

**CORPORATE GOVERNANCE DECLARATION 2021****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 2021; 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 14, 2021:

Since the Declaration of Conformity of December 10, 2020 to the time of this declaration INTERSHOP Communications AG has complied with the recommendations of the Government Commission on the German Corporate Governance Code in the version of December 16, 2019, ("Code") with the following exceptions and will comply with them in future with the following exceptions:

- 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 (Code 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, the company has not yet set up a whistleblower system in accordance with recommendation A.2, sentence 2 of the Code. However, the company is currently setting up a whistleblower system and will comply with this recommendation in the future.
- 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. 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 (Code Recommendation D.1).
- d) Since the Supervisory Board has only three members, it does not form any committees (Recommendation D. 2 sentence 1). Therefore, the members and chairperson of the committees are not named in the Corporate Governance Statement (Recommendation D.2, sentence 2.)
- e) The variable remuneration components for the Management Board do not include any share-based remuneration, because the granting of new shares is too costly and an obligation to purchase shares on the market is difficult to implement under insider-trading law (Code recommendation G.10).

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 for the 2021 financial year along with the auditor's report will be published on the company's website at <https://www.intershop.com/de/verguetungssystem> immediately after adoption of the resolution on the 2021 Remuneration Report by the Supervisory Board and presented to the 2022 Annual General Meeting. The applicable remuneration system for the Management Board and the Supervisory Board, approved by the annual general meeting of INTERSHOP Communications AG on May 6, 2021, is available at <https://www.intershop.com/de/verguetungssystem>.

## 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 consists of one member who is also the Chairman of 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.

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 Member 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 agreement with Management Board member, 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, but at least every two years.

## **Information on setting the women's quota**

The target figures for the proportion of women on the Management Board and the Supervisory Board were set by the Supervisory Board as per Section 111 (5) AktG by resolution of June 21, 2017 for the period until June 30, 2021 and of July 1, 2021 for the period until June 30, 2025 in accordance with the actual share of 0% and achieved for the reporting year 2021. Due to the size of the committees of three members on the Supervisory Board and one member of the Management Board, the Supervisory Board is of the opinion that a binding specification of a higher target figure is structurally not appropriate at this time, as this would restrict the selection of suitable candidates and thereby limiting the ability of the committee to act. The Supervisory Board would like to be free to adopt individual decisions in the respective situation in the interest of the company. However, the Supervisory Board will continue to make every effort to give preference to women with equal qualification, in order to increase the proportion of women both on the Supervisory Board as well as the Management Board.

The target figures for the proportion of women in the two management levels below the Management Board set by the Management Board as per Section 76 (4) AktG, were set to 26.92% for the period until June 30, 2021 by the resolution of June 21, 2017 corresponding to the existing proportion of women as of June 2017. The target figures adopted on July 1, 2021 for the period until June 30, 2025 were reassessed to 28.57% in keeping with the actual proportion of women at the management level as of June 2021. By the end of 2021 the achieved quota of 25.93% was below the target figures for INTERSHOP Communications AG, because when recruiting new managers, the positions could not be filled by women despite intensive efforts on the part of the company. Since a separate consideration and target setting for each of the two management levels below the Management Board would not be structurally appropriate, the Management Board decided to set only one target figure for this management level as a whole.

## **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 Code 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 14, 2021

INTERSHOP Communications AG

For the Management Board

Markus Klahn

For the Supervisory Board

Christian Oecking  
Chairman of the Supervisory Board