

Public Affairs Policy

Approved and adopted by the Board in April 2024



Contents

Clause	Page
PURPOSE	3
SCOPE	3
COMMITMENT ..	4
INTERNAL CONTROL / MEASURES	5
RESPONSIBILITIES	5
DEFINITIONS	6

Purpose

This policy serves to lay out the responsibilities and required practices of the Public Affairs team. The aim is to seize opportunities and mitigate risks that arise from (loss of) engagement with external stakeholders, strategic and commercial connections, and challenges coming from external stakeholders, reputation issues or failure to anticipate upcoming legal or regulatory obligations.

- The policy ensures that all relevant legislative and regulatory initiatives are identified, monitored, and addressed,
- The policy safeguards the standard of work within the Public Affairs team,
- There is a clear escalation procedure in case of policy violations.

This policy is leading, but stricter laws or regulations will prevail. This policy complements the Flow Traders Code of Conduct.

Scope

Flow Traders' Public Affairs Policy is established by Flow Traders Ltd. and this policy applies to all board members, directors, employees and contingent workers and employees of our subsidiaries. This policy protects both the reputation of the company, our business and keeps our public positions consistent.

This policy covers the practices of the Public Affairs team with respect to Flow Traders Ltd., Flow Traders B.V. and other Flow Traders entities globally. Specifically, the Public Affairs team addresses the following risks from Flow Traders' risk taxonomy:

- Reputational risk
- Strategy risk
- Regulatory compliance risk

The public affairs strategy creates a framework for monitoring, engagement, and campaigning over time to support leadership and business, identifies risk and opportunities, both in the public domain, among its peers and in financial markets.

We engage in policy influencing to achieve our business objectives and we collaborate with trade associations and other stakeholders to achieve the following objectives:

- Act as catalyst for the proprietary trading ecosystem,
- Engage with legislators and policymakers on impactful public policy challenges in key jurisdictions,
- Engage with political and governmental stakeholders-, and industry partners,
- Enter dialogues with capital markets participants about both our objectives and ideas for a better functioning of the markets and the ecosystem,
- Build Social and Relationship Capital and contribute to our societal license to operate.

The Public Affairs team also directly or indirectly mitigates other risks that are inherent to any financial and listed company:

- Societal positioning and topical debate
- Public interaction and appearances, and stakeholder engagement
- Identifying initiatives, trends, and practices in the public and private stakeholder arena

Commitment

Flow Traders operates in heavily regulated and competitive markets. We actively seek to connect with numerous stakeholders and peers to collaboratively discuss and align views on upcoming regulatory matters and societal trends impacting the industry we are part of.

As part of our regulatory agenda, we collaborate with other market participants, governments, regulators, interest groups and trade associations to align on key issues impacting the industry. One of the key pillars of this strategy is to establish open dialogues with our stakeholders, responding to their views and concerns to be able to balance competing expectations. We are always keen to address pressing issues, demonstrate our positive impact to society and ultimately improve our business.

We contribute to representative bodies. Examples of our memberships and participation:

- Member of the Board of the Dutch Association of Proprietary Traders (APT)
- Member of the Executive Committee of the European Proprietary Traders Association (FIA-EPTA)
- Member of Holland Fintech
- Member of the EU and EC Consolidated Tape Expert Stakeholder Group and various advisory committees of exchanges, trading platforms and consolidated tape providers and data vendors.
- Participating in several other professional and industry networks.

While we seek profit by trading in a highly competitive environment, we feel that we must leverage our knowledge and our position as a market participant to safeguard fair, orderly, and transparent markets. Therefore, we spend considerable resources and efforts to address outside interests in our regulatory dialogue as it improves market quality for everyone, including more vulnerable participants. We actively contribute to the legislative and regulatory dialogue and to consultations to promote effective and efficient regulation, while keeping an eye on practical implications.

We do not make any financial or in-kind political contributions. Our Public Affairs spending is related to membership contributions, monitoring and advisory fees and (internal) operational costs and expenses. We will report the main topics covered through our Public Affairs activities and spending on an annual basis in our Annual Report.

Flow Traders is subscribed to the EU Transparency Register pending a new registration number (until 2023 it was registered under number 872617526384-65).

Internal control / measures

The Public Affairs teams is responsible for mitigating the following risks:

- Reputational risk
- Strategy risk
- Regulatory compliance risk

Risks are mitigated through campaigns or issues that involve stakeholder engagement (e.g. conversations, trade associations, committees, conferences, round tables, etc), monitoring and analysis (e.g. news outlets, media alerts, trade associations working groups, etc), positioning and outreach (e.g. blogs, social media posts, position papers, white papers etc) and lobbying and external representation.

There is a standardized format on our intranet (Jira - Public Affairs) available for Flow Traders employees to flag any information they received from their external engagement with stakeholders or participating in events that relates to public affairs issues or campaigns, or has an impact on the business, regulatory environment, or reputation of Flow Traders. The Public affairs team will assess the information, connect with the employee for further information and decide on any next steps.

Responsibilities

It is the Public Affairs team's responsibility to identify and escalate emerging risks to the Global Head of Business Development and the Executive Directors, so they can be assessed, addressed and, if appropriate, be incorporated.

Further responsibilities regarding the policy:

- The policy shall be reviewed annually by the policy owner to ensure all requirements remain up to date,
- Any policy violations shall be escalated to the Global Head of Business Development and Chief Executive Officer,
- The Executive Directors shall be informed of material changes to the policy.

Definitions

Reputational Risk	The risk of financial loss resulting from negative exposure to stakeholders, and the risk of external stakeholders minimizing their public engagement with Flow Traders and not sharing their intelligence on market developments, legislative initiatives, and new regulation (loss of engagement).
Strategy Risk	The risk that may arise from the pursuit of the entity's business plan, the risk arising from strategic changes in the business environment, the risk arising from adverse business decisions, the risk arising from the strategy implementation process that is not aligned with the strategy set for external developments and/or intelligence received from public stakeholders (strategy implementation process risk).
Regulatory Compliance Risk	The risk of failing to anticipate upcoming legal or regulatory obligations and failure to prepare and respond to regulatory change. the risk that the entity incorrectly interpreted regulation leading to non-compliance, the risk arising from an ineffective relationship and engagement with regulators and the risk that interactions with regulators do not comply with required standards.
Campaign	Long-term project and action aimed at influencing certain coherent decisions, legislation, regulation, etc.
Issue	Short-term project action focused at one issue.
Lobbying	Any attempt aimed at influencing government or regulatory policies or regulation.
Internal Stakeholder	Any Flow Traders department, (management) committee, trading desk, and/or person that either is involved with, needs to be consulted, needs to understand, needs to be informed, etc., of Flow Traders' interests and be aware of the external initiatives, trends and practices which might impact Flow Traders' business and interests.
External Stakeholder	Any (public) entity, body, group, or person that is involved with or doing business, cooperating and/or regulating or supervising Flow Traders globally.
Engagement	Conversations with stakeholders in any form, e.g. e-mail, calls, personal meetings, etc., according to the Principles of Engagement (see 'Other Documentation' below)
Representation	Representing Flow Traders' interests in any expert group, committee, representative or advisory panel.
Monitoring	Gathering intelligence through various resources as DeHavilland (Political monitoring service used to monitor and track EU political developments, legislation, and regulation.), news outlets, newsletters, conversations, meetings, calls, etc.

Trade Association	Any trade association of which Flow Traders is a member: Association of Proprietary Traders (APT), European Principal Traders Association (FIA-EPTA), HollandFintech, FX Global Code.
Outreach	Any action aimed at reaching a certain audience with a certain message, either very broad or very narrow. Lobbying, e-mails, blogposts on the 'News & Media'-section on the website, LinkedIn posts, writing a position or white paper, drafting, and signing manifestos, opinions etc.
Reporting	Internal reporting to the Board, Supervisory board, Committees, HOTs, Heads, and other employees, etc.
Societal	Relating to society or to the way society is organized, its values, general beliefs, and activities.