

MANAGEMENT BOARD PERFORMANCE CRITERIA 2020

This document contains the Management Board performance criteria for FY 2020 only, save for those that are commercially sensitive in nature. The Supervisory Board will determine on annual basis whether the performance criteria will be published during the performance year.

As set out in the proposed Management Board remuneration policy, eligibility for and share of the variable remuneration pool is annually assessed by the Supervisory Board, based on specific pre-determined performance criteria i.e. Key Performance Indicators (KPIs) for each Management Board member. These performance criteria and the achievement levels against these criteria will be reported in the annual Remuneration Report.

In determining the KPIs the Supervisory Board observes the following principles:

- KPIs are reviewed on a year by year basis
- KPIs are made specific for each individual role within the Management Board
- KPIs are set in line with Flow Trader’s (long- term) strategic and sustainability objectives
- KPIs can be quantitative as well as qualitative in nature
- KPIs can be financial as well as non-financial¹
- All KPIs carry roughly the same weight in the assessment of the performance of an individual Management Board member

As these are guiding in setting the performance criteria for the Management Board, for reference, please find below Flow Traders’ 2020 strategic objectives.

“Our ambition is to become the one-stop shop liquidity platform of choice in financial markets globally”



Diversify asset classes

- Expand into underlying asset classes such as Fixed Income and FX
- Add new, scalable trading strategies



Grow market share

- Expand geographical presence by making further inroads in the US and Asia
- Increase manifestation on different venues and the number of counterparties
- Continue to improve latency



Drive operational excellence

- Focus on continuous improvement
- Maximise profitability of existing strategies
- Develop proprietary software to support trading strategies
- Operate in a cost conscious and effective way



Ensure prudent risk management

- Continue to build and develop risk framework
- Comply with regulatory requirements
- Identify and minimize potential risks








Cultivate Team & Culture






- Cultivate our entrepreneurial and team-oriented company culture
- Attract and retain the right talent
- Demonstrate societal commitment and contribute to charitable goals

¹ Pursuant to clause 1:118 sub 3 of the Dutch Act on financial supervision (*Wet op het financieel toezicht*), at least 50% of the allocation of any variable remuneration has to be based on non-financial criteria






CHIEF EXECUTIVE OFFICER – Dennis Dijkstra

KPIs	Description / Measurement	Nature of the KPI	Link to Strategic Objectives	
Role modeling	<ul style="list-style-type: none"> Leadership, bringing people together, integrity 	<ul style="list-style-type: none"> N-Financial Qualitative 		Cultivate Team & Culture
Strategy Leadership	<ul style="list-style-type: none"> Driving and communicating the strategic agenda 	<ul style="list-style-type: none"> N-Financial Qualitative 		N/A
Financial performance	<ul style="list-style-type: none"> Maximizing trading results given market circumstances 	<ul style="list-style-type: none"> Financial Quantitative 		Grow market share
External relationships	<ul style="list-style-type: none"> Growing number of counterparties and quoting for issuers Quality of relationships with regulators and other important stakeholders 	<ul style="list-style-type: none"> Financial Quantitative N-Financial Qualitative 		Grow market share
Shareholder value creation	<ul style="list-style-type: none"> Outperforming P/E ratio development of (selected) peer group 	<ul style="list-style-type: none"> Financial Quantitative 		N/A
Employee engagement	<ul style="list-style-type: none"> Employee satisfaction, measured by a global survey 	<ul style="list-style-type: none"> N-Financial Qualitative 		Cultivate Team & Culture
Efficient use of resources	<ul style="list-style-type: none"> Awareness, efficiency and control of people and cash deployed 	<ul style="list-style-type: none"> Financial Quantitative 		Drive operational excellence






CHIEF TRADING OFFICER – Folkert Joling

KPIs	Description / Measurement	Nature of the KPI	Link to Strategic Objectives	
Role modeling	<ul style="list-style-type: none"> Team building, drive, integrity 	<ul style="list-style-type: none"> N-Financial Qualitative 		Cultivate Team & Culture
Strategy development	<ul style="list-style-type: none"> Input to company strategic agenda and delivering on strategic <i>trading</i> milestones 	<ul style="list-style-type: none"> N-Financial Qualitative 		N/A
New Trading Strategies	<ul style="list-style-type: none"> Development and successful deployment of new trading strategies 	<ul style="list-style-type: none"> Financial Quantitative 		Grow market share
Business performance	<ul style="list-style-type: none"> Capturing market opportunities / improving market position 	<ul style="list-style-type: none"> Financial Quantitative 		Grow market share
Product diversification	<ul style="list-style-type: none"> Increasing non-ETF trading 	<ul style="list-style-type: none"> Financial Quantitative 		Diversify asset classes
Continuous improvement	<ul style="list-style-type: none"> Optimizing set up and trading organisation 	<ul style="list-style-type: none"> N-Financial Qualitative 		Drive operational excellence

CHIEF TECHNOLOGY OFFICER – Thomas Wolff

KPIs	Description / Measurement	Nature of the KPI	Link to Strategic Objectives	
Role modeling	<ul style="list-style-type: none"> Team work, drive, integrity 	<ul style="list-style-type: none"> N-Financial Qualitative 		Cultivate Team & Culture
Strategy development	<ul style="list-style-type: none"> Input to company strategic agenda and delivering on strategic <i>technology</i> milestones 	<ul style="list-style-type: none"> N-Financial Qualitative 		N/A
Exchange competitiveness	<ul style="list-style-type: none"> Low latency 	<ul style="list-style-type: none"> Financial Quantitative 		Grow market share
Innovation	<ul style="list-style-type: none"> Automation and new technologies 	<ul style="list-style-type: none"> N-Financial Qualitative 		Drive operational excellence
Security and incidents	<ul style="list-style-type: none"> Minimized security risks and no critical gaps identified through audits 	<ul style="list-style-type: none"> Financial Quantitative 		Ensure prudent risk management
Reliability of planning	<ul style="list-style-type: none"> Timely delivery of Technology projects 	<ul style="list-style-type: none"> Financial Quantitative 		Drive operational excellence

CHIEF RISK OFFICER – Britta Achmann²

KPIs	Description / Measurement	Nature of the KPI	Link to Strategic Objectives	
Role modeling	<ul style="list-style-type: none"> Team work, continuous improvement, drive, integrity 	<ul style="list-style-type: none"> N-Financial Qualitative 		Cultivate Team & Culture
Strategy development	<ul style="list-style-type: none"> Input to company strategic agenda and delivering on strategic <i>control framework</i> milestones 	<ul style="list-style-type: none"> N-Financial Qualitative 		N/A
Control framework	<ul style="list-style-type: none"> Continue to build and improve strategic control framework 	<ul style="list-style-type: none"> N-Financial Qualitative 		Ensure prudent risk management
Prime Brokers	<ul style="list-style-type: none"> Prime broker coverage and relationships 	<ul style="list-style-type: none"> N-Financial / Financial Quantitative / qualitative 		Ensure prudent risk management
Operational and organisational efficiency	<ul style="list-style-type: none"> Automation, settlement rates, staffing 	<ul style="list-style-type: none"> Financial Quantitative 		Drive operational excellence
Regulatory adherence	<ul style="list-style-type: none"> Compliance to relevant regulations, incident management 	<ul style="list-style-type: none"> Financial Quantitative 		Ensure prudent risk management

² Provided that the shareholders approve the proposed appointment of Britta Achmann as management board member and Chief Risk Officer of Flow Traders N.V.