

Flow Traders NV Annual General Meeting 2019

Type of meeting	AGM
Company:	Flow Traders NV
Date	15:00 PM, May 8 th 2019
Location	Jacob Bontiusplaats 9, Amsterdam
Speaker	Laura Bosch (Robeco)
Opt-in members	N/A
Attendance AGM	64.57 % of stock of outstanding stock represented

Agenda items	Vote	Result (%)	
		For	Against
1. Opening and announcements	-	-	-
2a. Report of the Management Board for the financial year 2018	-	-	-
2b. Management Board remuneration	-	-	-
2c. Adoption of the annual accounts	FOR	99.97	0.03
2d. Dividend policy	-	-	-
2e. Determination of dividend	FOR	99.95	0.05
3. Discharge of Management Board members	FOR	99.35	0.65
4. Discharge of Supervisory Board members	FOR	99.38	0.62
5a. Proposal reappointment of Dennis Dijkstra as member of the Management Board and CEO	FOR	99.96	0.04
6a. Proposal reappointment of Eric Drok as member of the Supervisory Board	FOR	90.22	9.78
6b. Proposal reappointment of Roger Hodenius as member of the Supervisory Board	FOR	79.25	20.75
6c. Proposal reappointment of Olivier Bissierier as member of the Supervisory Board	FOR	99.98	0.02
7a. Authority to issue shares	FOR	99.83	0.17
7b. Authority to restrict or exclude pre-emptive rights	FOR	96.57	3.43
8. Authority to acquire own shares	FOR	97.93	2.07
9. Authority to cancel own shares	FOR	99.60	0.40
10. Auditor	FOR	99.60	0.40
11. Any other business and closing	-	-	-

2.A. Report of the Management Board for the Financial Year 2018

My name is Laura Bosch and I speak on behalf of Robeco. Firstly we congratulate Flow Traders for last year's strong financial performance, as you achieved a new business record for Net Trading Income and Net Profit.

It was discussed in the Capital Market Day that Flow Traders' preferred option is to grow the business organically. However it remains open to potential inorganic growth opportunities like acquisitions or partnerships.

- Which are the key considerations for the Board when assessing acquisitions or partnerships for non-organic growth?

In the past Flow Traders has made small acquisitions in other technology firms. Currently they operate at the forefront of the industry, thus there aren't many other companies that can be acquired as it is challenging to find other firms as innovative as theirs. If an attractive opportunity arises it will be closely assessed, however Flow Traders is confident in its organic growth capabilities.

My next three topics relate to Flow Traders' corporate governance practices.

Firstly, I would like to address how recent changes experienced at the Management Board level were communicated to shareholders.

Uncertainty prevailed in the market when the former CFO resigned in December 2018. There was lack of clarity regarding which were the next steps planned for the composition of the Management Board. We would have appreciated more disclosure on the Board composition and on the succession planning strategy considered by the Supervisory Board.

The second topic relates to the recent Management Board changes.

During last months Flow Traders moved from two Co-CEOs and 1 CFO to a new structure with one combined CEO and CFO role. This means that daily management is now concentrated in one single person.

- How does Flow Traders ensure that checks and balances in the board continue to work properly?

There is a strong second line of responsibility within the organization represented by the managers of each division. At the moment it is not being considered to appoint a new Chief Financial Officer, as the current structure of the management board is deemed adequate. Nonetheless the nominating committee will monitor the functioning of the board going forward to ensure its optimal working dynamics.

Thirdly and finally, I want to highlight the relevance of diversity at Board level.

Flow Traders is one of the few Dutch listed companies that have no female Management and Supervisory Board members.

Eumedion sent a letter to Flow Traders and other companies that did not reach the legal target of 30% female directors. Eumedion asked you to step up your efforts to achieve this target.

Research shows clearly that diverse boards make better and more robust decisions. Diverse board are also better suited to assess business risks and opportunities. We therefore strongly encourage Flow Traders to increase their board diversity in line with the 30% target.

We have two questions related to this:

- First; how will Flow Traders step up efforts to increase their board diversity?
- Second; how do you ensure that your Equal Opportunity policy results in a gender diverse board?

Flow Traders values equal opportunities across the organization and tries to recruit the best possible candidates regardless of the gender. The board composition is assessed on a regular basis and the nominating committee is convinced that the current board is sufficiently diverse in the broader sense of the term (i.e. skills, backgrounds, nationalities).

2.B. Management Board Remuneration

My name is Laura Bosch and I speak again on behalf of Robeco. The Shareholders Right Directive will require EU companies to have an annual advisory vote at their AGMs by 2021.

Shareholders benefit from more detailed disclosure on how the variable pay is being determined by the Remuneration Committee. This allows us to assess the overall design of the compensation plan. It also provides more transparency on how executive pay is aligned with corporate performance.

- We therefore encourage Flow Traders to publish the performance criteria and targets currently included in the Balanced Performance Scorecard of the boards annual bonus. Could you please comment on this request?

The remuneration committee acknowledges the relevance of the topic, however it is not planning to enhance disclosures at this stage. It is awaiting further information on the requirements before putting forward policy changes.