

CORPORATE GOVERNANCE DECLARATION 2022

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 2022; 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 9, 2022:

Since the Declaration of Conformity of December 14, 2021, INTERSHOP Communications AG has complied with the recommendations of the Government Commission on the German Corporate Governance Code in the version dated December 16, 2019 ("DCGK 2019") and in the version dated April 28, 2022 ("DCGK 2022") which came into effect upon publication in the Federal Gazette on June 27, 2022, with the following exceptions and will continue to comply with them in the future with these exceptions.

- a) The new recommendations A.1 and A.3 DCGK 2022 were not yet fully implemented in 2022. The Management Board is planning to develop a concept with regard to the sustainability targets in the areas of social and environmental factors so that these can be taken into account in the future in the corporate strategy and planning. It is also planned to expand the internal control system to include the sustainability-related areas.
- b) The company does not describe the essential features of the entire internal control system (Code Recommendation A.5 DCGK 2022) in its Management Report, since it considers the description with regard to the accounting process pursuant to Section 289 (4) HGB (German Commercial Code) to be adequate.
- c) The Supervisory Board does not form any committees, with the exception of the audit committee required by law in accordance with Section 107 (4) AktG (Code Recommendation D.2 and D.4 DCGK 2022, D.2 and D.5 DCGK 2019). Currently, the Supervisory Board consists of four members and is deliberately kept small in order to ensure the work of the Supervisory Board can be performed efficiently and with all members.
- d) The variable remuneration component for the Management Board does not include any share-based remuneration, since the granting of new shares and an obligation to purchase shares on the market while complying with insider-trading requirements can only be implemented with great difficulty (Code Recommendation G.10 DCGK 2022 and DCGK 2019).

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

Remuneration Report

The applicable remuneration system for the Management Board as well as the remuneration resolution for the Supervisory Board, both of which were approved and adopted by the Annual Stockholders' Meeting of INTERSHOP Communications AG on May 6, 2021, as well as the remuneration report for the financial year 2021 and the auditor's report were made publicly available on the company website at <https://www.intershop.com/de/verguetungssystem> in accordance with Section 162 AktG (German Stock Corporation Act).

Corporate Governance Practices

For Intershop the statutory regulations, the recommendations of the German Corporate Governance Code as well as internal corporate directives form part of the corporate governance. Intershop plans to prepare a Code of Conduct for employees as well as a Code of Conduct for partners and suppliers in the first quarter of 2023. These will provide an overview of legal issues relevant for our company and set standards for legally compliant and ethical conduct.

Composition and working method of the Management Board, Supervisory Board and their committees.

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.

MANAGEMENT BOARD

The Management Board is responsible for managing the Company with the goal of creating sustainable value. The Management Board 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 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, risk management and compliance. Where business developments deviate from earlier forecasts and targets, these deviations are discussed and the reasons given in detail.

In the financial year 2022, the Management Board consisted of one member, who at the same time acted as the CEO and, as of the start of the financial year 2023, of two members, the CEO and the CFO. 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.

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 agreements with Management Board members, an extension of the agreements will be renegotiated with the Supervisory Board in good time before the agreement with the Management Board member expires.

SUPERVISORY 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 Chairman of the Supervisory Board represents the Supervisory Board externally and in dealings with the Management Board. He chairs the Supervisory Board meetings.

The Articles of Association stipulate that the Supervisory Board must comprise four 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. Important issues are also discussed between the Management Board and the Supervisory Board outside the meetings via teleconferences or at strategy meetings convened at short notice. In addition, the Chairman of the Supervisory Board keeps himself regularly up-to-date on the business developments and upcoming projects.

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.

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.

Committees

The Supervisory Board of INTERSHOP Communications AG has formed an Audit Committee that includes all four members of the Supervisory Board i.e. Mr. Frank Fischer, Mr. Ulrich Praedel, Dr. Louis Velthuis and Mr. Oliver Bendig. Dr. Louis Velthuis chairs the Audit Committee. He is particularly knowledgeable and experienced in the application of accounting principles and internal control and risk management systems and is familiar with the process of auditing financial statements. Furthermore, as an additional member of the Audit Committee, the Chair of the Supervisory Board, Frank Fischer, (Member of the Supervisory Board and the Chair since December 1, 2022) and previously his predecessor, Christian Oecking, (Member of the Supervisory Board and the Chair until November 30, 2022) has expert knowledge in the fields of accounting and auditing of financial statements.

The Audit Committee discusses the assessment of the audit risks, the audit strategy and audit planning as well as the audit results with the Auditor. The Chair of the Audit Committee regularly communicates with the Auditor regarding the progress of the audit and informs the Audit Committee and the Supervisory Board on the results of these discussions.

There are no other Supervisory Board committees.

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 July 1, 2021 for the period until June 30, 2025 in accordance with the actual share of 0% and achieved for the reporting year 2022. Due to the size of the committees of four members on the Supervisory Board and one member of the Management Board in 2022, or two board members as of 2023, 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. With the appointment of a woman as a member of the Management Board as of January 1, 2023 a quota of women of 50% has been achieved.

The target figures for women on the two management levels below the Management Board, as set out by the Management Board in accordance with Section 76(4) AktG, limited to 28.57% until June 30, 2025 by the resolution of July 1, 2021, was reassessed in accordance with the actual share of women on the management level as of June 2021. At 28% the quota that was achieved by the end of 2022 was slightly below the target quota set by INTERSHOP Communications AG, since in case of new executive appointments the positions could not be filled by women despite the 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

MANAGEMENT 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.

The Management Board members implement the diversity concept adopted by the Supervisory Board.

SUPERVISORY BOARD

In the financial year 2022, the Supervisory Board adopted targets and a competence profile for its composition. This also represents the diversity concept in accordance with Section 289f (2) No. 6 German Commercial Code (HGB).

The targets for the Supervisory Board are based on statutory and corporate aspects and are as follows:

- **Comprehensive qualification**
 - The qualifications of the members of the Supervisory Board should be based on the corporate challenges and at the same time meet the statutory requirements;
 - Supervisory Board members should have many years of international management experience;
 - Supervisory Board members should have gained experience in various sectors and different professional fields.

- **Diversity**

- The statutory gender quota in the Supervisory Board is not applicable to Intershop;
- Nevertheless, it is the stated aim of the company to achieve an appropriate level of participation of women in the Supervisory Board;
- Diversity and inclusion are important basic elements in the corporate value of Intershop.

- **Independence**

- Based on its own assessment, the Supervisory Board must include an appropriate number of independent members;
- The interests of the owner are to be appropriately taken into consideration in this regard;
- Significant conflicts of interest are to be avoided;
- The Supervisory Board members are to have adequate time to exercise their duties;
- The Supervisory Board must is to include at least three independent members.

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 composition of the Supervisory Board complies with the set targets as well as the competence profile and therewith the diversity concept. Based on the assessment of the members of the Supervisory Board, currently four members of the Supervisory Board are independent from the company and the Management Board and three of the four members of the Supervisory Board are independent from the controlling shareholder. The qualification matrix shows the implementation of the competence profile.

	Accounting	Auditing expertise	IT/Digitalization	Strategy	Sales	Sustainability	M&A/Internationalization	Governance, risk management, compliance
Supervisory Board member								
Frank Fischer (since 12/01/2022) (Chairman of the Supervisory Board)	X	X	X	X	X	X	X	X
Christian Oecking (until 11/30/2022) (Chairman of the Supervisory Board)	X	X	X	X	X	X	X	X
Ulrich Prädell (Vice Chairman of the Supervisory Board)			X	X	X	X	X	
Univ.-Prof. Dr. Louis Velthuis (Member of the Supervisory Board)	X	X		X		X	X	X
Oliver Bendig (since 05/16/2022) (Member of the Supervisory Board)			X	X	X	X	X	X

Jena, January 19, 2023

INTERSHOP Communications AG
The Management Board

Markus Klahn Petra Stappenbeck

For the Supervisory Board

Frank Fischer
Chairman of the Supervisory Board