

Principles of Responsible Tax Behavior Policy

Approved and adopted on 13 January 2023



Our tax principles

Flow Traders Ltd. and its subsidiaries ("**Flow Traders**") are aware that its business, including our approach to tax, has an impact on society. We have therefore chosen to capture our beliefs and views on responsible tax behaviour in the following six pillars:

- a) business rationale;
- b) transparency;
- c) no use of tax havens;
- d) transfer pricing;
- e) compliance; and
- f) accountability and governance.

Business rationale

We believe in the principle that tax should follow the business. Consequently, Flow Traders pays taxes where profits are earned, in accordance with local tax legislation. We aim to comply with local and international tax laws, as well as the standards set by the OECD Guidelines.

Transparency

Flow Traders believes that transparency is key for a good tax governance and is therefore transparent towards all tax authorities. We engage pro-actively with tax authorities. For instance Flow Traders concluded a horizontal supervision agreement with the Dutch tax authorities (*horizontaal toezicht*) with a view to further strengthen our transparent and professional relationship with the tax authorities, in 2015. We meet on a regular basis with the tax authorities to ensure that our business dealings are better understood and to exchange views and insights on various tax matters. This open, two-way communication enables us to minimize uncertain tax positions.

No use of tax havens

Flow Traders does not use tax haven jurisdictions for tax avoidance purposes and carries out its business through entities that are resident in the jurisdictions where we operate our business.

Transfer pricing

We aim to pay an appropriate amount of tax according to where value is created by respecting the 'arm's length' principle for determining our transfer pricing.

Compliance

We pay taxes promptly and in accordance with all applicable laws and regulations in the countries we operate in, taking into account both the letter and the spirit of the law. Tax is one of the elements we take into account in our commercial and economic activities, while businesses may also respond to tax incentives and exemptions available. We monitor compliance through a tax control framework.

Accountability and governance

We ensure that as a business we have the mechanisms in place to adhere to the above tax principles and we report on a regular basis to both the Company's board and the Company's audit committee.