

Remuneration and Appointment Committee Charter

Approved and adopted by the Board on 13 January 2023



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1.1 Introduction

- 1.1.1 This Charter has been drawn up by the Board pursuant to clause 4.3 of the Board Rules and Bye-Law 27.2 of the Bye-Laws.
- 1.1.2 The Remuneration and Appointment Committee is a permanent committee of the Board.

1.2 Definitions

In this Charter, capitalised terms have the meaning as set out in Schedule 1.

1.3 Interpretation

- 1.3.1 Words importing the singular number include the plural number and vice versa.
- 1.3.2 Any reference to a gender, save for clause 3.1(q), includes all genders and non-binary individuals.
- 1.3.3 Any reference to writing includes all modes of representing or reproducing words in a visible form, including in the form of an Electronic Record..
- 1.3.4 In the event of lack of clarity or difference of opinion on the interpretation of any provision of this Charter, the opinion of the Chairman shall be decisive.

1.4 Schedules

Schedule 1 forms an integral part of this Charter.

Composition of the Risk Committee

- 2.1 The Remuneration and Appointment Committee shall consist of at least two members. All members of the Remuneration and Appointment Committee must be Non-Executive Directors. More than half of the members of the Remuneration and Appointment Committee should be Independent Directors.
- 2.2 The members of the Remuneration and Appointment Committee shall be appointed and may be replaced at any time by the Board. The Board shall appoint one of the members of the Remuneration and Appointment Committee as chair of the Remuneration and Appointment Committee. The Remuneration and Appointment Committee shall be chaired by an Independent Director. The Remuneration and Appointment Committee shall not be chaired by the Chairman or by a former Executive Director of the Company or former member of the management board of Flow Traders N.V.

- 2.3 The Secretary shall act as secretary to the Remuneration and Appointment Committee. The Secretary may delegate his duties under this Charter, or parts thereof, to a deputy appointed by him in consultation with the chair of the Remuneration and Appointment Committee.

Duties of the Remuneration and Appointment Committee

- 3.1 The Remuneration and Appointment Committee undertakes preparatory work for the Board's decision-making and has the following duties:

(a) to draft proposals to the Board for the Remuneration Policy to be pursued for members of the Board, which policy shall be submitted to the General Meeting ultimately at the fourth annual General Meeting held after the General Meeting in which the remuneration policy was most recently adopted. The Remuneration Policy should be clear and understandable. The Remuneration Policy should not encourage Directors to act in their own interest, nor to take risks that are not in keeping with the strategy formulated and the risk appetite that has been established. The Board, without the Executive Directors participating in the deliberations and decision-making pursuant to the Board Rules, is responsible for formulating the Remuneration Policy and its implementation. The following aspects should in any event be taken into consideration when formulating the proposal for the Remuneration Policy:

- (i) the objectives for the strategy for the implementation of long-term value creation;
- (ii) the scenario analyses carried out in advance;
- (iii) the pay ratios within the Company and its affiliated Business;
- (iv) the development of the market price of the shares;
- (v) an appropriate ratio between the variable and fixed remuneration components. The variable remuneration component is linked to measurable performance criteria determined in advance, which are predominantly long-term in character;
- (vi) if shares are being awarded, the terms and conditions governing this. Shares should in principle be held for at least five years after they are awarded; and
- (vii) if share options are being awarded, the terms and conditions governing this and the terms and conditions subject to which the share options can be exercised. Share options should in principle not be exercised during the first three years after they are awarded;

(b) to draft proposals for the remuneration of the individual Executive Directors; such proposals shall be drawn up in accordance with the Remuneration Policy and, in any event, deal with:

- (i) the remuneration structure; and
- (ii) the amount of the fixed remuneration, shares and/or options to be granted and/or other variable remuneration components, the performance criteria used, the scenario analyses that are carried out and the pay ratios within the Company and its affiliated Business,

and, if there are reasons therefore, to make proposals for changes or additions to the remuneration of individual Executive Directors, which remuneration and possible changes and/or additions shall be submitted for adoption to the Board (without the Executive Directors taking part in the deliberation and decision-making and without prejudice to the power of the Board to delegate the final adoption to the Remuneration and Appointment Committee). The inadequate performance of duties should not be rewarded;

(c) to take note of the individual Executive Director's views with regard to the amount and structure of their own remuneration. The Remuneration and Appointment Committee should ask the Executive Directors to pay attention to the aspects referred to in clause 3.1(b)(ii); to review, in relation to the Company's internal risk management and control systems:

(d) to monitor and analyse developments of applicable laws and regulations in relation to remuneration policies;

(e) to prepare the remuneration report referred to in clause 26.2 of the Bye-Laws. In the remuneration report, the Board should render account of the implementation of the Remuneration Policy in a transparent manner. The remuneration report is audited by the Auditor. The remuneration report should be posted on the Company's website and is submitted annually to the General Meeting for an advisory vote. This report should in any event describe in a transparent manner, in addition to the matters required by law, the following:

- (i) how the Remuneration Policy has been implemented in the past financial year;
- (ii) how the implementation of the Remuneration Policy contributes to long-term value creation;
- (iii) that scenario analyses have been taken into consideration;
- (iv) the pay ratios within the Company and its affiliated Business and, if applicable, any changes in these ratios in comparison with the previous financial year;

(v) in the event that an Executive Director receives variable remuneration, how this remuneration contributes to long-term value creation, the measurable performance criteria determined in advance upon which the variable remuneration depends, and the relationship between the remuneration and performance; and

(vi) in the event that a current or former Executive Director receives a severance payment, the reason for this payment;

(f) to prepare proposals for the remuneration of the individual Non-Executive Directors; such proposals shall be drawn up in accordance with the Remuneration Policy and, in any event, deal with the items listed under (b) of this clause;

(g) to draft selection criteria and appointment procedures for the Board members;

(h) to periodically assess the size and composition of the Board, and to make proposals for the Board Profile;

(i) to periodically assess the functioning of individual Board members and report their findings to the Board;

(j) to draw up a plan for the succession of Board members;

(k) to make proposals for (re)appointments;

(l) to supervise the policy and remuneration of the Board on the selection criteria and appointment procedures for the Company's key employees;

(m) to prepare the decision-making process of the Board concerning any conflicts of interest that may arise in the acceptance by Directors of additional positions;

(n) to review the proposal of the Board regarding the annual remuneration and bonuses of all employees;

(o) to monitor the culture and working atmosphere within the Company, including elements that define same such as the standard of employee benefits and quality of facilities;

(p) to make a proposal to the Board to draw up a Diversity, Equity & Inclusion Policy for the composition of the Board. The policy should address the concrete targets relating to diversity and the diversity aspects relevant to the Company, such as nationality, age, gender, and education and work background, with due observance of the Board Rules;

(q) to make a proposal to the Board to draw up the corporate governance statement explaining the Diversity, Equity & Inclusion Policy and the way that it is implemented in practice, addressing:

- (i) the policy objectives;
- (ii) how the policy has been implemented; and
- (iii) the results of the policy in the past financial year.

If the composition of the Board diverges from the targets stipulated in the Company's Bye-Laws, Board Rules and/or a statutory target for the male/female ratio, if and to the extent that this is provided under or pursuant to the law, the current state of affairs should be outlined in the corporate governance statement, along with an explanation as to which measures are being taken to attain the intended target, and by when this is likely to be achieved; and

(r) to draft proposals to the Board for the remuneration policy to be pursued for employees of the Company.

- 3.2 When performing its duties the Remuneration and Appointment Committee may seek assistance or information from one or more experts appointed by it at a reasonable price agreed upon with the Remuneration and Appointment Committee and in consultation with either one of the Executive Directors, which will be paid by the Company. The Board may request to review the fees spent on experts by the Remuneration and Appointment Committee on reasonableness on a semi-annual basis.
- 3.3 The Remuneration and Appointment Committee may only exercise such powers as are explicitly attributed or delegated to it by the Board and may never exercise powers beyond those exercisable by the Board as a whole.

Committee meetings, and decision-making

4.1 Meetings

- 4.1.1 The Remuneration and Appointment Committee shall meet as often as required for a proper functioning of the Remuneration and Appointment Committee. The meetings are as much as possible scheduled annually in advance. The Remuneration and Appointment Committee shall meet earlier if this is deemed necessary by the chair of the Remuneration and Appointment Committee or by two other members of the Remuneration and Appointment Committee.
- 4.1.2 Meetings of the Remuneration and Appointment Committee are in principle called by the secretary of the Remuneration and Appointment Committee on behalf of the Chairman, in consultation with the chair of the Remuneration and Appointment Committee. Save in urgent cases, to be determined by the chair of the Remuneration and Appointment Committee, the agenda for the meeting shall be sent at least seven calendar days before the meeting to all members of the Remuneration and

Appointment Committee. To the extent possible, written explanations and/or other related documents will be enclosed for each item on the agenda.

- 4.1.3 The Remuneration and Appointment Committee shall decide if and when the Executive Directors should attend its meetings. In addition and subject to clause 3.2, the Global Head of the HR department of the Company and/or independent experts may be invited to attend meetings of the Remuneration and Appointment Committee. Each Non- Executive Director may attend meetings of the Remuneration and Appointment Committee.
- 4.1.4 The Remuneration and Appointment Committee may require any Officer or (other) employee of the Company or its external legal advisers to attend a meeting of the Remuneration and Appointment Committee or to consult with members or advisers of the Remuneration and Appointment Committee.
- 4.1.5 The secretary of the Remuneration and Appointment Committee or any other person designated for such purpose by the chair of the meeting shall draw up minutes of the meeting of the Remuneration and Appointment Committee.

4.2 **Decision-making**

- 4.2.1 Only to the extent explicitly provided by the Board in writing, the Remuneration and Appointment Committee has the authority to adopt resolutions regarding the matters that fall within the tasks and responsibilities allocated to it on behalf of the Board with due observance of the Board Rules and this Charter.
- 4.2.2 Provisions 5.2, 5.5, 5.6, 5.8, 5.10 and 5.11 of the Board Rules shall apply mutatis mutandis to decision-making by the Remuneration and Appointment Committee.

Reporting to the Board

- 5.1 The Remuneration and Appointment Committee must inform the Board in a clear and timely manner about the way it has used delegated powers and of major developments in the area of its responsibilities.
- 5.2 The Board shall receive from the Remuneration and Appointment Committee a report of its deliberations and findings. The reports of the meetings of the Remuneration and Appointment Committee shall be circulated prior to the subsequent meeting of the Board.
- 5.3 If requested, the chair of the Remuneration and Appointment Committee shall at meetings of the Board provide the Board with further information on the outcome of the discussions of the Remuneration and Appointment Committee.
- 5.4 Every Non-Executive Director has unrestricted access to all records of the Remuneration and Appointment Committee. A Non-Executive Director shall exercise

this right in consultation with the chair of the Remuneration and Appointment Committee and the Secretary.

Miscellaneous

- 6.1 The chair of the Remuneration and Appointment Committee (or one of the other Remuneration and Appointment Committee members) shall be available to answer questions regarding the Remuneration and Appointment Committee's activities at the annual General Meeting.
- 6.2 The Board may occasionally decide at its sole discretion not to comply with this Charter, subject to applicable law and regulations
- 6.3 The Remuneration and Appointment Committee aims to review and re-assess the adequacy of this Charter annually, report its assessment to the Board and recommend, where appropriate, any proposed changes to the Board.
- 6.4 The Board can at all times amend this Charter and/or revoke any powers granted by it to the Remuneration and Appointment Committee.
- 6.5 Clauses 15.2.1 to 15.2.4 inclusive of the Board Rules apply by analogy to the Remuneration and Appointment Committee, while for the application of this Charter the power of the Board referred to in these Clauses is considered a power of the Board.
- 6.6 This Charter and the composition of the Remuneration and Appointment Committee are posted on the Company's website

Schedule 1 Definitions

- "**Audit Committee**" means the audit committee of the Board;
- "**Auditor**" has the meaning given to such term in the Bye-Laws;
- "**Board**" has the meaning given to such term in the Bye-Laws;
- "**Board Rules**" means the Company's board rules
- "**Business**" means the business of the Group;
- "**Bye-Laws**" means the Company's bye-laws;
- "**Chairman**" has the meaning given to such term in the Board Rules;
- "**Charter**" means this Risk Committee charter;
- "**Companies Acts**" has the meaning given to such term in the Bye-Laws;
- "**Company**" means Flow Traders Ltd., an exempted company limited by shares registered in Bermuda;
- "**Director**" has the meaning given to such term in the Bye-Laws;
- "**Electronic Record**" has the meaning given to such term in the Bye-Laws;
- "**Executive Director**" has the meaning given to such term in the Bye-Laws;
- "**General Meeting**" means the corporate body that consists of shareholders or members of the Company, or the meeting in which such persons ensemble;
- "**Global Head of Operations**" means the global head of operations of the Company;
- "**Global Head of Risk**" means the global head of risk of the Company;
- "**Group**" has the meaning given to such term in the Bye-Laws;
- "**Independent Director**" has the meaning given to such term in the Bye-Laws;
- "**Non-Executive Director**" has the meaning given to such term in the Bye-Laws;
- "**Officer**" has the meaning given to such term in the Bye-Laws;
- "**Relationship Agreement**" means the relationship agreement entered into by the Company with Javak Investments B.V. and Avalon Holding B.V. dated 13 January 2023 as amended from time to time;
- "**Risk Committee**" means the risk committee of the Board; and
- "**Secretary**" has the meaning given to such term in the Bye-Laws.