

CORPORATE GOVERNANCE DECLARATION 2020

Declaration of the Management Board and Supervisory Board pursuant to section 161 of the Aktiengesetz (AktG – German Stock Corporation Act)

The recommendations of the German Corporate Governance Code were largely complied with in fiscal year 2020; any departures were explained in the Declaration of Conformity. The Supervisory Board and the Management Board issued the following joint Declaration of Conformity in accordance with section 161 of the Aktiengesetz (AktG – German Stock Corporation Act) on December 10, 2020:

Since the Declaration of Conformity of December 19, 2019 until March 19, 2020, INTERSHOP Communications AG complied with the recommendations of the Government Commission on the German Corporate Governance Code in the version of February 7, 2017 ("GCGC 2017"), subject to the exceptions listed in Section 1. As of March 20, 2020, until today, the recommendations of the Government Commission on the German Corporate Governance Code in the version of December 16, 2019, ("GCGC 2019") have been complied with, subject to the exceptions listed in Section 2, and will continue to be complied with in future with these exceptions.

1. Deviations from the recommendations of the Government Commission on the German Corporate Governance Code in the version of February 7, 2017

- a) The existing D&O insurance does not include a deductible for the members of the Supervisory Board (section 3.8 of the GCGC 2017) since the Company has not been offered a policy with comparatively more favorable terms. Furthermore, the Management Board and Supervisory Board hold the view that the members of the Supervisory Board also exercise their obligations responsibly without a deductible.
- b) The Management Board ensures that measures suitable for the risk profile of the company are put into place; however, it does not have a stand-alone compliance system (GCGC 2017 paragraph 4.1.3, sentence 2) as the Management Board and Supervisory Board believe that the measures implemented within the framework of the internal control and risk management system are sufficient based on the size of the company. For this reason, a whistleblower system in accordance with GCGC 2017 paragraph 4.1.3, sentence 3 has also not set up by the company.
- c) In the remuneration reports, remuneration of the Management Board was individualized and shown based on fixed and variable components in accordance with the applicable accounting standards under the German Commercial Code. In the opinion of the Management Board and the Supervisory Board there is no requirement for an additional breakdown of remuneration components and costs or reporting of the overall achievable variable remuneration pursuant to section 4.2.5 of the Code, since the statutory individualized data already offers sufficient information about the remuneration structure and amount, and the

noting of merely a maximum and minimum amount of variable remuneration in the required form - without the context of the underlying remuneration provisions - is misleading and can thus lead to incorrect conclusions.

- d) Since the Supervisory Board has only three members, it did not constitute any committees (GCGC 2017, paragraph 5.3.1). The Supervisory Board had not determined a time limit for Supervisory Board membership, a competency profile, or a required number of independent Supervisory Board members in accordance with GCGC 2017 paragraph 5.4.1. The Supervisory Board believes that a time limit for Supervisory Board membership would not be appropriate since, in general, there is no necessary correlation between term of office, independence of the members of the Supervisory Board, and the occurrence of potential conflicts of interest. Furthermore, due to the small number of Supervisory Board members, the Supervisory Board believes that a precise definition of objectives and a competency profile would limit the selection of suitable Supervisory Board members. The Supervisory Board would like to be able to freely and flexibly decide on proposals for the composition of the Board in each specific situation and, when making nominations, took the length of service of the Board members and their independence into account on a case-by-case basis.

2. Deviations from the recommendations of the Government Commission on the German Corporate Governance Code in the version of December 16, 2019

- a) The Management Board ensures that measures suitable for the risk profile of the company are put into place; however, it does not have a stand-alone compliance system (GCGC 2019: Recommendation A.2, sentence 1) as the company believes that the measures implemented within the framework of the internal control and risk management system are sufficient based on the size of the company. For this reason, a whistleblower system in accordance with Recommendation A.2, sentence 2 of GCGC 2019 will also not be set up by the company.
- b) The Supervisory Board has not defined any specific goals and no competence profile in accordance with Recommendation C.1 of the German Corporate Governance Code 2019. The Supervisory Board believes that a precise definition of objectives and a competency profile would limit the selection of suitable Supervisory Board members. The Supervisory Board wishes to make its decisions with regard to proposals about its composition independently and freely based on the respective situation. In this context, the Supervisory Board will ensure diversity in accordance with the recommendation.
- c) The Supervisory Board has rules of procedure. However, in order to maintain confidentiality, these are not made available on the company's website (GCGC 2019: Recommendation D.1).

- d) Since the Supervisory Board has only three members, it does not form any committees (GCGC 2019: Recommendation D. 2 sentence 1). Therefore, the members and chairperson of the committees are not named in the Corporate Governance Statement (GCGC 2019: Recommendation D.2, sentence 2.)
- e) At this time, the Supervisory Board is reviewing the current remuneration regulations for the Management Board and the Supervisory Board and is comparing them with the regulations under ARUG II and the new recommendations of the GCGC 2019. The new remuneration system will be submitted as a proposed resolution to the ordinary Annual Stockholders' Meeting 2021 and will apply for the first time for fiscal year 2021 as required by law. However, at this time, no statement can be made with regard to future deviations from Recommendations G.1 to G.18 of GCGC 2019 for the compensation system. However, the company will report on this in the Remuneration Report as part of the legal regulations and explain any future deviations.

This declaration of conformity and all previous declarations have been made permanently available on the Company's website at <http://www.intershop.com/investors-corporate-governance>.

Remuneration Report

The Remuneration Report is part of the combined Group Management Report and Management Report of INTERSHOP Communications AG. In the Remuneration Report, the remuneration system of the Management Board and the Supervisory Board is explained and remuneration is individualized and shown separately based on fixed and variable components. For fiscal year 2020, the Remuneration Report will still be prepared in accordance with the recommendations of the Government Commission on the German Corporate Governance Code in the version of February 7, 2017. The Remuneration Report is shown in the Annual Report, which is available on the company's web site at <https://www.intershop.com/en/financial-reports>.

Corporate Governance Practices

Beyond the recommendation of the German Corporate Governance Code, the company does not follow any other corporate governance practices, e.g. its own code of conduct. The company considers suggestions of the Corporate Governance Code as far as possible.

Information on the Management Board's and Supervisory Board's principles of work, as well as their composition

In accordance with the fundamental principle of German company law, Intershop is subject to the dual management system, which requires the separation of the management body (Management Board) and the supervisory body (Supervisory Board). Both bodies cooperate in the management and supervision of the Company.

The **Management Board** is responsible for managing the Company with the goal of creating sustainable value. The Management Board jointly develops the Company's strategy and ensures that it is implemented in consultation with the Supervisory Board. The Management Board must manage the Company's business in accordance with the law, the Articles of Association, and the by-laws. The principle of joint responsibility applies; this means that the members of the Management Board are jointly responsible for the management of the entire Company. The principles of the Management Board's work are summarized in the By-laws of the Management Board. In particular, these by-laws govern the adoption of resolutions and the allocation of responsibilities. The By-laws of the Management Board also include a list of transactions for which the Management Board requires the Supervisory Board's approval.

The Management Board currently comprises two members. There is a Chief Executive Officer for the Management Board. The number of members of the Management Board is determined by the Supervisory Board, which can also appoint a Chairman or a Spokesperson and Deputy Chairman of the Management Board.

The Management Board provides the Supervisory Board with regular, timely, and comprehensive information about all aspects of business development that are material for the Company, significant transactions, and the current earnings situation, including the risk situation and risk management. Where business developments deviate from earlier forecasts and targets, these deviations are discussed and the reasons given in detail. The Management Board also reports regularly on compliance, i.e., the measures taken to meet legal requirements and internal guidelines, which is also the responsibility of the Management Board.

The **Supervisory Board** advises the Management Board on the management of the Company and monitors the Management Board's activities. It appoints and dismisses the members of the Management Board, resolves the compensation system for the Management Board members, and sets their total compensation. It is involved in all decisions that are of fundamental importance for the Company.

The Articles of Association stipulate that the Supervisory Board must comprise three members. Its regular term of office is five years and ends at the Annual Stockholders' Meeting that resolves the approval of the Supervisory Board's activities for the fourth fiscal year after the beginning of its term of office. It must perform its duties in accordance with the provisions of the law, the German Corporate Governance Code, the Articles of Association, and its By-laws. The Supervisory Board must be consulted on all decisions of fundamental importance for the Company. The By-laws of the Management Board therefore stipulate certain transactions – such as major investment projects, acquisitions, and employment contracts above a certain amount – that require the Supervisory Board's approval. The Chairman of the Supervisory Board represents the Supervisory Board externally and in dealings with the Management Board. He chairs the Supervisory Board meetings. No committees were established because the Supervisory Board only comprises three members. In addition to its reports at the

Supervisory Board meetings, the Management Board regularly informs the Supervisory Board about current key developments at the Company and the related measures required, as well as about the forecast for future quarters.

D&O insurance has been taken out for all members of the Management Board and the Supervisory Board; a deductible of 10% was agreed upon for Management Board members in accordance with section 93(2) sentence 3 of the AktG.

Age limit and long-term succession planning for the Management Board

The agreement with the Management Board Members stipulates that the membership on the Management Board ends when the standard limit of the statutory pension insurance is reached. For long-term succession planning, the Supervisory Board, in consultation with the Management Board, estimates the time to fill the Management Board positions, i.e. at what times in the future will it become necessary to appoint a Management Board member and how long will an existing Management Board member remain available. The defined diversity objectives and strategic corporate criteria will be considered when appointing members. For existing agreements with Management Board members, an extension of the agreement will be renegotiated with the Supervisory Board in good time before the agreement with the Management Board member expires.

Self-assessment of the work of the Supervisory Board

The Supervisory Board regularly assesses the effectiveness of the performance of its duties. The work of the Supervisory Board members is discussed several times a year at the Supervisory Board meetings. In addition, a self-assessment takes place via a questionnaire which must be answered by each Supervisory Board member at certain intervals, in the future at least every two years.

Information on setting the women's quota

Pursuant to section 111 (5) of the AktG, the resolution of the Supervisory Board dated June 21, 2017 set the target figure of women on the Management Board and the Supervisory Board at 0% by June 30, 2021, which was achieved for the 2019 reporting year. However, the Supervisory Board is endeavoring to give priority to women with the same qualifications in order to increase the percentage of women on the Supervisory Board and the Management Board.

The target figure for women on the two executive tiers below the Management Board set by the Management Board in accordance with section 76 (4) of the AktG was limited until June 30, 2021 at 26.92% by the resolution of June 21, 2017. The target figure of 26.92% was defined according to the existing percentage of women as of June 2017. Since it would be inappropriate to consider and set target figures separately for each executive tier below the Management Board, the Management Board decided to specify just one target figure for this executive tier. The target figure was reached for INTERSHOP Communications AG at the end of 2020.

Diversity Concept for Management Board and Supervisory Board

The Supervisory Board has adopted a diversity concept for the composition of the Management Board, which consists of the following elements:

- As a rule, the membership in Management Board ends when the standard limit of the statutory pension insurance is reached;
- The target figure set by the Supervisory Board for the proportion of women on the Supervisory Board in accordance with section 111(5) of the AktG;
- Management Board members should have many years of leadership experience and, if possible, have gained experience in various industries and professions;
- The Management Board members should have international management experience;
- The Chairman of the Management Board shall preferably be replaced by an existing Management Board member.

In their Declaration of Conformity, the Management Board and Supervisory Board stated a deviation from the Code's Recommendations concerning their composition with regard to a precise definition of objectives and competency profile. Thus, this declaration does not require that information on the status of implementation of these objectives in terms of Recommendation C.1 of the GCGC 2019 is included. However, in its diversity concept, the Supervisory Board stipulated the following for the composition of the Supervisory Board:

- according to its rules of procedure, the age limit for the Supervisory Board is 70 years for the appointment of new Supervisory Board members;
- the target figure set by the Supervisory Board for the proportion of women on the Supervisory Board in accordance with section 111(5) of the AktG;
- Management Board members should have many years of leadership experience and, if possible, have gained experience in various industries and professions;
- Management Board members should have international management experience;
- the Supervisory Board shall have at least two independent members.

In the opinion of the Supervisory Board members, currently, all three Supervisory Board members are independent.

Jena, December 10, 2020

INTERSHOP Communications AG

For the Management Board

Dr. Jochen Wiechen

Markus Klahn

For the Supervisory Board

Christian Oecking

Chairman of the Supervisory Board