

# Trading and Technology Committee Charter

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Approved and adopted by the Board on 13 January 2023



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## **Introduction definitions and interpretation**

### **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 Trading and Technology 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, 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 Trading and Technology Committee**

- 2.1 The Trading and Technology Committee shall consist of at least two members. All members of the Trading and Technology Committee must be Non-Executive Directors. More than half of the members of the Trading and Technology Committee should be Independent Directors.
- 2.2 At least one member of the Trading and Technology Committee shall be familiar with the specific business activities of the Company and the fast paced environment in which it operates in the sense that it has relevant knowledge and experience of the Company's specific trading activities, financial markets, trading strategies, the related risk management and control systems, technology infrastructure and development activities.
- 2.3 The members of the Trading and Technology Committee shall be appointed and may be replaced at any time by the Board. The Board shall appoint one of the members of the Trading and Technology Committee as chair of the Trading and Technology Committee.

2.4 The Secretary shall act as secretary to the Trading and Technology 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 Trading and Technology Committee.

## **Duties of the Trading and Technology Committee**

3.1 The Trading and Technology Committee has the following duties:

(a) to review the annual investments and expenses on Technology as proposed in the annual budget of the Company;

(b) to prepare an advice to the Board for the adoption of the Technology budget;

(c) to assess the current state of Technology in terms of competitiveness and functionality at least once a year and prepare a report on this subject to the Board;

(d) to supervise the Board on the operation of the Company's security systems and related risks, also in light of the relevant regulations, and to prepare reports, recommendations and deliberations on its findings regarding such risks for purposes of the meetings of the Audit Committee;

(e) to advise the Board regarding the intended appointment and/or removal of the Global Head of Technology; and

(f) to review, and where applicable monitor, in relation to the Company's trading activities: 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) reports on market shares for major exchanges, a certain set of products and authorized participant volume;

(ii) reports issued by the Board on trading strategies and risk management procedures as well as the monthly trading update provided by the Board;

(iii) the Company's procedures for implementing new trading strategies; and

(iv) the Board's responsiveness to the reports, findings and recommendations of the Global Head of Trading.

3.2 Each member of the Trading and Technology Committee has access to all necessary information of the Company and offices of the Company and the authority to interview Officers and (other) employees of the Company to the extent necessary or useful for the proper performance of his duties. Members of the Trading and Technology Committee shall exercise this right in consultation with the chair of the Trading and Technology Committee.

- 3.3 When performing its duties the Trading and Technology Committee may seek assistance or information from one or more experts appointed by it at a reasonable price agreed upon with the Trading and Technology 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 Trading and Technology Committee on reasonableness on a semi-annual basis.
- 3.4 The Trading and Technology 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 Trading and Technology Committee shall meet as often as required for a proper functioning of the Trading and Technology Committee. The meetings are as much as possible scheduled annually in advance. The Trading and Technology Committee shall meet earlier if this is deemed necessary by the chair of the Trading and Technology Committee or by two other members of the Trading and Technology Committee.
- 4.1.2 Meetings of the Trading and Technology Committee are in principle called by the secretary of the Trading and Technology Committee on behalf of the Chairman, in consultation with the chair of the Trading and Technology Committee. Save in urgent cases, to be determined by the chair of the Trading and Technology Committee, the agenda for the meeting shall be sent at least seven calendar days before the meeting to all members of the Trading and Technology 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 Trading and Technology Committee shall decide if and when the Executive Directors, Global Head of Trading and/or any Local Head of Trading, the Global Head of Technology and/or the Local Head of Technology should attend its meetings. In addition and subject to clause 3.3, independent experts may be invited to attend meetings of the Trading and Technology Committee. Each Non-Executive Director may attend meetings of the Trading and Technology Committee.
- 4.1.4 The Trading and Technology Committee may require any Officer or (other) employee of the Company or its external legal advisers to attend a meeting of the Trading and Technology Committee or to consult with members or advisers of the Trading and Technology Committee.
- 4.1.5 The secretary of the Trading and Technology Committee or any other person designated for such purpose by the chair of the meeting shall draw up minutes of the meeting of the Trading and Technology Committee.

## 4.2 **Decision-making**

- 4.2.1 Only to the extent explicitly provided by the Board in writing, the Trading and Technology 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 Trading and Technology Committee.

## **Reporting to the Board**

- 5.1 The Trading and Technology 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 Trading and Technology Committee a report of its deliberations and findings. The reports of the meetings of the Trading and Technology Committee shall be circulated prior to the subsequent meeting of the Board.
- 5.3 If requested, the chair of the Trading and Technology Committee shall at meetings of the Board provide the Board with further information on the outcome of the discussions of the Trading and Technology Committee.
- 5.4 Every Non-Executive Director has unrestricted access to all records of the Trading and Technology Committee. A Non- Executive Director shall exercise this right in consultation with the chair of the Trading and Technology Committee and the Secretary.

## **Miscellaneous**

- 6.1 The chair of the Trading and Technology Committee (or one of the other Trading and Technology Committee members) shall be available to answer questions regarding the Trading and Technology 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 Trading and Technology 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 Trading and Technology Committee.

- 6.5 Clauses 15.2.1 to 15.2.4 inclusive of the Board Rules apply by analogy to the Trading and Technology 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 Trading and Technology Committee are posted on the Company's website.

## Schedule 1 Definitions

**"Audit Committee"** means the audit committee of the Board;

**"Board"** has the meaning given to such term in the Bye-Laws;

**"Board Rules"** means the Company's board rules

**"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;

**"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 Technology"** means the global head of technology of the Company;

**"Global Head of Trading"** means the global head of trading of the Company;

**"Independent Director"** has the meaning given to such term in the Bye-Laws;

**"Local Head of Technology"** means the local head of technology of the Company;

**"Local Head of Trading"** means the local head of trading of the Company;

**"Non-Executive Director"** 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;

**"Secretary"** has the meaning given to such term in the Bye-Laws.

**"Technology"** means (i) the (development and servicing of) proprietary software and hardware developed in-house by the Company which includes, but is not limited to, algorithms, code, servers, platforms, networks, and applications, (ii) the (servicing of) software and hardware obtained from third parties, and (iii) the organisational framework and Company departments that facilitate the foregoing; and

**"Trading and Technology Committee"** means the trading and technology committee of the Board.