

2020 ANNUAL GENERAL MEETING – SUBMITTED QUESTIONS

MR HENK RIENKS (*translated from Dutch into English*)

***Growth in staff.** Flow Traders staff continues to grow. In 2019 by 18%, in 2018 by 10%. That Flow Traders can easily pay for it is not a good reason to have more and more staff. The starting point for Flow Traders should be the same as for all other companies. Make more sales with the same people. Or do the same job with fewer people. Work efficiently. Stop unnecessary work. Take a critical look at all activities. More turnover with the same staff is also very good at Flow Traders. Just look at the first quarter of 2020. The record turnover in that quarter did not require any additional personnel. Why does Flow Traders need more and more staff? Are you improving efficiency?*

The increase in headcount seen in the past two years has been to support our diversification initiatives. Given these investments, a conscious decision was made not to materially increase headcount in 2020. We have seen a small reduction in headcount in the first part of the year showing that this target is achieved. However, we want to highlight that given our further growth we expect this to increase again once graduate hires join in Q3 and Q4.

***Romania Office.** In Romania you only have 13 employees. Isn't that too small-scale? Shouldn't it get much bigger to get a favourable balance between costs and revenues? Make a choice now? Transferring work to Romania from other offices or is closing it better?*

By way of history, Flow Traders acquired a software developer in Cluj, Romania in 2010. Romania has a strong reputation for technology and software development. Although the office may from the outside appear small, it performs a crucial function in terms of technology and product development here at Flow Traders. We expect the number of employees in Romania to grow.

***China.** China is currently considered to be the most important and largest growth market in the world. It is an important country for many companies operating worldwide. However, I read little about China in Flow Traders' annual report. My computer found the word four times, on pages 6, 19, 20 and 21. However, I do find information there about your Hong Kong office, where you have 42 employees. But they are engaged in activities throughout East Asia, and even worldwide. How are things in China itself, for example in Shanghai? How are the interesting markets for Flow Traders developing in China? Do wealthy Chinese already invest their money in ETPs? Is the market size for ETPs, etc. in China going to be as large as it is in Europe? And just as important to Flow Traders?*

China is the largest ETP market in Asia and we are extremely interested in trading this market. This topic is very much on the agenda for the second half of this year. Recent regulatory developments mean that it foreign trading firms can establish themselves in mainland China. Having a strong presence already in Hong Kong certainly helps with this strategy.

ROBECO

Agenda Item 2.B – Accounts and Reports

Flow Traders strategy aims to expand coverage into other asset classes to drive business growth. In Q1 2020 there has been a significant market volatility following the COVID-19 outbreak across all markets and asset classes.

How did the high levels of market activity in Q1 2020 impact Flow Traders' diversification initiatives into other asset classes?

The high level of market activity confirmed our strategy as ETP trading touches all the underlying asset classes. The additional operational focus required in Q1 2020 following the COVID-19 pandemic created some minor distractions from the execution of our strategic priorities. However, we remain broadly on track.

Agenda Item 2.F – Management Board Remuneration Policy

We would like to thank you for the constructive dialogue we held with the Management and Supervisory Board on the proposed remuneration policy. Following our discussions, we recognize that the Supervisory board implemented several positive changes. However, we believe there is room for further improvement. Our questions relate to those.

Disclosure of elements in variable remuneration

From current disclosures it is difficult for shareholders to understand how variable pay allocations will be determined for each Management Board member with respect to their performance. We encourage Flow traders to disclose performance benchmarks upfront and report on concrete performance results achieved at the end of the performance period.

Can you explain how the Supervisory Board will measure the performance of Management Board members against the performance metrics included in the variable pay, as these are largely qualitative?

The performance criteria for each individual member of the Management Board has already been made available on our website. These KPIs are all equally weighted. As in previous years, the Supervisory Board will assess the performance of the Management Board at regular intervals throughout the performance year. The detailed outcomes will be reported upon in the 2020 remuneration report.

Individual variable pay caps

A remuneration policy should be structured in a way that rewards the Management Board for profit making, while remaining sustainable over the longer term when the company grows.

It is common market practice to link variable pay both to 1) a profit sharing pool and 2) individual variable pay caps, based on fixed salary or a maximum threshold. Together these provisions provide clear expectations on the possible quantum of remuneration awards. Would the Remuneration Committee consider setting a ceiling for individual variable pay?

We have always focussed on a cap for the whole of the Management Board rather than publicly capping individual Management Board members' compensation, which in our view would not further the

collegiate and performance oriented culture we seek to support. In addition, it would be next to impossible to predict individual relative performance and contribution levels and hence to meaningfully set individualised caps, not to speak of undesirable effects like perceived 'glass ceilings' for certain board members because of factors unrelated to contribution. The Supervisory Board remains open to considering all feedback received from shareholders in relation to remuneration matters.

Human Capital Management

The current remuneration policy is attractive for employees who directly add to the company's profitability given the bonus pool based on operating profit.

How does the proposed remuneration policy contribute to attract and retain the best talent for employee roles in non-profit generating departments (e.g. compliance) and to incentivize quality performance in their role?

It is important to note that the proposed remuneration policy applies to the Management Board only. For other employees, the general remuneration policy applies. Under this policy, everyone participates in the variable remuneration pool according their overall contribution to the company's performance. We have a straightforward Remuneration Policy that permits variable pay only when a profit is made. In addition, because variable remuneration is, to a large extent, deferred, it remains at risk of forfeiture if we sustain a loss. We believe this is the strongest incentive for sustainable, risk-aware behaviour for all our staff.

Agenda Item 4 – Ratification of Supervisory Board Acts

The Dutch Government prepared draft legislation requiring all Dutch listed companies to comply with a quota of at least one-third for both women and men on Supervisory Boards, probably by 2021. Flow Traders is one of the few Dutch listed companies that still has no female Supervisory Board members.

Which steps are you planning to take to increase the representation of female directors on the Supervisory Board?

Following our Equal Opportunity Policy, we provide opportunities to both female and male candidates to become a Supervisory Board member. You will note that the Supervisory Board has just nominated a female member of the Management Board solely on the strength of her competence. As we approach the 2021 AGM, we will ensure due regard to our diversity policies and potential Dutch legislation as we consider the composition of the Supervisory Board

ADD VALUE

Risk management: Diversification towards different products also brings new risks; for example, Fixed income ETFs might be more difficult to hedge because the underlying positions of a fixed income ETF might not be easily tradeable. Is the risk for Flow Traders materially different for Fixed Income and FX as opposed to ETFs? Are there any differences in holding periods for positions and chances of (temporary) losing trades?

From a risk perspective, the further diversification of trading is complimentary to the current business and it should diversify our risk profile. Our risk management processes will naturally adjust but, as always, we will remain risk conscious. We will continue to invest significantly in this area as evidenced by the recent appointment of Britta Achmann as Chief Risk Officer.

Technology: the last few years focus has been on diversifying the product range on which Flow Traders is providing liquidity, this year focus has shifted more towards efficiency as major investments in new technology platforms have been completed. Setting up a new platform always requires more staff and investments than maintaining it. What percentage of FTE are currently working on new products / platforms and does Flow Traders have a target set for this?

It is a given that different projects and initiatives are at various stages of development and hence require differing degrees of attention. We are still in the process of diversifying the product range while at the same time, we are improving the efficiency of ones we have already connected. We cannot simply go into maintenance mode, as the market and the technology continue to develop and we have to do the same. We do not focus on a generic headcount as such, but specifically on the projects and initiatives and have integrated teams. Having said that, it is fair to say that at least 33% of staff are continuously working on improvements and new markets.

The number of institutional counterparties Flow Traders trades with grew in 2019 from 1000 to over 1300 according to the annual report. Was this growth mainly in the United States or also other regions? What was the average size of these new counterparties? Is it smaller than the average size of the counterparties you were already connected to?

Growth in counterparties: in Europe (page 20 of the annual report) “we continued to grow our institutional counterparty-base substantially in 2019”: How much more room is there still to grow and where is this growth coming from? (new counterparties that didn’t exist before / smaller players / parties that only dealt with investment banks, or CPs that were only interested if you traded more products than ETPs)

We have successfully onboarded additional, new counterparties in every region, but relatively more in the US given it is a key growth market. We expect the main growth in newly connected counterparties going forward to also be driven by the US. We are not in a position to disclose any further details about our counterparty base.

In which regions Flow Traders feels it is still underrepresented in the market?

The main region where we feel we are underrepresented is in the US given the enormous size and scale of the market.

With China opening up its financial sector more, is the opportunity Flow Traders has in China

quantifiable? What market share could Flow Traders potentially take here, looking at the market structure?

China is the largest ETP market in Asia and we are extremely interested in trading this market. This topic is very much on the agenda for the second half of this year. Recent regulatory developments mean that it foreign trading firms can establish themselves in mainland China. Having a strong presence already in Hong Kong certainly helps with this strategy.

VEB (translated from Dutch into English)

Agenda item 2. a. Report by the Management Board on financial year 2019

Strategy and robust earnings model

1. Flow Traders aims to grow the business through diversification into other asset categories.

a. Why does Flow Traders believe it will be successful in this?

Given Flow Traders already trades more than 7,000 ETPs, this automatically involves all the underlying asset classes. Further diversifying our trading into other asset classes is logical as these are important trading markets which will enable Flow Traders to create further scale and efficiency. Moreover, current regulatory and technological trends and developments are also conducive for a technology-enabled liquidity provider such as ourselves.

b. Which asset categories are best suited to the activity in which Flow Traders has the most expertise (ETPs), so is the expansion of services the most likely to succeed?

We are already actively trading asset classes such as FX and Fixed Income and these are the current main focus areas and where we believe we can succeed.

c. Is it correct to note that option trading is outside the core competence of Flow Traders. If so, why would Flow Traders want to expand here and is Flow Traders happy with the progress it is making here?

Yes, option trading is outside our core activities. Our main focus with respect to diversification initiatives at present is on FX and Fixed Income.

d. Other trading houses have attempted to expand market share in ETPs in recent years. Why, in turn, would Flow Traders succeed in beating the competition (in options, for example)?

Current regulatory and technological trends are also conducive for a technology-enabled liquidity provider such as ourselves. We are already actively trading other asset classes such as FX and Fixed Income

e. According to the annual report, the ultimate goal of Flow Traders is to become a one stop shop. Why is this so important?

We are diversifying our trading into other asset classes as these are huge trading markets which will enable Flow Traders to create further scale and efficiency; thereby creating a one stop shop for liquidity provision.

f. How can shareholders assess whether diversifying growth creates shareholder value – or what financial metrics should they look to to value receivables?

The diversification strategy will lead to structural NTI growth over time and reduce earnings volatility. However, it is important to note that there will always be some volatility.

g. Will diversification help Flow Traders become more profitable if exchanges are not volatile, and should this in itself be a desirable goal for Flow Traders?

The aim is to increase structural NTI growth in low and high volatility environments.

2. Flow Traders have succeeded in substantially increasing profitability in the event of financial market turbulence.

a. To what extent does Flow Traders believe that it has anti-fragile properties – or that it is able, under all circumstances, to make more profit in volatility in financial markets?

Our track record has demonstrated our ability to increase earnings in periods of heightened market activity and volatility.

b. It is conceivable that in a short period of time Flow Traders would make such high losses that the company could be endangered. If so, what could such a scenario look like?

We recorded no loss days during the exceptional market circumstances seen in Q1 2020. This is due to our robust risk management processes as well as our pricing and hedging expertise. Indeed, we have had only one loss day in the past 5 years.

3. Flow Traders' revenue model relies heavily on the growth of trackers. However, the ETP tool has been discredited several times in recent years.

a. Last year, credit rating agency Moody's warned that due to the arrival of trading houses and the fact that banks are withdrawing, the liquidity of (certain) ETFs could leave a lot to be desired in times of financial stress. How does Flow Traders assess this criticism, and could it have a negative impact (for example through stricter regulations)?

Flow Traders and other market makers are already highly regulated in terms of their market obligations. Looking at ETPs in particular, we would argue that they offer investors a number of significant advantages and would argue that, far from being discredited, ETPs demonstrated their worth during the exceptional market circumstances seen in Q1 2020. The overall ETP ecosystem functioned as intended throughout Q1 2020 and crucially investors were able to trade at all times and the price discovery process worked well. This point was even highlighted by the Bank of England in their May financial stability report. We believe that the ETP ecosystem is a great example how financial markets should operate.

b. There is criticism that only a handful of providers dominate the ETF market and as a result become dominant in financial markets in several respects. How does Flow Traders assess this risk and are there implications of the ever increasing concentration of providers?

Globally, ETP assets under management remain a small portion of the overall investment assets under management therefore any issuer concentration should not create any issues for the financial markets. In addition, the ETP ecosystem is open.

c. In the annual report, Flow Traders reports that the trading activities of ETPs were low in 2019 because ETPs are seen as a buy and hold instrument by an increasing number of investors. Does Flow Trader expect this trend to continue?

ETP value traded is influenced by a number of factors as evidenced by the significant growth in volumes seen in Q1 2020. As ETPs mature as an asset class, it is only natural that they will become a more

established component of investors' portfolios.

4. Flow Traders is committed to growth and this is reflected in the growth of the workforce and (not capitalized) technology costs. But it is also noticeable that in 2019 investments were below depreciation (12.8 million euros investments versus 14.2 million euros depreciation).

a. Can Flow Traders (continue to) grow without additional capital investments?

Historically our investments are generally always in line with depreciation. As in previous years, we will continue to make investments to support the growth of the business. It is important to note that not all investments are capitalised.

b. According to Flow Traders, is return on equity at a consolidated level throughout the cycle a useful measure of whether the company is creating value?

Due to the volatile top line and the high dependency on underlying market circumstances, it turned out to be difficult to use return on equity as a value creation metric. In addition, there is also the difficulty of taking into account the impact of prime broker and regulatory requirements.

5. With regard to market shares, we have the following questions:

a. What is the prospect of the growth of market share with regard to the on-exchange ETP market in Europe – or is there a natural limit to this or can supervisors intervene if market shares increase?

We are already the market leader in Europe so we do not expect our market share to grow substantially going forward.

b. Is a percentage point growth in market share in Europe just as lucrative at the moment – does this create as much shareholder value – as a point growth for example five years ago – can Flow Traders indicate whether there is an increase or decrease in returns?

It is extremely difficult to answer as market share impacts vary considerably by product. Also shareholder value creation is a combination of market circumstances, value traded and competition. For example, during market circumstances such as those seen in Q1, market share in of itself becomes less a factor in driving earnings.

c. How does Flow Traders explain the apparently disappointing development of market share in Asia (see page 7 of the April 2019 CMD presentation)?

Given the highly fragmented nature of the Asian ETP markets, market share is not a meaningful metric as it is in EMEA or in the US. What is evident is that Flow Traders Value Traded in Asia has consistently increased year on year

Culture and compensation structure

6. In short, Flow Traders announced on its Capital Markets Day that the variable remuneration of traders is not only determined by the money that is (directly) earned, but that there is also a redistribution mechanism whereby all employees are eligible for a bonus. The rationale of this structure would lie in the fact that (too) large differences in compensation could lead to crooked eyes in the workplace.

a. The opposite cannot be asserted equally well. The fingering system does not lead to tensions in the workplace because traders who make a lot of profit may feel that they are not getting their fair share.

b. Can Flow Traders indicate whether, and if so to what extent, the reward method contributed to traders leaving in recent years. How does the movement of the workforce compare to other trading houses?

We have not experienced significant turnover in our trading headcount. We are not in a position to comment on the employee turnover at other trading firms.

c. In recent years, has Flow Traders considered implementing another – such as a marble system – reward methodology, and what were the reasons for not doing so in the end?

We have found that our general remuneration policy works extremely well. It is straightforward and aligned with the business, promotes prudent and risk-aware behaviour and sustainable, long-term value creation. Everyone participates in the variable remuneration pool according to their contribution to the company's performance.

d. The annual report shows that maintaining an "exceptional culture" is seen as a major challenge. To what extent is the (keeping the) current reward system intact an important part of that culture?

The current remuneration is certainly an important part of maintaining our culture as it is aligned with the business, promotes prudent and risk-aware behavior and sustainable, long-term value creation. There are other important factors as well. By developing talent in-house and maintaining a committed and substantial employee shareholder base, we have strengthened internal bonds and helped create a loyal, forward-looking team. We are proud that we create and maintain high-quality jobs, which result in a stable and trusting working environment that benefits our people.

7. In a broadcast of "Lubach on Sunday" Flow Traders was portrayed in a playful way as a profiteer of the crisis.

a. Briefly put, the broadcast made the suggestion that the profits Flow Traders makes will be eaten by (Dutch) pension funds. Does Flow traders find that criticism justified and why (not)?

In general, market makers, such as Flow Traders, have made it much cheaper and more efficient to trade over the previous decades, which benefit all investors such as insurers, asset managers, pension funds, and retail investors. Flow Traders does generate greater levels of income when trading volumes and spreads increase but this is not at a corresponding loss for investors. We do not 'win' the value that was lost during any crisis, we earn the difference between the bid and offer price in a trade. All our counterparties make a conscious decision to initiate a trade. If they do not like the price, they can pass. We have received consistent feedback from counterparties that they are happy to receive a wider spread than to receive no spread at all. By way of a reminder, the risk a market maker assumes by entering the trade, has a price. If someone can do it tighter, he/she should do so; it is an open market.

b. If Flow Traders finds the criticism unjustified, Flow Traders intends to change this view, and if so, how?

We will keep explaining our story and our positive contribution to society. In addition, we are working closely with our trade body, APT, to ensure that all stakeholders are made aware of the role market makers play to ensure the orderly functioning of global financial markets.

c. Does Flow Traders have reputational consequences for its stakeholders, especially for (attracting) talented personnel who may aspire to other career plans?

We are a regulated entity in a number of jurisdictions and perform a vital role in ensuring the orderly function of global financial markets. We can confirm that Flow Traders continues to attract the brightest talent and remains an employee of choice for many.

Agenda item 2. c. Dividend policy

8. Flow Traders says it has ample buffers and is asset light, so it needs relatively little capital to grow. What prevents Flow Traders from increasing the minimum payout percentage of 50 percent in current policies?

In line with our strategy, we will continue to invest in our technology infrastructure as well as the diversification initiatives that are already well under way. We also need to ensure we have sufficient trading capital to reflecting likely market activity levels. Consistent with our previous approach, any excess capital will be returned to shareholders either via a dividend or a share buyback. Historically, the annual payout ratio has been significantly in excess of 50%.

Agenda item 2. f. Remuneration policy for the management board

9. The VEB appreciates that Flow Traders will provide more disclosure in the remuneration policy about the bonus targets and how directors scored on this.

a. Will Flow Traders also provide shareholders with ex-ante insights into the targets used and the range of outcomes for which distributions may be made?

The performance criteria for each individual member of the Management Board have already been made available on our website. These KPIs are all equally weighted. As in previous years, the Supervisory Board will assess the performance of the Management Board at regular intervals throughout the performance year. The detailed outcomes will be reported upon in the 2020 remuneration report.

b. Will increased disclosure also apply to non-financial targets?

The performance criteria for each individual member of the Management Board has already been made available on our website. Here we have detailed both financial and non financial criteria as well as those that a quantitative vs. qualitative.

Agenda item 3: 2019 Financial statements

Ask the accountant

10. As in the previous year, determining the fair value of the financial assets and liabilities related to trading activities was a key audit matter for the accountant. With regard to the item, the following is observed by the auditor:

a. What other qualifications could the auditor have given Flow Traders' methods / estimates to determine the fair value of investments and liabilities?

This question has been answered in the presentation of the external accountant.

b. Is the accountant's qualification "reasonable" sufficient given the importance of the items to Flow Traders and the fact that they are significantly larger than equity?

This question has been answered in the presentation of the external accountant.

Agenda item 5: Proposal of appointment of Britta Achman

The notes to the agenda state that substantial one-off remuneration components will be allocated to Britta Acchman who will be appointed risk manager. This includes a one-off payment of 100,000 euros, 7,500 Flow Traders shares (value: approximately 285,000 euros) and the guarantee that the bonus for this year will amount to at least 100,000 euros. Why has Flow Traders no longer made these reward components dependent on performance targets?

Britta Achmann's joining package reflects make whole arrangements in terms of relocation costs and forfeited benefits (including share awards) from her previous employer. The shares that she has been awarded have a standard vesting schedule. Lastly, Britta's performance criteria for 2020 have already been disclosed on the company's website.