders Tenure: 1

Mike is responsible for overseeing Finance & Tax alongside Strategy, M&A and Investor Relations.

In determining his variable remuneration, the Remuneration & Appointment Committee took into account Mike's dedication and focus on assessing and advancing on the formulation of the firm's existing strategy and related broader ecosystem approach. Mike's experiences helped the firm to also advance on its equity story and the related communication towards external stakeholders.

In this context, Mike's contributions helped to accelerate the firm's execution of its strategic priorities to further spur the company's growth and the Committee is pleased to recognize Mike's demonstrated ability to integrate effectively into the business quickly. He is highly valued for his inspiring leadership and drive for excellence.

Below are the Key Performance Indicators against which Mike is assessed throughout the year. As we consider the actual scores on these metrics market sensitive information, we refrain from sharing these.

KPIs	Description/measurement
Role modeling	Team building, continuous improvement, drive, integrity, accountability
Strategy Leadership	Driving and communicating the strategic agenda
Shareholder Engagement	Equity Story development
M&A Agenda	Development of processes and capabilities
Company performance	Cost development, Balance sheet management, P/E ratio

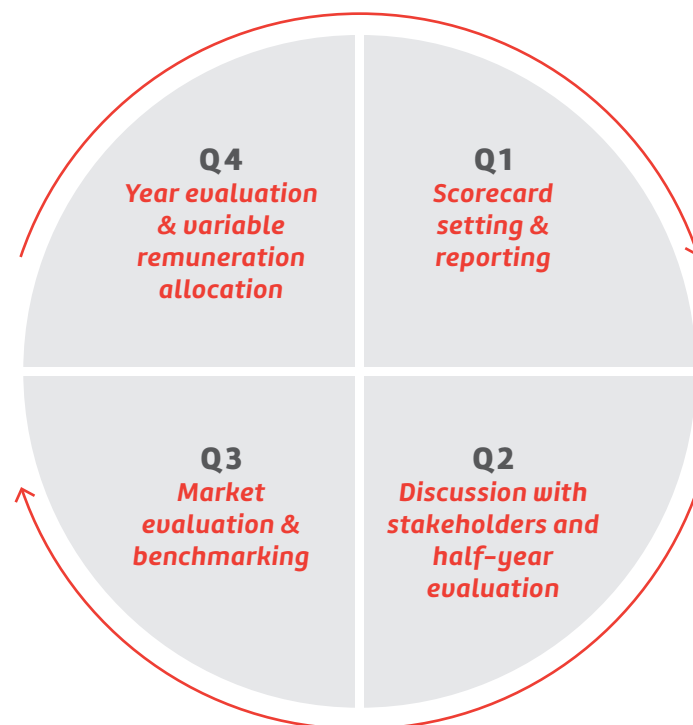
Diligent cycle of evaluation, KPI setting and variable remuneration allocation

December

- Year-end evaluation of Management Board by Supervisory Board
- Management Board determines company-wide variable remuneration pool
- Remuneration & Appointment Committee proposes variable remuneration taking into account Management Board view on structure and extent
- Supervisory Board sets Management Board variable remuneration based on performance evaluation and relative to employee pool (circa. Top 50)

November

- Management Board performs self-evaluation
- Remuneration & Appointment Committee prepares year-end evaluation of Management Board



September

- Remuneration & Appointment Committee discusses stakeholder feedback and performs market and benchmarking analysis

April

- Supervisory Board discusses remuneration report with stakeholders

May

- Remuneration & Appointment Committee prepares mid-year evaluation of Management Board

June

- Mid-year evaluation of Management Board by Supervisory Board

January

- Supervisory Board sends written feedback on performance and communicates variable remuneration to Management Board
- Management Board input on scorecard for current year
- Remuneration & Appointment Committee prepares scorecard
- Supervisory Board defines scorecard for Management Board
- Chair of the Supervisory Board and Chair of the Remuneration & Appointment Committee discuss scorecards with each Management Board

February

- Remuneration & Appointment Committee prepares remuneration report
- Supervisory Board discusses remuneration report and evaluates remuneration policy

March

- Remuneration policy updates to AGM, if any

Shares held by employees and Management Board members

We have a long-standing philosophy of encouraging management and employee share ownership, thus aligning the company's long-term success to their personal financial circumstances. Since IPO, we have utilized a number of share

schemes. Around the time of the IPO, our CEO and a significant number of current and former employees invested in Flow Traders. Subsequently, the Flow Traders Cash Incentive Plan (FCIP) and Flow Traders Loyalty Incentive Plan (FLIP) were introduced. The FCIP was replaced in 2020 by a new share plan which provides the award up to 50% of variable remuneration in shares (or share-like instruments).

SHARES HELD BY MEMBERS OF THE MANAGEMENT BOARD

	Total number of shares	% of outstanding total shares
<i>(31 December 2021)</i>		
Dennis Dijkstra (CEO)	1,075,000	2.31%
Mike Kuehnel (CFO)	-	-%
Britta Achmann (CRO)	7,500	0.02%
Folkert Joling (CTrO)	414,817	0.89%
Thomas Wolff (CTO)	31,000	0.07%
Total	1,528,317	3.28%



Comparative overview of company performance and remuneration

The long-standing foundation of our policy is a relatively modest base salary and variable remuneration that is aligned with company performance – therefore varying considerably in successful and less successful (financial) years. This is clearly illustrated in the table below which shows the development of the company performance and the average (full-time) remuneration of executives and employees since Flow Traders' IPO in 2015.

COMPARATIVE TABLE ON THE CHANGE OF REMUNERATION AND COMPANY PERFORMANCE OVER THE LAST FIVE REPORTED FINANCIAL YEARS

Annual change (numbers in thousands)		2017	2018	2019	2020	2021
Director's Remuneration (€)						
Dennis Dijkstra, (co-)CEO (2014 -)	Actual level	521,251	3,015,148	694,608	7,794,608	1,544,608
Sjoerd Rietberg, co-CEO (2014 - 5/2019)	Actual level	521,251	3,015,148	189,240	-	-
Marcel Jongmans, CFO (10/2016 - 12/2018)	Actual level	478,587	1,294,608	-	-	-
Folkert Joling, CTrO (4/2018 -)	Actual level		2,965,148	694,608	7,802,608	1,552,608
Thomas Wolff, CTO (4/2018 -)	Actual level		2,091,628	544,608	3,952,608	902,608
Britta Achmann, CRO (6/2020 -)	Actual level				2,282,839	672,337
Mike Kuehnel, CFO (9/2021 -)	Actual level					1,039,750
Company's performance		2018 vs 2017	2019 vs 2018	2020 vs 2019	2021 vs 2020	2021
Net Trading Income (NTI) €million	Actual change	217.5	(167.0)	716.9	(546.8)	384.0
	Relative change	131%	(44%)	331%	(59%)	
EBITDA margin	Actual change	18.30%	(15.60%)	26.40%	(22%)	41%
	Relative change	54%	(30%)	72%	(35%)	
Basic and fully diluted earnings per share	Actual change	2.61	(2.31)	9.11	(7.63)	2.63
	Relative change	307%	(67%)	792%	(74%)	
Average remuneration on a full-time equivalent basis of employees						
Employees of the company	Actual change	132,380	(128,600)	366,900	(246,800)	269,400
	Relative change	91%	(46%)	246%	(48%)	

Internal pay ratios

The 2021 pay ratio (CEO total pay vs average total employee pay) is 5.73 compared to 15.1 in 2020. While 2021 was a strong year for Flow Traders, the decrease is due to reduced operating profit in 2021 compared to 2020, driven by net trading income in 2021.

No pensions, loans and other benefits

In 2021, no personal loans, guarantees or the like were granted by the company to the members of the Management Board as part of their compensation package. No loans, guarantees or similar instruments to the members of the Management Board were outstanding on

31 December 2021. We have not reserved nor accrued any amounts to cover pension claims or retirement claims. We do not provide any other ancillary benefits for any member of the Management Board.

Clawback variable remuneration

No variable remuneration has been clawed back during 2021.

Temporary deviations from the remuneration policies

No temporary deviations took place from the respective policies in 2021.

Supervisory Board Remuneration

The remuneration policy for the members of the Supervisory Board was adopted by the AGM on 23 April 2021 and applied from that date onwards. The table below shows the total fixed compensation awarded to the individual members of the Supervisory Board. As approved by the 2021 AGM, committee members and committee chairs received separate fees for additional responsibilities and time commitment required for committee work in 2021. As such, the aggregate fees paid in 2021 have increased compared to previous years.

REMUNERATION OF THE SUPERVISORY BOARD

	Committee fees, annualized (€)						Total annualized fees (€)	Actual fees paid, 2021 ¹ (€)
	Board fee (€)	Audit	Remuneration & Appointment	Risk	Trading & Technology			
Rudolf Ferscha	100,000	7,500	7,500	7,500	7,500	130,000	105,354	
Jan van Kwijk	70,000	7,500	7,500	7,500	10,000 (C)	102,500	88,863	
Olivier Bisselier	70,000	15,000 (C)		10,000 (C)	7,500	102,500	86,193	
Roger Hoderius	70,000		7,500	7,500	7,500	92,500	79,299	
Ilonka Jankovich	70,000	7,500		7,500	7,500	92,500	55,757	
Linda Hovius	70,000		15,000 (C)	7,500	7,500	100,000	58,257	
Total 2021	450,000	37,500	37,500	47,500	47,500	620,000	473,723	

¹ Former Chair, Erik Drok, invoiced Flow Traders €45,688 for his services to the Supervisory Board until his resignation at the 2021 AGM.

² (C) chair of the respective committee

FIVE-YEAR OVERVIEW OF TOTAL REMUNERATION, SUPERVISORY BOARD	2021	2020	2019	2018	2017
	Annualized fee (€)	Annualized fee (€)	Annualized fee (€)	Annualized fee (€)	Annualized fee ¹ (€)
Rudolf Ferscha, Chair SVB (2015) ²	130,000	50,000	50,000	50,000	50,000
Jan van Kuijk, Vice Chair (2015)	102,500	50,000	50,000	50,000	50,000
Olivier Bisselier, SVB Member (2015)	102,500	50,000	50,000	50,000	50,000
Roger Hodenius, SVB Member (2015)	92,500	50,000	50,000	50,000	50,000
Ilonka Jankovich, SVB Member (2021)	92,500				
Linda Hovius, SVB Member (2021)	100,000				
Total current members	620,000	200,000	200,000	200,000	200,000
Erik Drok, Former Chair SVB (2015-2021) ³	75,000	75,000	75,000	75,000	75,000
Han Sikkens, Former SVB Member (2015-2020) ³		50,000	50,000	50,000	50,000
Total former members	75,000	125,000	125,000	125,000	125,000

¹ Presented as if a Supervisory Board member for the full year.

² Appointed chair of the Supervisory Board in 2021.

³ Presented as if a Supervisory Board member for the full year.

No variable remuneration shares, pensions, loans and other benefits

The members of the Supervisory Board did not receive variable remuneration for their work as members of the Supervisory Board or any share-based remuneration, and no personal loans, guarantees or the like were granted by the company to the members of the Supervisory Board as part of their compensation package. We have not reserved nor accrued any amounts to cover pension claims or retirement claims. We do not provide any other ancillary benefits for any member of the Supervisory Board.

The co-founders of Flow Traders, Roger Hodenius and Jan van Kuijk, are currently members of the Supervisory Board. The table below provides an overview of the shares indirectly held by them on 31 December 2021 as also reflected in the relevant AFM register.

SHARES INDIRECTLY HELD BY MEMBERS OF THE SUPERVISORY BOARD

		% of outstanding total shares
<i>(31 December 2021)</i>		
R. Hodenius (Avalon Holding B.V.)	4,686,825	10.07
J.T.A.G. van Kuijk (Javak Investments B.V.)	5,686,826	12.22
Total	10,373,651	22.29

Remuneration for other employees

Our performance cycle

We apply an annual performance cycle. At the beginning of each calendar year, clear objectives are set depending on an employee's role, which are in line with our company objectives for the year and our corporate key competencies: drive, ownership and teamwork. Performance is reviewed two times a year.

Individual variable remuneration payable from the collective variable compensation pool is dependent on company and business unit performance, individual performance and the individual's contribution to the long-term success of the company as a whole, discouraging a culture of 'star' behavior and fostering collaboration and teamwork. Flow Traders does not base variable remuneration directly on financial results achieved individually. The Supervisory Board approves the awarding of variable remuneration.

If awarded, variable remuneration is paid in cash and company shares in one, two, three or four annual instalments, depending on the amount of variable remuneration awarded. The deferred variable component acts as a first loss tranche to compensate for any operating loss in the subsequent year, acting as a buffer before such loss would impact shareholder equity. This serves as an important incentive for risk-aware behavior, keeping in mind the long-term objectives of the company and alignment with our risk appetite. We deem the deferral period sufficient given the company's risk profile and horizon.

- Variable remuneration components may become subject to reduction or claw back if it is determined that the relevant employee or member of the Management Board did not meet adequate norms of competence

and appropriate behavior or was responsible for behavior that led to a substantial deterioration of the company's position, in accordance with applicable law.

- We do not award guaranteed variable remuneration to employees unless the guaranteed variable component is awarded in relation to hiring new staff, limited to the first year of employment, and only if we have a sound and strong capital base.
- We do not award severance payments if there is a serious imputable act or negligence by the employee in the fulfilment of his or her function or where an employee resigns voluntarily (unless this is the consequence of a serious imputable act or negligence (ernstig verwijtbaar handelen of nalaten) by the company).
- The company does not grant its employees any personal loans, guarantees or the like as part of their compensation package. We do not provide any other ancillary benefits for any employee. We have not reserved or accrued any amounts to cover pension claims or retirement claims.

Stimulating share ownership

One of our core values is ownership, and we mean it both in terms of mindset and behavior as well as literally. We believe that being a shareholder aligns the interests of the company with those of our employees. Ever since the company went public and before then, we have a history of offering our employees the opportunity to become a shareholder. Since 2017 we promoted shareholding through the Flow Cash Incentive Plan (FCIP). From performance year 2020 we have started rewarding directly in company shares. The higher variable remuneration an individual receives, the higher is the proportion of variable pay paid out in shares.

We are also maintaining our FLIP (Flow Loyalty Incentive Plan) program, whereby we award company shares to employees marking their two-year anniversary with the company. Shares awarded under the FLIP are subject to a lock-up period and remain with the employee regardless of the termination of his or her employment with Flow Traders. All shares awarded to employees, are fully paid out from the variable compensation pool. The terms and conditions of the employee share plans are subject to review by the Management Board annually. As a part of these plans, shares have been and will be bought in the market.

Pension

We encourage our employees to save for retirement. At our headquarters in Amsterdam, we partner with a pension provider, giving employees the freedom of choice to select the option that best suits their individual needs while incentivizing participation in the company-sponsored program. In our other offices we offer schemes that are driven by country-specific practices and regulations.

Variable compensation granted

In 2021, the total amount of variable remuneration awarded to all employees including members of the Management Board was €80.6 million (2020: €256.5 million).

In 2021, companywide average compensation paid per employee was approximately €269,400, while variable remuneration amounted to around 65 percent of total compensation in 2021. In 2021, 16 employees, including the Management Board, were awarded remuneration of €1 million or more (2020: 66).

Business Unit	Number of employees to whom an annual remuneration of €1 million or more was awarded			
	2021	2020	2019	2018
Europe	13	41	0	15
Americas	3	16	0	10
Asia	0	9	0	4
Total	16	66	0	29

Changes in regulation

Remuneration regulations are subject to change.

For example, as of 22 November 2021, the European Banking Authority published a final report, setting out the “Guidelines on sound remuneration policies under Directive (EU) 2019/2034” which are applicable to investment firms, such as ours from 30 April 2022. These guidelines are intended to implement sound and gender neutral remuneration policies for all staff with specific provisions applying for certain identified staff. For such identified staff, the guidelines emphasizes that their variable remuneration is aligned with the investment firm’s risk profile. We have

reviewed these guidelines and have already determined that we are largely compliant with these guidelines, and as such, any impact on us will be minor. Nonetheless, we continuously are vigilant for any new changes as they may have a significant impact on the General Remuneration Policy, our global remuneration model and other remuneration practices of the company and its group companies. It may also impact our ability to attract or retain talent given the global and highly competitive nature of our industry.