

Main Elements of Board Agreement with Mrs. Smeets-Flier

The following summarizes the main elements of the Board agreement with Mrs. Smeets-Flier:

■ Term

With the intended election, the Board Agreement has an initial term starting on 14 September 2023 and will be ending as of the date of the annual general meeting of shareholders held in 2027. It may be terminated by the Company at any time, except during the first 2 years of illness, by giving Mrs. Smeets-Flier 6 months' prior notice in writing and by Mrs. Smeets-Flier at any time by giving the Company 3 months' prior notice in writing. It may also be terminated by the Company with immediate effect in special circumstances (including serious default, gross misconduct, gross negligence and certain criminal offences).

■ Remuneration

Mrs. Smeets-Flier's remuneration is required to be determined by the Non-Executive Directors of the Company with due observance of the current Remuneration Policy as approved by the annual general meeting held on 26 April 2023, as well as applicable laws and regulations. Mrs. Smeets-Flier's remuneration consists of a fixed based salary and eligibility for annual variable compensation, dependent on the Company's performance and her personal performance. The annual base fee is a fixed cash annual amount of EUR 300,000.00 gross. The annual base fee is payable in 12 equal monthly installments.

Mrs. Smeets-Flier's has entered into an employment agreement with Flow Traders B.V. (a subsidiary of the Company), effective as per 17 July 2023 pursuant to which she is entitled to a number of guaranteed sign-on benefits awarded in the first year of employment:

- i. a guaranteed gross sign-on bonus of EUR 50,000.00 to be made in a single installment two months after commencement of employment; and
- ii. a one-off, non-recurring gross profit share of EUR 200,000.00 for the first full 12 months of employment, to be paid out in accordance with the applicable Remuneration policy as approved by the annual general meeting of shareholders on 26 April 2023.

All payments remain subject to the applicable Remuneration Policy as well as laws and regulations.

In accordance with the Remuneration Policy as approved by the annual general meeting of shareholders on 26 April 2023, 50% of any variable remuneration shall be paid out in the form of equity. 62.5% of variable remuneration is deferred over a period of up to four years. The cash component of the variable remuneration will vest on a pro-rata basis over a two-year period, whereby the first tranche will vest at date of award and the second tranche in the year after. The equity component of the variable remuneration will vest over a 4-year period on a pro-rata basis, whereby the first tranche will vest at date of award and the other tranches in subsequent years. All equity awards that vest are subject to a holding period of one year. All previously awarded and outstanding variable remuneration acts as a first loss tranche to compensate any potential operating loss of the Company. The Company's Non-Executive Directors have complete discretion to reduce or entirely forfeit any outstanding variable remuneration awards of Executive Directors in case the Company makes an operating loss. In addition, all variable remuneration is subject to malus and claw back provisions.

■ Performance criteria

Performance criteria are proposed by the Remuneration and Appointment Committee and set by the Company's Non-Executive Directors. These criteria reflect financial performance and include other quantitative and qualitative criteria related to the Company's non-financial performance. The variable remuneration awards to the Executive Directors are determined on the basis of the following principles.

- The maximum variable remuneration is set by the Company's Non-Executive Directors within the limits of the firm-wide variable remuneration pool for a given year. As set out in the Remuneration Policy, the variable component of the total remuneration is primarily a function of operating results: if there is no or insufficient profit or capital, there will be no variable remuneration. For 2023 the profit pool will be capped at 32.5% of the operating result and is directly contingent upon positive operating results.
- 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:
 - The relative ranking and proposed variable pay of the top 50 employees

- The realized scores against the company KPI score card (70% weighting)
- The realized scores against individual performance targets for the individual Executive Director (30% weighting)
- Due regard for the cap of 20 times average FTE total remuneration
- The Company KPI scorecard includes both financial and nonfinancial performance measures:
 - Median daily net trading income (NTI) normalized for volatility;
 - Normalized EBITDA margin;
 - Average return on shareholders' equity;
 - Business development and diversification index;
 - Compliance awareness score; and
 - Engagement score.
- During the year, the Non-Executive Directors discuss performance with the individual Executive Director in mid-year and year-end assessment meetings. The main messages and the year-end assessment of KPI's for the individual Executive Director are included in their year-end letter which also communicates their variable remuneration for the year.

■ Ancillary benefits and pension

Executive Directors do not receive any material ancillary benefits. The Company has not reserved or accrued any amounts to provide pension, retirement or similar benefits for Executive Directors.

■ Severance

The Company does not award severance payments to Executive Directors that exceed 100% of their annual fixed remuneration, and do not award severance payments and the Company does not intend to award such payments in the future, in case:

- (i) the Executive Director resigns voluntarily (unless this is the consequence of serious culpable act or omission (*ernstig verwijtbaar handelen of nalaten*) or failure by the Company);
- (ii) there is a serious culpable act or omission (*ernstig verwijtbaar handelen of nalaten*) by the Executive Director in the fulfilment of his or her duties; and
- (iii) of failure of Flow Traders by means of bankruptcy.