

# Updated corporate governance declaration

In this declaration, the Management Board and Supervisory Board report on the corporate governance of artnet AG in the financial year from January 1, 2023 to December 31, 2023 in accordance with Sections 289f and 315d HGB and Principle 23 of the German Corporate Governance Code in the version dated April 28, 2022.

## Declaration pursuant to § 161 AktG

The Management Board and Supervisory Board of artnet AG hereby declare in accordance with Section 161 of the German Stock Corporation Act that artnet AG has complied with the recommendations of the German Corporate Governance Code (Code) in the version dated April 28, 2022, published in the Federal Gazette on June 27, 2022, with the following exceptions since the last Declaration of Conformity dated February 1, 2023, in the version published in April 2023 and on February 3, 2024, as well as the version updated on August 8, 2024, and will continue to do so in the future.

### 1. Age limit for members of the Management Board (B.5 of the Code)

artnet AG does not consider such a regulation to be appropriate, as blanket age limits would inappropriately restrict the Supervisory Board's freedom of decision in the election of Management Board members.

### 2. Age limit for Supervisory Board members (C.2 of the Code)

artnet AG does not consider an age limit for Supervisory Board members to be appropriate, as blanket age limits would inappropriately restrict shareholders in their freedom of choice when electing Supervisory Board members.

### 3. Formation of committees (D.2, D.4 sentence 2 and D.5 of the Code)

The Supervisory Board of artnet AG consists of only three members. It therefore does not make sense for it to form committees from among its members, such as a nomination committee, especially as committees with a quorum would have to consist of at least three members. However, Section 107 para. 4 sentence 2 AktG in the version of the Act to Strengthen Financial Market Integrity (FISG) of June 3, 2021 stipulates that a three-member Supervisory Board is also the Audit Committee. Against this background, the company considers recommendations D.3 and D.4 sentence 1 of the Code regarding the formation of an audit committee, unlike in previous years. However, this is accompanied by the fact that the Chairman of the Supervisory Board of artnet AG is also the Chairman of the fictitious Audit Committee in accordance with Section 107 (4) sentence 2 AktG, which represents a deviation from recommendation D.4 sentence 2 of the Code (no personal identity of the Chairman of the Supervisory Board and the Chairman of the Audit Committee).

### 4. Recommendations on Management Board remuneration (G.1 to G.16 of the Code)

The current remuneration system for the Management Board corresponds to the employment contract currently concluded with the CEO, which has a remaining term until 2024. This system was presented to the Annual General Meeting on December 23, 2021, but was not approved by it. The Supervisory Board will take this as an opportunity to thoroughly review and revise the existing remuneration system. Objective of the Supervisory Board

The aim will also be to achieve the greatest possible conformity with the recommendations of the Code, to comprehensively reflect the expectations of artnet AG's shareholders and other stakeholders and to provide even more holistic incentives to promote the business strategy and the long-term development of the company. It is intended that the remuneration system reviewed and revised in this way will then be presented again to the 2022 Annual General Meeting for approval.

## **5. Publication of financial information (F.2 of the Code 2022)**

The consolidated financial statements and the Group management report for the 2023 financial year could not be published within 90 days of the end of the 2023 financial year, as recommended. In addition, the quarterly statement for the first quarter of 2024 and the half-year financial report for the 2024 financial year will not be published within 45 days of the end of the [respective] reporting period, as recommended.

The continuation of the productions are successions in the consolidation of the consolidated financial statements.

The publications will be made as soon as possible. With regard to the publication of future financial information, it is intended to follow recommendation F.2 of the Code again.

Berlin, August 2024

Jacob PabstDr

. Pascal Decker

The Executive BoardFor

the Supervisory Board"

This declaration of conformity and the declarations from previous years are available on the company's website at <http://www.artnet.de/investor-relations/>.

## **Remuneration of organs**

### ***Remuneration report***

The Act Implementing the Second Shareholders' Rights Directive of December 12, 2019 ("ARUG II") has introduced a number of changes regarding the remuneration of members of the Management Board and Supervisory Board of listed companies. These include the requirement for the Management Board and Supervisory Board to prepare a joint remuneration report in accordance with Section 162 AktG, which must then be submitted to the Annual General Meeting for approval. According to the relevant transitional law, this regulation is to be applied for the first time for the financial year beginning after December 31, 2020, in the case of artnet AG for the first time for the 2021 financial year. artnet AG's Management Board and Supervisory Board will therefore submit a remuneration report for the 2021 financial year, prepared and audited in accordance with Section 162 AktG, to the upcoming 2022 Annual General Meeting for approval.

### ***Remuneration system for members of the Management Board***

ARUG II also introduces new requirements for the system of Management Board remuneration, both in terms of form and content. The main focus here is that the remuneration structure in listed companies must be geared towards the sustainable and long-term development of the company. In addition, the Annual General Meeting of the listed company is required to approve each significant

The Supervisory Board resolves on the approval of the remuneration system for the members of the Management Board as presented by the Supervisory Board at least every four years. In addition, there is the 2019 Code, which in turn makes numerous new recommendations and suggestions regarding Executive Board remuneration. As outlined in the declaration of compliance, the remuneration system was presented to the Annual General Meeting on December 23, 2021, but was not approved by it. This existing remuneration system is available on the company's website at [●]. The Supervisory Board will review and revise the existing remuneration system in detail. The revised remuneration system will then be submitted again to the 2022 Annual General Meeting of artnet AG for approval. The adjusted remuneration system for the Management Board will be announced when the Annual General Meeting is convened and will also be published on the company's website when the meeting is convened. Following approval, the approval resolution and the remuneration system will also be published on the company's website and kept publicly accessible free of charge for the duration of the validity of the remuneration system, but for at least ten years.

### ***Remuneration of the members of the Supervisory Board***

ARUG II also means that in listed companies, the Annual General Meeting must pass a resolution on the remuneration of Supervisory Board members at least every four years, whereby a resolution confirming the existing remuneration is sufficient. The remuneration of the members of the Supervisory Board set out in Article 17 (1) and (2) of the Articles of Association consists structurally of fixed remuneration, which is increased appropriately for the Chairman and Deputy Chairman of the Supervisory Board. The 2021 Annual General Meeting passed a resolution on the remuneration of the Supervisory Board members and confirmed it. The remuneration resolution is available on the company's website at [●].

## **Management Board of artnet AG**

The Management Board is responsible for managing the business of artnet AG. It develops the corporate strategy, discusses it with the Supervisory Board and ensures its implementation. Its actions and decisions are based on the law and the Articles of Association as well as the interests of artnet AG. In doing so, it is committed to sustainably increasing the value of the company. It informs the Supervisory Board regularly, promptly and comprehensively about all issues of relevance to the company relating to strategy, planning, business development, the risk situation, risk management and compliance.

The Articles of Association of artnet AG stipulate that the Management Board shall consist of one or more persons. Currently, the Board of Directors of artnet AG consists of one member, Mr. Jacob Pabst. A Management Board consisting of one member has proven its worth in the past.

The Supervisory Board has issued a catalog of transactions requiring the approval of the Management Board.

Together with the Management Board, the Supervisory Board ensures long-term succession planning. The current contract of the Management Board runs until July 1, 2024. The parties will decide on an extension or succession planning with sufficient advance notice before the contract expires in order to ensure that the company is managed responsibly in the long term.

## **Supervisory Board of artnet AG**

### ***Tasks, rights and obligations***

The Supervisory Board of artnet AG monitors the management of the company by the Management Board.

Monitoring extends to the Management Board's management decisions with regard to their legality, expediency and economic efficiency. In addition, the Supervisory Board reviews the annual financial statements, the consolidated financial statements, the management report and the Group management report, taking into account the auditor's reports. Finally, the Supervisory Board is responsible for appointing the Management Board, concluding the employment contract with it, drawing up the remuneration system for the Management Board, submitting this system to the Annual General Meeting for approval and finally determining or agreeing the specific, individual remuneration in accordance with and within the framework of this remuneration system.

All members of the Supervisory Board have the same rights and obligations. They are not bound by orders or instructions. They are solely obliged to act in the interests of artnet AG. In their decisions, they may therefore neither pursue personal interests nor take advantage of business opportunities to which the company is entitled. Each member of the Supervisory Board must disclose any conflicts of interest to the Supervisory Board without delay. Each member of the Supervisory Board must maintain confidentiality regarding confidential information and secrets of artnet AG, in particular trade and business secrets, confidential reports and confidential consultations.

### ***Size and composition of the Supervisory Board***

#### *Size of the Supervisory Board*

The Articles of Association stipulate that the Supervisory Board of artnet AG consists of a total of three members. It is not subject to co-determination, i.e. its three members are all elected by the Annual General Meeting.

#### *Term of office*

The Articles of Association also stipulate that the election of Supervisory Board members is subject to a deviating resolution by the Annual General Meeting for the period until the end of the Annual General Meeting that resolves on the discharge for the fourth financial year after the start of the term of office; the financial year in which the term of office begins is not included in this calculation. As a rule, however, the Supervisory Board's election proposals and the subsequent resolutions passed by the Annual General Meeting do not exhaust this maximum term of office, but rather provide for significantly shorter terms of office. The current terms of office of all three incumbent Supervisory Board members have been running since the Annual General Meeting in December 2020 and will continue until the end of the Annual General Meeting in 2022.

#### *Requirements for the composition*

The Supervisory Board must be composed in such a way that its members as a whole have the knowledge, skills and professional experience required to properly perform their duties. In addition, the Code recommends that the Supervisory Board should specify concrete objectives for its composition and draw up a profile of skills and expertise for the entire board. In doing so, it should also pay attention to diversity. Proposals by the Supervisory Board to the Annual General Meeting should take these objectives into account and at the same time strive to fulfill the competence profile for the entire Board.

Accordingly, the Supervisory Board has decided that its own composition should be based on the following objectives:

**Diversity:** In its composition, the Supervisory Board pays attention to complementary profiles and professional backgrounds and CVs. Attention is also paid to gender representation.

**International experience:** At least one member should have experience in the international art market in order to be able to adequately assess the Group's global activities.

Independence: artnet AG operates in an extremely competitive market environment. For this reason, members of the Supervisory Board should not perform any executive or advisory functions for the company's main competitors.

In addition, a skills profile has been drawn up for the entire Board, which includes the following skills:

Ability to understand and draw conclusions from monthly business performance reports and annual financial statements.

General knowledge of the key factors in online trading and the media and art sector. General knowledge of strategy and business planning and its implementation.

the ability, legality, expediency and efficiency of the business activities and -decisions.

General knowledge of risk management, corporate governance and compliance.

According to its own assessment, the Supervisory Board met these objectives for its own composition and this competence profile throughout the 2021 financial year.

#### *Members of the Supervisory Board*

The members of the Supervisory Board are listed in the 2021 Annual Report, which also contains information on their membership of other statutory supervisory boards and comparable domestic and foreign supervisory bodies of commercial enterprises.

#### ***Independence of the Supervisory Board members***

##### *Concept of independence*

The 2019 Code contains fundamentally revised recommendations on the independence of Supervisory Board members. According to these recommendations, the Supervisory Board should include what it considers to be an appropriate number of independent members on the shareholder side - also taking into account the ownership structure. It also states that a member is to be considered independent within the meaning of this recommendation if he or she is independent of the company and its Management Board as well as of a controlling shareholder. There are therefore two different perspectives: On the one hand, it is a matter of sufficient independence from the company and its Management Board, and on the other hand, it is a matter of sufficient independence from any controlling shareholder (with a shareholders' resolution, an absolute majority of votes or a "controlling majority at the Annual General Meeting"). Such a controlling shareholder does not exist at artnet AG, so that the following will only deal with the independence of the Supervisory Board members from the Management Board and the company.

##### *Independence from the company and its Management Board*

The 2019 Code recommends that more than half of the shareholder representatives on the Supervisory Board should be independent of the company and its Management Board. A Supervisory Board member is independent in this sense if he or she has no personal or business relationship with the company or its Management Board that could give rise to a material and not merely temporary conflict of interest. It is expressly left to the shareholder side of the Supervisory Board itself to assess the independence of the individual members. Four so-called indicators that may point to a lack of independence must be taken into account, namely (i) membership of the Management Board within the last two years prior to appointment to the Supervisory Board; (ii)

significant business relationships with the company or a company dependent on it, e.g. as a customer, supplier, lender or consultant; (iii) close family ties to a member of the Management Board and (iv) membership of the Supervisory Board for more than twelve years. All criteria relate to both the Supervisory Board member himself and his close family members.

The Supervisory Board of artnet AG is not subject to corporate co-determination. There are therefore no employee representatives on the Supervisory Board, only shareholder representatives who are elected by the Annual General Meeting. In the opinion of the Supervisory Board of artnet AG, the Supervisory Board members Dr. Pascal Decker and Prof. Dr. Michaela Diener are independent; they therefore have no personal or business relationship with artnet AG or its Management Board that could give rise to a material and not merely temporary conflict of interest. In the opinion of the Supervisory Board of artnet AG, more than half of its members are therefore independent of the company and its Management Board.

#### *Appropriate number and naming of independent Supervisory Board members*

The 2019 Code also recommends that the corporate governance statement should provide information on what the shareholders consider to be an appropriate number of independent shareholder representatives as well as the names of these members. In the opinion of the Supervisory Board of artnet AG, it is appropriate for its three-member, co-determination-free Supervisory Board to have at least two independent members - also taking into account the ownership and shareholder structure of the company, which does not have a controlling shareholder. In the opinion of the Supervisory Board, the Supervisory Board members Dr. Pascal Decker and Prof. Dr. Michaela Diener are currently to be regarded as independent, as explained above.

#### **Rules of procedure**

The Supervisory Board of artnet AG has adopted rules of procedure. The company has made these available on its website at <http://www.artnet.de/investor-relations/>.

#### **Self-assessment**

The Supervisory Board of artnet AG regularly assesses how effectively it fulfills its duties. In the 2021 financial year, the Supervisory Board again reviewed the efficiency of its activities as part of such a self-assessment. This took place as part of the regular Supervisory Board meetings. This self-assessment revealed that the organization and work are considered to be efficient, The Supervisory Board is responsible for the organization and structure of meetings, the scope of documents and the flow of information, among other things.

#### **Committees of the Supervisory Board**

The Supervisory Board has not formed any committees for the reasons stated in the declaration of conformity cited above. However, in accordance with Section 107 (4) sentence 2 AktG in the version of the Act to Strengthen Financial Market Integrity (FISG) of June 3, 2021, the three-member Supervisory Board of artnet AG is considered an audit committee.

#### **Target figures for the proportion of women**

artnet AG is a listed stock corporation, but is not subject to co-determination. This means that there is no statutory gender quota for either the Supervisory Board or the Management Board of artnet AG.

is relevant. Instead, artnet AG itself must set targets for the proportion of women and corresponding deadlines for their achievement.

The Supervisory Board has set the target to be achieved for the proportion of women on the Supervisory Board of artnet AG at 0%. The Supervisory Board consisted of one woman and two men throughout the 2021 financial year, meaning that the agreed target for the proportion of women was exceeded. The Supervisory Board will decide again on the target to be achieved for the proportion of women on the Supervisory Board of artnet AG by June 21, 2022 at the latest.

The Supervisory Board has set the target figure to be achieved for the proportion of women on the Management Board of artnet AG at 0%. The current model of a sole Management Board at artnet AG is to be retained, which is why a higher target figure would mean too little flexibility. The Supervisory Board will decide again by June 21, 2022 at the latest on the target figure to be achieved for the proportion of women on the Management Board of artnet AG.

As there are no management levels below the Management Board in the company, the Management Board is not obliged to set corresponding targets for the proportion of women in the top two management levels.

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