

# Remuneration Policy

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## Introduction

- 1.1 This remuneration policy (the "**Policy**") applies to the board of Flow Traders Ltd. (the "**Company**"). The Policy is established in accordance with Bye-Law 26.1 and clause 6.2(f) of the Company's board rules.
- 1.2 The Policy contains two annexes: 'Flow Traders Remuneration Policy for Non-Executive Directors' (the "**NED Policy**") and 'Flow Traders Remuneration Policy for Executive Directors' (the "**ED Policy**").
- 1.3 The ED Policy was approved by the Company's general meeting on 26 April 2023. The NED Policy was approved by the Company's general meeting on 13 June 2025.

## Policy

### 2.1 Non-Executive Directors

Non-Executive Directors will be remunerated in accordance with the Flow Traders Remuneration Policy for the Non-Executive Directors attached as Annex 1.

### 2.2 Executive Directors

Executive directors will be remunerated in accordance with the Flow Traders Remuneration Policy for Executive Directors attached as Annex 2.

### 2.3 Applicable law

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

### 2.4 Interpretation

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

## **Annex 1 Flow Traders Remuneration Policy for Non-Executive Directors**

### **Scope and definitions**

#### **1.1 Scope**

This Remuneration Policy sets out the policies and procedures, which shall be applied by Flow Traders with respect to the remuneration of Non-Executive Directors. Ongoing compliance with applicable laws and regulations will be reviewed on an annual basis.

#### **1.2 Definitions**

1.2.1 AGM means Annual General Meeting; and

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

### **Remuneration philosophy and compensation structure**

#### **2.1 Scope**

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

2.1.2 Given the nature of the responsibilities of the Non-Executive Directors with a majority being independent directors, remuneration of the Non-Executive Directors is not tied to the performance of the Company.

#### **2.2 Compensation structure**

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

2.2.2 The Non-Executive Directors fees (on an annual basis) are as follows:

<b>Role</b>	<b>Fee</b>
<b><u>Supervisory Board fees</u></b>	
Chair of the Board	EUR 125.000
Non-Executive Director (not being the Chair of the Board)	EUR 87.500
<b><u>Committee fees</u></b>	
Committee Chair fee (All Committees except Audit and Remuneration & Appointment Committee)	EUR 12.500
Audit and Remuneration & Appointment Committee Chair fee	EUR 18.750
Committee member fee	EUR 9.500

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

2.2.4 Non-Executive Directors are compensated for expenses, based on actual costs incurred.

## Term

Elections of Non-Executive Directors are for a fixed term of maximum 4 years, after which re-election is possible. Non-Executive Directors shall resign in accordance with the rotation schedule, as published on the website of the Company. No notice period or termination fees are applicable.

## Governance

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

## **Annex 2 Flow Traders Remuneration Policy for Executive Directors**

### **Introduction**

In summary - our remuneration policy reflects our remuneration principles, which in turn reflect our mission, corporate identity, culture and values:

- We believe in sharing our profits with all relevant stakeholders, including our employees.
- We reward all our employees, including the executive directors, based on the same remuneration policy.
- The design of our remuneration policy reflects our mission, corporate identity, core values and culture, is aligned with our long-term interests and is underpinned by deep risk-awareness.
- We value the input of all stakeholders when determining our (executive director)

#### **1.1 Flow Traders as a company**

Our remuneration policy aims to attract, motivate and retain Executive Directors 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 and remuneration philosophy.

We believe in operating a single & straightforward policy, where we reward all our employees, including the Executive Directors, based on the same remuneration policy. We do so, based on our remuneration philosophy and according to several defined principles. While we recognize that the corporate governance landscape has evolved in recent years, we believe that the principles that underlie our approach continue to be highly relevant. The defined principles as described below guide the Remuneration & Appointment Committee of the Board when making decisions on the remuneration policy and its implementation.

#### **Profit sharing**

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. 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.

We share one singular firm-wide variable remuneration pool. The total profit pool available for all employees and the Executive Directors is 32.5% of operating result (defined as net trading income minus fixed operating expenses and depreciation and amortization), the residual portion allocated to our shareholders.

#### **Rewarding for exceptional performance**

Our remuneration approach consists of a relatively modest base salary and a variable remuneration component. Positive company performance enables employees in any role to receive variable compensation relative to their contribution to the firm. The variable

remuneration profit share that is paid out is partly in equity that directly reflects company and personal performance.

The pay-mix is skewed towards variable remuneration in good (financial) years. At the same time, if we make no profit, we do not pay-out variable remuneration – and reclaim outstanding deferrals if we sustain a loss.

## **Guarding long-term interests and stimulating risk awareness**

We align employee pay with the interests of shareholders and our financial performance. Where Flow Traders is successful, the profits are shared with our shareholders and our employees. As such, variable pay is only possible in a year when a profit is made, and a significant part of any profit sharing is deferred for a multi-year period (up to 4 years) that remains at risk in full during this period. The cash component of the profit share vests on a pro-rata basis over a two-year period, with the first tranche vesting on the date of award. This aligns the interests of the company and its shareholders with those of our employees by building long-term value and creating 'skin in the game' as well as continued loyalty.

Where Flow Traders is less successful, there is a corresponding downwards impact on variable remuneration levels creating a risk aware culture and creating larger alignment with long term growth and reward (as deferred variable remuneration remains at risk until vesting).

## **Emphasizing share ownership**

We see the advantages of employee ownership, ranging from positive effects on employee commitment (attracting and retaining employees), corporate innovation, our business performance (productivity and profitability as well as competitiveness to our peers), through greater work effort of employees and a more cooperative and entrepreneurial corporate culture.

## **Social responsibility**

Flow Traders, its directors and senior management believe in being a socially responsible company. Enabling equal opportunities and fostering ownership is embraced across all areas of how we do business.

## **1.2. Flow Traders from an external perspective**

In addition to our internal remuneration philosophy and principles, we take various external factors into account in the determination of the Executive Director remuneration policy.

## **Stakeholder engagement**

We value the input of shareholders and other stakeholders on our Executive Director remuneration policy. For any future material changes to the policy, we will actively seek dialogue. Our remuneration report provides insight annually on the stakeholder engagement process and which actions we have taken to act upon the input received.

### **External labor market**

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

We aim to pay levels of total pay that are competitive with our predominantly international and privately owned competitors (mainly privately owned equity partnerships) and design our remuneration structures to encourage all our employees to stay with us for the longer term.

Our CEO total compensation can differ widely year-on-year as we reward all our employees, including the Executive Directors, based on the same remuneration policy.

Furthermore, by fairly sharing a significant part of company profits amongst our employees (including our Executive Directors) alongside shareholder dividends, we contribute significantly to the tax system due to abiding to the according tax regulations.

### **Society**

Via our liquidity provision around the globe and across multiple asset classes, we create more open and better accessible financial markets for institutional investors, individual investors and, ultimately, society at large. Due to Flow Traders, investors can better manage their risks, whatever the market circumstances are. The liquidity Flow Traders provides in volatile markets helps ensure that financial markets keep functioning under all circumstances.

It is in our corporate DNA to back initiatives that contribute to society and have done so for many years, both through the company's and employees' personal efforts. Flow Traders supports several charities, both financially but also through offering access to knowledge and experience. In addition, Flow Traders established the Flow Traders Foundation in 2020 with the aim of promoting and funding various charitable initiatives globally. The Flow Traders Foundation achieves this by, but not limited to, providing direct aid, granting microcredits, providing information and/or financial means.

## **Elements of Flow Traders' Executive Director remuneration policy**

Application of our principles - At Flow Traders, we provide our executive directors a remuneration package that consists of fixed remuneration, in the form of base salary, and variable remuneration:

- 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.
- 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.
- The remuneration policy is in line with all applicable rules & regulations (see also Annex II).

Principle	Application
Sharing	<ul style="list-style-type: none"> <li>▪ 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.</li> <li>▪ If we make no profit, we do not pay-out variable remuneration.</li> </ul>
Operating a single & straightforward policy	<ul style="list-style-type: none"> <li>▪ We reward all our employees, including the Executive Directors, based on the same remuneration policy.</li> <li>▪ We share one singular firm-wide variable remuneration pool.</li> <li>▪ The Executive Directors do not receive material ancillary benefits beyond variable remuneration.</li> <li>▪ Total remuneration of Executive Directors is capped at a multiple of the average FTE total remuneration.</li> </ul>
Rewarding for exceptional performance	<ul style="list-style-type: none"> <li>▪ Remuneration consists of a relatively modest base salary and variable remuneration linked directly to performance.</li> <li>▪ 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.</li> </ul>
Guarding long-term interests & stimulating risk awareness	<ul style="list-style-type: none"> <li>▪ We operate an integrated short-term and long-term variable remuneration plan.</li> <li>▪ We defer a significant portion of variable remuneration pay-outs for a multi-year period.</li> <li>▪ A significant part of any variable remuneration award is made in equity.</li> <li>▪ If the company incurs a loss, any outstanding deferred variable remuneration is reduced or forfeited entirely to cover that loss.</li> <li>▪ Our claw back provisions are comprehensive, irreversible, and substantially exceed industry standards and regulatory requirements.</li> </ul>
Stimulating share ownership	<ul style="list-style-type: none"> <li>▪ A significant part of any variable remuneration award is made in equity.</li> <li>▪ We encourage our Executive Directors to retain a substantial part of equity granted as part of remuneration.</li> </ul>

## 2.1 Fixed remuneration

We provide fixed remuneration in order to be able attract and retain Executive Directors of an appropriate caliber to execute Flow Traders' strategy. The fixed remuneration consists of base salary only which is paid in 12 equal monthly instalments. We review our base salaries on an annual basis against external market developments and internal pay ratios. Base salaries of

our Executive Directors are set at a relatively modest and prudent level to control the level of fixed costs in case Flow Traders is not profitable, to provide risk mitigating incentives, to create a strong link between pay and performance and to reflect the entrepreneurial nature of the role. The fixed component represents a sufficiently high proportion of the total remuneration to allow the operation of a fully flexible policy on variable remuneration, including the possibility to pay no variable remuneration.

## **2.2. Variable remuneration**

Our variable remuneration design 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. To further incentivize long-term value creation and align the interests of shareholders and the executive board, 62,5 % of Executive Director variable remuneration is deferred over the longer term and 50% of variable remuneration is paid in Flow Traders equity. All variable remuneration vests in accordance with the vesting schedule described in section “Deferral, vesting and holding requirements”.

These elements bring a long-term focus to our variable remuneration design, which reflects our remuneration principles and ensures alignment with our strategy. Due to these specific characteristics of our single incentive plan, we do not operate separate short-term and long-term incentive plans.

While this structure is not common among listed companies, it is in line with the practice in our industry among both listed and unlisted peers, and necessary to be able to attract, retain and motivate individuals of highest caliber in our market, including privately-owned competitors.

### **Methodology to determine individual variable remuneration awards**

In order to determine the individual variable remuneration awards for the Executive Directors, the following process is applied, which includes several iterative feedback stages before determining the final outcome:

#### **Step 1 - Determining share of Executive Director variable remuneration pool**

In line with our guiding principles, the Executive Directors share in the same firm- wide variable remuneration pool as all other employees. This variable remuneration pool is primarily a function of the operating result in a given year.

To determine individual award levels, first the size of the variable remuneration pool is determined at the end of the performance period. The variable remuneration pool is expressed as a percentage of Flow Traders’ operating result over the performance year and will be distributed among all employees. The total variable remuneration pool available for all employees, including the Executive Directors, is set at a maximum of 32.5% of the operating

result. In case Flow Traders is not profitable, there will be no variable remuneration pool, and therefore no variable remuneration available for employees.

In addition to the operating result, the following considerations will be made when determining the variable remuneration pool:

- Overall performance of Flow Traders, including quality of earnings and capital strength
- Current risks, expected losses and estimated unexpected losses
- Stressed conditions associated with Flow Traders' activities
- Returns to shareholders

The non-executive directors determine the share of the variable remuneration pool that will be allocated to the Executive Directors based on the following inputs and undertake several iterative feedback loops before determining the final outcome:

- 1) The relative ranking and proposed variable pay of the top 50 employees
- 2) The realized scores against the company KPI score card (70% weighting)
- 3) The realized scores against individual performance targets for the individual Executive Director (30% weighting)
- 4) Due regard for the cap of 20 times average FTE total remuneration

## **Step 2 - Assessing Executive Director performance**

As elaborated on during the Flow Traders N.V. 2022 AGM, the (predecessor supervisory directors of the) non-executive directors adopted and implemented an annual company KPI scorecard for the Executive Directors (then members of the Management Board). Details of this company scorecard for each year will be disclosed retrospectively in the annual remuneration report. The metrics to be used for the current performance year will also be confirmed within the remuneration report. Going forward, a qualitative assessment of the outcomes of an individual Executive Director's targets will also be included in the remuneration report.

At the beginning of the year, the non-executive members of the Board, with support from the Remuneration and Appointment Committee, determine the KPIs applicable for the company scorecard. These KPIs are aligned with our long-term strategic goals and cover the broad scale of financial and non-financial metrics. Objectives for these KPIs are set prior to the beginning of the year. The financial measures will allow for any remuneration awarded to consider multiple aspects of financial performance and not just the operating result, while non-financial measures will be selected to encourage sustained long-term performance. The non-financial objectives can include (but are not limited to) objectives around ESG, strategy, risk, culture and people.

In addition to these company KPIs, the non-executive directors define a set of performance objectives for each individual Executive Director.

Both Flow Traders' performance on operating result as well as Executive Directors' collective and individual performance indicators are measured over a one-year performance period. However, the annual targets are set in the context of Flow Trader's long-term strategic targets.

At the end of the year, the non-executive directors conduct an assessment of the performance of the Executive Directors as a whole as well as of each individual Executive Director, taking the scores against the KPI score card and individual performance targets into account. Based on this assessment, the Remuneration and Appointment Committee drafts proposals for the individual variable remuneration awards of the Executive Directors. The Board with only the non-executive directors participating in the deliberations and decision-making process, upon recommendation by the Remuneration and Appointment Committee, then determine the variable remuneration awards for each of the Executive Directors.

### **Step 3 - Defining maximum variable remuneration / award limits**

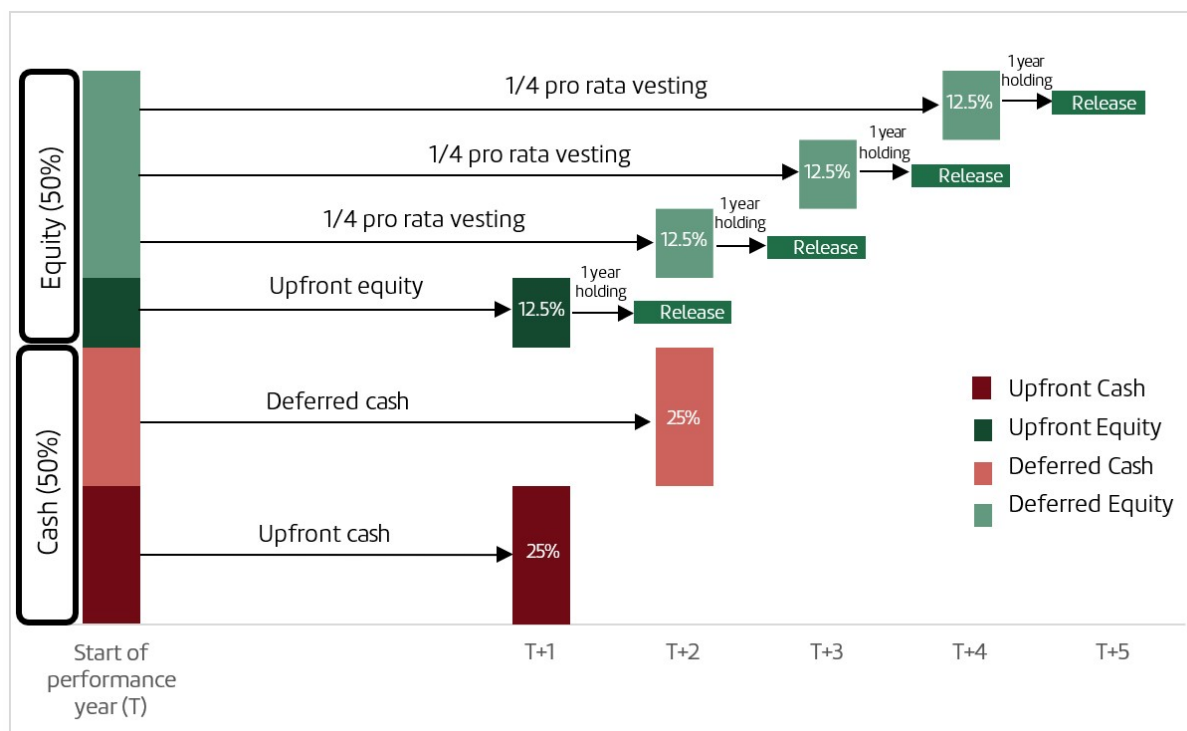
It is in our corporate DNA to share our profits fairly with our shareholders and employees, and we have done so since we were founded. We have reflected this in our policy as follows:

- *Cap on sharing profits between shareholders and employees:* The total variable remuneration pool available for all employees (including the Executive Directors) is set at a maximum of 32.5% of the operating result.
- *Cap on sharing profits between Executive Directors and employees:* The total variable remuneration pool available for all employees is shared between the Executive Directors and the other employees. Total remuneration for any Executive Director is capped at 20 times the average FTE total remuneration. The calculation of the ratio between average employee total remuneration and Executive Directors is based on the methodology recommended by the Dutch Monitoring Commission.

### **Deferral, vesting and holding requirements**

In order to balance company performance, long-term value creation and encouragement of share ownership, 50% of the variable remuneration is paid out in equity and 62.5% of each variable remuneration award shall be deferred over a multi-year period. The equity component of the awarded variable remuneration will vest on a pro-rata basis over a period of four years, whereby the first tranche will vest at date of award. All equity awards that vest are subject to a holding period of one year. The cash component of the awarded variable remuneration will vest on a pro-rata basis over two years, whereby the first tranche will vest at date of award. The non-executive directors in the Board, upon recommendation by the Remuneration and Appointment Committee, have the complete discretion to determine whether and to what extent any unvested part of the deferred variable remuneration shall be awarded. Further, all previously awarded and outstanding variable remuneration acts as a first loss tranche to compensate any operating loss. This means that the non-executive directors in the Board retain the complete discretion to reduce or entirely forfeit any outstanding variable remuneration awards of our Executive Directors in case we make an operating loss. In addition,

all variable remuneration is subject to extensive malus and claw back provisions (we elaborate on this in the section Other arrangements).



## Risk management

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 result is positive. If there is no or insufficient profit realized in the performance year, we will not award any variable remuneration. In addition, the non-executive directors in the Board assess performance in terms of quality of earnings, capital strength and overall risk assessment.

All previously awarded and outstanding variable remuneration acts as a first loss tranche to compensate any operating loss. This means that we reduce or entirely forfeit any outstanding variable remuneration awards of our Executive Directors in case we make an operating loss. In addition, all variable remuneration is subject to extensive malus and claw back provisions (we elaborate on this in the section Other arrangements).

## 2.3 Benefits

We strive for excellent employment conditions to all our employees, including our Executive Directors. We do so by offering attractive remuneration packages with a strong focus on fixed and variable remuneration. Therefore, we do not offer material ancillary benefits such as company cars, collective pension schemes or other insurances. Furthermore, we do not provide loans to our Executive Directors, nor do we issue guarantees.

## **2.4 Encouragement of share ownership**

Long-term value creation and share ownership are cornerstones of our remuneration philosophy. Through share ownership, we create a sense of ownership and enhance risk awareness. Share ownership further aligns the interests of our Executive Directors and the long-term interests of all stakeholders. As such, we encourage our Executive Directors to retain 50% of the shares granted as part of the remuneration (after tax) until end of employment, equalling 25% of total variable remuneration granted. This encouragement goes beyond any market standards or corporate governance requirements and underpins the philosophy and guiding principles of our remuneration policy.

## **Other arrangements for the Executive Directors**

Our remuneration policy is subject to contractual arrangements and governance provisions that exceed regulatory requirements:

- We do not grant excessive welcome arrangements or severance payments.
- Our Malus and Clawback standards and post-termination transfer restrictions are comprehensive and irreversible.

### **3.1 Guaranteed variable remuneration**

We believe that guaranteed variable remuneration is not consistent with our risk management approach and pay-for-performance philosophy. Therefore, we do not award a guaranteed component to Executive Directors, unless the following conditions are all met:

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

### **3.2 Severance pay**

The severance payment shall not exceed 100% of the annual fixed remuneration. We do not award severance payments in any of the following situations:

- (i) An Executive Director resigns voluntarily; or
- (ii) There is seriously culpable act or omission (*ernstig verwijtbaar handelen of nalaten*) by the Executive Director in the fulfilment of his or her duties; or
- (iii) Failure of Flow Traders by means of bankruptcy.

### **3.3 Executive Board agreements**

The full terms and conditions for our Executive Directors are set out in a 'board agreement' entered into by and between the Executive Directors and Flow Traders Ltd.. A summary of the key terms and conditions of the agreements is set out below:

- (i) Appointment term: appointments of Executive Directors are for a maximum fixed term of 4 years, after which reappointment is possible.

- (ii) Notice period: Flow Traders may terminate the board agreement by serving a notice period (except during illness). The duration of the notice period may be between 3 and 6 months, whereby the notice period to be observed by Flow Traders will be twice as long as the notice period to be observed by the Executive Director.
- (iii) Pension scheme: No pension benefits are granted to any Executive Director.

### 3.4 Malus and claw back

Without prejudice to the general principles of Dutch contract and employment law, the total variable remuneration shall generally be considerably reduced where subdued or negative financial performance of Flow Traders occurs, considering both current remuneration and reductions in payouts of amounts previously earned, including through malus or claw back arrangements (see below). To discourage excessive risk-taking, remuneration recovery and repayment policies that allow for cancellation or recovery of both unvested cash incentives and equity awards can be applied.

Clawback type	Clawback trigger
Restatement	<ul style="list-style-type: none"> <li>In the event of material restatement of Flow Traders' financial results for the relevant period.</li> <li>This provision also applies to cash incentives.</li> </ul>
Reasonableness and fairness	<ul style="list-style-type: none"> <li>In the event that the amount of the variable remuneration would be unacceptable according to the standards of reasonableness and fairness (<i>redelijkheid en billijkheid</i>).</li> </ul>
Misconduct	<ul style="list-style-type: none"> <li>If the Executive Director engaged in conduct detrimental to Flow Traders that causes material financial or reputational harm to Flow Traders.</li> </ul>
	<ul style="list-style-type: none"> <li>If the Executive Director of the Board failed to meet the suitable norms regarding competence and correct behavior.</li> </ul>
	<ul style="list-style-type: none"> <li>If the award was based on material misrepresentation by the Executive Director of the Board.</li> </ul>
	<ul style="list-style-type: none"> <li>If the agreement with the Executive Director is terminated by Flow Traders because of: (i) an urgent cause (<i>dringende reden</i>) ex section 7:678 DCC, or (ii) one of the reasons as referred to in section 7:669, subsection (3)(d)-(h) DCC, unless Flow Traders committed a seriously culpable act or omission.</li> </ul>
Risk-related and other	<ul style="list-style-type: none"> <li>If the Executive Director improperly or with gross negligence failed to identify, raise or assess, in a timely manner and as reasonably expected, issues and/or concerns with respect to risks material to Flow Traders.</li> </ul>
	<ul style="list-style-type: none"> <li>If the award was based on materially inaccurate performance metrics, whether or not the Executive Director was responsible for the inaccuracy.</li> </ul>
Long-term goals and sustainability	<ul style="list-style-type: none"> <li>If performance in relation to the priorities for an Executive Director has been unsatisfactory for a sustained period of time.</li> </ul>
	<ul style="list-style-type: none"> <li>If for any one calendar year during the vesting period, Flow Traders' operational results are negative.</li> </ul>

### 3.5 Post-termination transfer restrictions

Upon termination of an Executive Director's agreement, the Executive Director is bound by the post-termination transfer restrictions. Under those restrictions, the Executive Director is not allowed to sell more than 50% of his/her equity position that results from the grant of variable remuneration and is held at the date of termination, within the first 12 months after the date of termination of the board agreement.

### **3.6 Global Restricted Instruments Policy**

We have Global Restricted Instruments Policy in place, which sets out additional requirements with respect to personal transactions in financial instruments relating to Flow Traders, including a description of the modest amount and length of open periods that are applied by Flow Traders. The Global Restricted Instruments Policy applies to the Executive Directors both during and after termination of the agreement between an Executive Director and Flow Traders.

### **3.7 Change of Control**

In the event of a termination of an Executive Director's board agreement as a consequence of: Flow Traders' dissolution, liquidation, sale (of all or substantially all shares or of all or substantially all of the assets of Flow Traders), merger, split, consolidation, takeover, reorganization, Change of Control or share for share exchanges or similar transaction, the non-executive directors, shall, subject to Flow Traders' articles of association and other corporate authorization requirements (such as but not limited to the approval rights of the general meeting) and applicable legislation, in respect of shares that were awarded to such Executive Director have the discretionary power to:

- (i) Cancel any entitlement to shares with immediate effect and pay to the Executive Director an amount equal to the Fair Market Value of such shares on the date of cancellation; or
- (ii) Exchange the entitlement to shares with entitlements on shares that are exchanged in the transaction, which new rights are in the option of the third-party expert engaged by Flow Traders no less valuable than the prior rights.

## **Governance of the Executive Director remuneration policy**

This Executive Director remuneration policy was approved by the Company's general meeting of shareholders on 26 April 2023 and is effective retroactively from 1 January 2023. The policy is intended to remain in place for four years.

### **4.1 Procedure**

The non-executive directors are responsible for drafting and implementing the remuneration policy and will submit the remuneration policy to the AGM for adoption at least every four years. The Remuneration and Appointment Committee supports the non-executive directors in this area. In the determination of the remuneration policy and proposals, the Remuneration and Appointment Committee takes the vision of the individual Executive Directors on their

own remuneration into account. In addition, scenario analyses have been conducted to assess the various possible outcomes under the remuneration policy.

## **4.2 Annual review**

The non-executive directors shall perform a central and independent internal review of the Remuneration Policy and the practices of Flow Traders at least annually. Such review shall be performed on an individual basis.

As part of the central and independent review, the non-executive directors shall assess whether the overall remuneration policy, practices and processes: (i) operate as intended (in particular, that approved policies, procedures and internal rules are being complied with; that the remuneration pay outs are appropriate, in line with the business strategy; and that the risk profile, long-term objectives and other goals of Flow Traders are adequately reflected), (ii) are compliant with national and international regulations, principles and standards, and (iii) are consistently implemented across the group, are compliant with Article 141 of Directive 2013/36/EU and do not limit the institution's ability to maintain or restore a sound capital base.

Where the annual review reveals that the remuneration policy does not operate as intended or prescribed or where recommendations are made, the non-executive directors shall ensure that a remedial action plan is proposed, approved and implemented in a timely fashion.

## **4.3 Deviations and exemptions**

In exceptional circumstances only, the non-executive directors may decide to derogate temporarily from this remuneration policy. A derogation for exceptional circumstances only covers situations in which the derogation from the remuneration policy is necessary to serve the long-term interests and sustainability of the Company as a whole or to assure its viability. Such exceptional circumstances include, but are not limited to, situations such as the urgently required appointment of an Executive Director or the buy-out of remuneration forfeited on joining the Company to facilitate recruitment of new Executive Directors, comprising cash or longer-term incentives. In such case, the non-Executive Directors will account for this at the next Annual General Meeting.

## **Glossary**

**Change of Control:** a transaction or series of transactions or the closing of an arrangement, that alone or taken together have the effect that as a result thereof a party obtains (direct or indirect) Control of Flow Traders.

**Control:** (i) (either directly or indirectly) the ownership of a party or parties acting in concert with each other or more than 30% of (a) the issued share capital and/or (b) the voting rights in general meeting of Flow Traders; or (ii) the right (either directly or indirectly) of a party or parties acting in concert with each other to control the composition of the majority of the Board, or the majority of its voting rights, whether through the ownership of voting rights or by contract.

Fair Market Value: in relation to a share (i) on any day when the shares are traded on the regulated market of Euronext Amsterdam N.V. (or its successor), the closing market quotation of a share as derived from the listing on the market; or (ii) on any day when the shares are not traded on the market and/or, no closing market quotation is available on such day, the closing market quotation on the business day immediately preceding this date.

## **Regulatory context and considerations**

This annex is attached to the Remuneration Policy for illustration purposes only and does not form part of the Remuneration Policy. The regulatory context at the time of adoption of the Remuneration Policy is as follows:

- Considering the responsibilities of board members regarding Flow Traders B.V. and its qualification as an investment firm within the meaning of Article 4(1)(2) of the Capital Requirements Regulation (EU) No. 575/2013 (CRR), inter alia the following rules have been considered:
  - Chapter 1.7 of the Act on financial supervision (Wet op het financieel toezicht, AFS), Article 1:111 – 1:129 AFS; this includes a waiver from the bonus cap of Article 1:121(7) Wft;
  - The Regulation of controlled remuneration policy AFS (Regeling beheerst beloningsbeleid Wft 2021, Rbb);
  - The EBA Guidelines on sound remuneration policies (EBA/GL/2021/13), the EBA Guidelines;
- Following the update of Flow Traders' corporate holding structure, Flow Traders Ltd. is not required to apply the Dutch Corporate Governance Code. However, the Dutch Corporate Governance continues to be an important point of reference. As such, Flow Traders Ltd. has given consideration to Chapter 3 of the Dutch Corporate Governance Code in drafting this Remuneration Policy.