

# 2023

Corporate Governance  
Statement

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# Corporate Governance Statement

The Corporate Governance Statement pursuant to Sections 289f, 315d of the German Commercial Code (*HGB*) includes, among other things, the Declaration of Conformity with the German Corporate Governance Code in the current version of 28 April 2022, as published by the Federal Ministry of Justice and Consumer Protection in the official section of the Federal Gazette on 27 June 2022 (hereinafter also referred to as German Corporate Governance Code abbreviated to "GCGK 2022") as of the time of its publication, a link to the website on which the remuneration report for the financial year 2023, including the auditor's report pursuant to Section 162 of the German Stock Corporation Act (*AktG*), the applicable remuneration system pursuant to Section 87a (1) and (2) sentence 1 AktG and the last remuneration resolution pursuant to Section 113 (3) AktG are made publicly available, information on significant corporate governance practices and the working methods of the Management Board and Supervisory Board as well as the composition and working methods of the committees, information on the target quotas for the proportion of women in management positions, on the diversity concept for the Management Board and Supervisory Board and further information on corporate governance. The Corporate Governance Statement is summarized for flatexDEGIRO AG and the Group. Accordingly, the statements apply equally to flatexDEGIRO AG and the Group, unless otherwise stated below. In doing so, we pursue the goal of keeping the presentation of the Company's management clear and concise.

Pursuant to Section 317 para. 2 sentence 6 HGB, the auditor's review of the disclosures pursuant to Sections 289f and 315d HGB is to be limited to whether the disclosures have been made.

## Declaration of Conformity by the Management Board and Supervisory Board pursuant to Section 161 of the German Stock Corporation Act (AktG)

The central aspects of corporate management, control and transparency in Germany are summarized in the German Corporate Governance Code. The first version of the German Corporate Governance Code was presented in February 2002. Since then, the Code has been updated several times. The Government Commission on German Corporate Governance is responsible for the formulation and further development of the Code ([www.dcgk.de/en](http://www.dcgk.de/en)).

The Code is based on legal requirements, primarily from the German Stock Corporation Act. It contains comprehensive recommendations for the cooperation between the Management Board and the Supervisory Board, for transparent communication with the capital market and for the protection of shareholder interests. The Management Board and Supervisory Board of flatexDEGIRO AG comment on the requirements of this Code in accordance with Section 161 of the German Stock Corporation Act (*AktG*) as part of an annual Declaration of Conformity. In case of changes regarding the underlying facts of the conformity statement, the Declaration of Conformity will be amended throughout the year.

*Management Board and Supervisory Board have passed the following Declaration of Conformity on 21 March 2024:*

### **Declaration of Conformity of flatexDEGIRO AG on the German Corporate Governance Code**

The Management Board and Supervisory Board of flatexDEGIRO AG hereby declare in accordance with Section 161 (1) sentence 1 of the German Stock Corporation Act (*Aktiengesetz*) that since the last declaration pursuant to Section 161 of the German Stock Corporation Act was issued on 24 March 2023, apart from the following exceptions, all recommendations of the Government Commission on the German Corporate Governance Code in the current version of 28 April 2022 ("**GCGC 2022**") published by the (then) Federal Ministry of Justice and Consumer Protection in the official section of the Federal Gazette on 27 June 2022 have been complied with or will be complied with in the future:

Pursuant to **recommendation A.1**, the Management Board shall systematically identify and assess the risks and opportunities associated with social and environmental factors, as well as the ecological and social impacts of the enterprise's activities. In addition to long-term economic objectives, the corporate strategy shall also give appropriate consideration to ecological and social objectives. Corporate planning shall include corresponding financial and sustainability-related objectives.

The Company declares a deviation from recommendation A.1 insofar, as the recommendation was just recently adopted into the GCGK 2022 and is hence not yet fully implemented.

**Recommendation A.3** stipulates, that internal control system and the risk management system shall also cover sustainability-related objectives, unless required by law anyway. This shall include processes and systems for collecting and processing sustainability-related data.

The Company declares a deviation from recommendation A.3 insofar, as the recommendation just recently adopted by the GCGK 2022 is - as far as such implementation was not already required by law anyway - not yet fully implemented with respect to the internal controlling system and the risk management system.

Pursuant to **recommendation B.5**, an age limit shall be specified for members of the Management Board and disclosed in the Corporate Governance Statement.

The age of all of the Company's Management Board members is well below retirement age. Thus, an age limit with respect to the persons currently appointed to the Management Board would have no relevance. The Company also deems an age limit unreasonable for Management Board members - furthermore, an age limit would also be in conflict with the diversity guidelines. Therefore, the Company declares a deviation from recommendation B.5 for the past and for the future.

**Recommendation C.1** stipulates, that the Supervisory Board shall determine specific objectives regarding its composition, and shall prepare a profile of skills and expertise for the entire Board while taking the principle of diversity into account. The Supervisory Board's skills and expertise profile shall also comprise expertise regarding sustainability issues relevant to the enterprise. Proposals by the Supervisory Board to the General Meeting shall take these objectives into account, while simultaneously aiming at fulfilling the overall profile of required skills and expertise of the Supervisory Board. The implementation

status shall be disclosed in the form of a qualification matrix in the Corporate Governance Statement. This statement shall also provide information about what the shareholder representatives on the Supervisory Board regard as the appropriate number of independent Supervisory Board members representing shareholders, and the names of these members.

With the aspects of the Supervisory Board's expertise profile also encompassing sustainability issues and a qualification matrix, the updated recommendation C.1 under the GCGK 2022 stipulates new elements. The Company is in the process of fulfilling these new requirements. However, at the present time, these new requirements are not fully met. Hence, the Company declares a partial deviation from recommendation C.1

According to **recommendation D.10**, the audit committee should discuss the audit risk assessment, the audit strategy and audit planning as well as the audit results with the auditor. The Chairman of the audit committee should regularly discuss the progress of the audit with the auditor and report on this to the committee. The audit committee should also regularly consult with the auditor without the Management Board.

The Company declares a deviation from recommendation D.10 insofar as the Joint Audit and Risk Committee typically consults with the auditor in the presence of the Management Board. This is done in the interests of efficiency of the meetings at which the Management Board is available to the Joint Audit and Risk Committee for information in the presence of the auditor. The Joint Audit and Risk Committee always had the option of holding "Closed Sessions" to discuss any more sensitive issues. However, this was not considered necessary.

Pursuant to the **recommendations F.2**, the consolidated financial statements and the group management report shall be made publicly accessible within 90 days from the end of the financial year, while mandatory interim financial information shall be made publicly accessible within 45 days from the end of the reporting period.

This recommendation deviates from the rules of the Deutsche Börse AG as well as of the German Commercial Code (*HGB*) respectively of the German Securities Trading Act (*WpHG*). The Company chooses to be compliant with the rules set out by Deutsche Börse AG and the German Commercial Code respectively the German Securities Trading Act. The Company therefore declares a deviation from recommendation F.2 of the Code for the past and future.

**Recommendation G.17** stipulates, that the remuneration of Supervisory Board members shall take into account, in an appropriate manner, the higher time commitment of the Chair and the Deputy Chair of the Supervisory Board as well as of the Chair and the members of committees.

Pursuant to § 14 paragraph 1 of the Company's Articles of Association, the Supervisory Board members shall receive an annual remuneration payable after the end of the financial year. The amount of such annual remuneration is subject to the Annual General Meeting's resolution. The Annual General Meeting dated 17 May 2022 has reconfirmed the previously passed increased remuneration for the Chairperson of the Supervisory Board. In addition, an increased remuneration exclusively for the Chairperson of the Audit Committee was approved from the financial year 2022 onwards. The other members of the Supervisory Board do not receive an additional remuneration, even if they are members in committees. Pursuant to §

14 paragraph 1 of the Company's Articles of Association, the most recently resolved remuneration will remain valid until the Annual General Meeting amends the remuneration by passing a resolution.

With respect to recommendation G.17, the Company therefore declares a deviation to the extent that – based on the 17 May 2022 Annual General Meeting's decision – as of the beginning of the financial year 2022, only the Chairperson of the Supervisory Board and the Chairperson of the Audit Committee as well as the Chairperson of the Supervisory Board, also serving as Chairperson of the Nomination Committee and the Remuneration Control Committee receive a higher remuneration than the other members of the Supervisory Board due to higher time commitment.

The respective current Declaration of Conformity of flatexDEGIRO AG within the meaning of Section 161 of the German Stock Corporation Act (*AktG*) based on the German Corporate Governance Code in its version of 28 April 2022, will be published continuously by the Management Board and the Supervisory Board on the website of flatexDEGIRO AG at:

<https://flatexdegiro.com/en/investor-relations/corporate-governance>

## Remuneration report / Remuneration system

The remuneration report for the financial year 2023 with the auditor's report in accordance with Section 162 AktG will be made publicly available at the following link following its approval by the Annual General Meeting in the financial year 2024:

<https://flatexdegiro.com/en/investor-relations/corporate-governance>,  
there under "Regular reporting 2023".

The remuneration system for the members of the Management Board in accordance with Section 87a (1) and (2) sentence 1 AktG was adjusted during the reporting year. At the beginning of the reporting year, the remuneration system for the members of the Management Board already approved by the Annual General Meeting 2021 on 29 June 2021, including the corresponding resolution of the Annual General Meeting, applied. Both are publicly available via the following link:

<https://flatexdegiro.com/en/investor-relations/corporate-governance>  
see under "Other relevant documents 2021".

The aforementioned remuneration system was replaced by the remuneration system for the members of the Management Board applicable in the reporting year from 24 April 2023 and approved by the Annual General Meeting 2023 on 13 June 2023. This, together with the relevant resolution of the Annual General Meeting, is publicly available at the following link:

<https://flatexdegiro.com/en/investor-relations/corporate-governance>  
see under "Other relevant documents 2023".

The applicable remuneration system for the Supervisory Board in accordance with Section 113 AktG, including the relevant resolution of the Annual General Meeting on 17 May 2022, is publicly available at the following link:

<https://flatexdegiro.com/en/investor-relations/corporate-governance>

see under "Other relevant documents 2022".

## Corporate Governance Practices applied beyond statutory legal requirements

### German Corporate Governance Code

Beyond the legal requirements of German stock corporation and capital market law, flatexDEGIRO AG has complied (since the publication of the previous declaration of conformity was issued on 24 March 2023) and continues to comply with the recommendations of the German Corporate Governance Code in its version of 28 April 2022, with the exceptions disclosed and explained in the Declaration of Conformity.

### Code of Conduct and ethical principles

Our Code of Conduct, which also forms the basis of our compliance management system, contains, among other things, clear instructions for dealing with and maintaining relationships with customers, suppliers, investors and competitors and sets out measures to prevent conflicts of interest, bribery, granting of advantages, prevention of money laundering and market abuse. It also contains information on diversity and human rights and explains the whistleblower system. The Code of Conduct is published on the website of flatexDEGIRO AG.

<https://flatexdegiro.com/en/responsibility/compliance-governance>

### Company policies

With its Company policies, flatexDEGIRO AG ensures that existing laws are complied with and entrepreneurial risks are avoided.

Since the Company policies are valid company-wide and for all employees, the Company policies simultaneously assume a protective function for the employees, the assets and not least the Company's reputation. The Company policies and other Company regulations are available to all employees on the Company's intranet.

## Working methods of the Management Board and Supervisory Board as well as the composition and working methods of the Committees

As of 31 December 2023, the Management Board consisted of the following members<sup>1</sup> :

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<sup>1</sup> Before 31 December 2023, there were further changes in departmental responsibilities during the financial year 2023.

**Frank Niehage, Chairman of the Management Board (CEO)**, responsible for Legal, Human Resources, Compliance, Internal Audit, Group Internal Controls, Press/Communication and Marketing.

**Dr Benon Janos, Member of the Management Board (CFO)**, responsible for Finance, Investor Relations, Risk Management, ICT Risk Management, Business Intelligence, Outsourcing Management.

**Stephan Simmang, Member of the Management Board (CTO)**, responsible for IT, IT Security, Authorisation Management, Data Protection, Product Management / B2B, Project Management, Adjustment Processes and Organisation / Process Management.

The Management Board manages the Company's business and is bound by the interests and business policy principles of the Company in accordance with the provisions of the German Stock Corporation Act. The allocation of responsibilities of the Management Board is set out in the schedule of responsibilities.

The Management Board reports to the Supervisory Board regularly, promptly and comprehensively on all key issues relating to business development, corporate strategy and potential risks.

As a rule, the Management Board attends the meetings of the Supervisory Board and its committees; the Management Board reports on the individual agenda items and draft resolutions and answers the questions of the individual Supervisory Board and committee members. The Supervisory Board also regularly meets without the Management Board at times. If the auditor is called in as an expert at Supervisory Board meetings, the Management Board only participates in this meeting if the Supervisory Board deems its participation necessary.

The Management Board has not established any committees.



## Supervisory Board

As of 31 December 2023, the Supervisory Board of flatexDEGIRO AG consisted of the following members, all of whom are shareholder representatives:

**Martin Korbmacher (Chairman)**, also serving as Chairman of the Supervisory Board of flatexDEGIRO Bank AG (as an additional mandate at a Group Company); currently also Managing Director of Event Horizon Capital & Advisory GmbH, arsago ACM GmbH and arsago Ventures GmbH.

**Stefan Müller (Deputy Chairman)**, also serving as a member of the Supervisory Board of flatexDEGIRO Bank AG (as an additional mandate at a Group Company); furthermore Chairman of the Supervisory Board of Heliad AG (trading as FinLab AG prior to 13 October 2023); also Head of Finance and General Representative of Börsenmedien AG, General Representative of BF Holding GmbH and GfBk Gesellschaft für Börsenkommunikation mbH, as well as Managing Director of Panthera AM GmbH.

**Herbert Seuling (member)**, also serving as Deputy Chairman of the Supervisory Board of Heliad AG (trading as FinLab AG prior to 13 October 2023); furthermore Managing Director of M & S Monitoring GmbH.

**Aygül Özkan (member)**, also Deputy Chairwoman of the Supervisory Board of flatexDEGIRO Bank AG (as an additional mandate at a Group Company); furthermore member of a comparable domestic control body within the meaning of Section 125 (1) sentence 5 AktG in the form of the Advisory Board of Privatbank Donner & Reuschel Aktiengesellschaft and member of the Advisory Board of ERIC Group GmbH, Berlin; furthermore Managing Director of Zentraler Immobilien Ausschuss (ZIA) e.V. and lawyer.

**Britta Lehfeldt**, since 22 June 2023 (elected by the Annual General Meeting on 13 June 2023), also serving as a member of the Supervisory Board of flatexDEGIRO Bank AG (as an additional mandate at a Group Company).

In the opinion of the shareholder representatives on the Supervisory Board, all five members (named above) are currently independent within the meaning of the German Corporate Governance Code as amended on 28 April 2022.

The central task of the Supervisory Board is to advise and monitor the Management Board. Unless the Annual General Meeting decides on a shorter term for individual Supervisory Board members to be elected by it or for the entire Supervisory Board, Supervisory Board members are elected for a maximum of five years.

The Supervisory Board holds regular meetings; at least four Supervisory Board meetings are held each year (in 2023 there were a total of nineteen, six ordinary and thirteen extraordinary). An invitation and an overview of all agenda items are sent to the members of the Supervisory Board in good time before each meeting. This is supplemented by reports and information on the individual items as well as detailed documentation on the proposed resolutions.

Resolutions of the Supervisory Board are generally passed in face-to-face meetings. Meetings held in writing, by telephone or using other customary means of communication (e.g. video conference or email) or combinations of these, and resolutions adopted at such meetings, or the participation of individual members

of the Supervisory Board at meetings and resolutions adopted at such meetings using customary means of communication or combinations of these, are permitted if the Chairman of the Supervisory Board determines this for the individual case, taking into account a reasonable period of notice. A resolution of the Supervisory Board in accordance with this paragraph is always permissible if all members participate in the meeting, unanimously waiving all formal and deadline requirements.

Outside of meetings, resolutions may be passed in writing, by telephone or by other customary means of communication (e.g. email) or a combination of these if the Chairman of the Supervisory Board determines this for the individual case, taking into account a reasonable period of notice. Resolutions may always be passed in writing, by telephone or by other customary means of communication (e.g. email) or a combination of these if the resolution is passed unanimously with all available votes.

In view of the efforts to save energy and the resulting reduction in travelling, which appear to make sense for society as a whole and also make sense from a sustainability perspective, meetings of the Supervisory Board were also held by video conference in many cases in the financial year 2023 and also until the adoption of this declaration.

Each year, the Supervisory Board explains the activities of the Supervisory Board in the previous financial year in its report to the Annual General Meeting, which also forms part of the Annual Report. The report of the Supervisory Board for the financial year 2023 also contains information on committee work.

The Supervisory Board regularly assesses how effectively it and its committees fulfil their duties (self-assessment in accordance with recommendation D.12 GCGC). This self-assessment was carried out for the financial year 2023 with regard to the Supervisory Board, the Joint Risk and Audit Committee (*Gemeinsamer Risiko- und Prüfungsausschuss*), the Nomination Committee and the Remuneration Control Committee on 12 December 2023. It was carried out in each case with the help of assessment forms created specifically for this purpose and covered, among other things, the organisational, personnel and content-related performance of the committee, the structure and processes of cooperation within the committee and the provision of information, in particular by the Management Board. Overall, the work of the Supervisory Board and the aforementioned committees was assessed as efficient and rated positively. The results also confirm the efficient organisation and conduct of meetings and the appropriate provision of information.

As before, no age limits have been set for the Management Board. In the reporting year, the average age of the members of the Management Board ranged from 51 to 57, meaning that the average age in the reporting year was 54, which is well below retirement age. In view of the fact that the majority of Management Board contracts are valid until 31 May 2025, an age limit would therefore be irrelevant for the Management Board members appointed in the reporting year. The age limit for Management Board members would also contradict the diversity concept. With regard to Supervisory Board members, the Supervisory Board already stipulated in January 2021 that they should not be older than 70 at the time of their appointment and that there should be a difference of at least 10 years between the ages of the youngest and oldest Supervisory Board members. This rule is intended to ensure that as diverse a spectrum of life experience as possible is represented on the Supervisory Board.

## Description of the procedure for long-term succession planning for the Management Board

The Nomination Committee and the Company's Supervisory Board work together with the Management Board to ensure long-term succession planning for the Management Board. In addition to the requirements of the German Stock Corporation Act, the German Corporate Governance Code and the Supervisory Board's rules of procedure, long-term succession planning also takes into account the criteria set out in the diversity concept adopted by the Supervisory Board for the composition of the Management Board. To this end, Mr. Korbmayer, as Chairman of both the Nomination Committee and the Supervisory Board, consults with the respective members of the Management Board about their willingness to continue their respective mandates well in advance and generally no later than one year before the end of their respective terms of office. The Nomination Committee and the Supervisory Board also continuously review whether the composition of the Management Board remains as favourable as possible. To this end, the Chairman of the Supervisory Board and the Nomination Committee discuss with the Chairman of the Management Board in particular which knowledge, experience and professional and personal skills should be present on the Management Board, also with a view to the strategic development of the Company and any changes in the regulatory environment or changing sustainability requirements, and to what extent the Management Board is already composed in line with these requirements. The Nomination Committee held two ordinary meetings and one extraordinary meeting in the reporting year.

The Nomination Committee regularly discusses internal and external candidates for each division within the Management Board. The experience and qualifications of the candidates are compared with the specific requirements of the respective division. The potential successor candidates are clustered into the categories immediate, medium-term and long-term successor candidates. In addition, the Nomination Committee and Supervisory Board monitor a talent pool of internal high potentials in a further category. If there is a need for development or qualification of individual candidates, specific development measures are agreed with these candidates and a structured process with special training is initiated to assess the suitability of these candidates and enable them to take on a position within the Management Board. If necessary, the Supervisory Board or the Nomination Committee are supported by external consultants.

## Annual General Meeting

The shareholders, as owners of the Company, exercise their control and co-determination rights at the Annual General Meeting. The Annual General Meeting decides, in particular, on the appropriation of the balance sheet profit, the discharge of the members of the Management Board and the Supervisory Board, the appointment of the auditor, amendments to the Articles of Association and certain capital measures. In addition, the system for the remuneration of the members of the Management Board is submitted to the Annual General Meeting for approval in the event of significant changes, but at least every four years. The same applies to the system of remuneration for members of the Supervisory Board. Shareholders may exercise their voting rights at the Annual General Meeting either in person, by proxy or by a voting representative. The right to vote may also be exercised by postal vote.

## Committees, their composition and working methods

### Committees of the Supervisory Board

In order to increase efficiency, taking into account the specific requirements of its work and in accordance with the statutory provisions of the German Stock Corporation Act (*AktG*) and the German Banking Act (*KWVG*), the Supervisory Board has formed the committees listed below with the following composition.

#### Committees of the Supervisory Board

Committee	Members of the Supervisory Board
<b>Joint Risk and Audit Committee</b>	Herbert Seuling (Chairman) Martin Korbmacher Until 23 June 2023: Stefan Müller From 23 June 2023: Britta Lehfeldt
<b>Nomination Committee</b>	Martin Korbmacher (Chairman) Stefan Müller Aygül Özkan
<b>Remuneration Control Committee</b>	Martin Korbmacher (Chairman) Aygül Özkan Herbert Seuling

#### Joint Risk and Audit Committee

By resolution of the Supervisory Board on 16 August 2022, the Joint Risk and Audit Committee was formed (replacing the previous Audit Committee). In addition to its Chairman, Mr. Herbert Seuling, the Joint Risk and Audit Committee also includes Mr. Martin Korbmacher. Until 23 June 2023, Mr. Stefan Müller was the third member of the committee. As of 23 June 2023, Ms. Britta Lehfeldt took over the mandate from Mr. Müller. All members of the Joint Risk and Audit Committee are independent, have expertise in the fields of both accounting and auditing - whereby accounting and auditing also include sustainability reporting and its audit - due to their training and many years of entrepreneurial activity, and are also very familiar with the sector in which the Company operates.

The Joint Risk and Audit Committee performs the tasks prescribed by law and recommended for it by the German Corporate Governance Code. These tasks include, in particular, auditing the accounting and monitoring the accounting preparation process, the effectiveness of the internal control system and the risk management system, the effectiveness and findings of the internal audit and the work of the Company's

compliance organisation, the performance of the audit and its focal points, in particular the independence of the auditor and the additional services provided by the auditor as well as the quality of the audit.

It also deals with reports on impending and pending legal disputes, submits recommendations to the Supervisory Board for the election proposal to the Annual General Meeting regarding the appointment of an auditor, if necessary by conducting a corresponding selection procedure, as well as for the amount of the auditor's remuneration, and advises the Supervisory Board on the cancellation or continuation of the audit engagement. It also supports the Supervisory Board in monitoring the prompt rectification by the Management Board of any deficiencies identified by the auditors by means of suitable measures.

In the further course of the reporting year, the Joint Risk and Audit Committee, in coordination with the Audit Committee of flatexDEGIRO Bank AG, was primarily involved in initiating a joint auditor selection procedure for a uniform group auditor for the 2024 reporting period in accordance with Article 16 (3) subparagraph 2 of Regulation (EU) No. 537/2014 ("**EU APiVO**") for flatexDEGIRO AG, flatexDEGIRO Bank AG and the flatexDEGIRO Group.

Prior to their publication, the Joint Risk and Audit Committee discusses the interim financial reports with the Management Board. On the basis of the auditor's report, it examines the annual and consolidated financial statements, including the management report of the Company and the Group, and discusses these together with the auditor. The Joint Risk and Audit Committee also examines any proposed resolution on the appropriation of earnings and submits its recommendations to the Supervisory Board on the adoption of the annual financial statements and approval of the consolidated financial statements as well as any proposed appropriation of earnings. Following a thorough review, the Joint Risk and Audit Committee also supports the Supervisory Board with recommendations regarding the summarized corporate governance statement and the separate non-financial Group report. The Committee also makes recommendations for the Supervisory Board's proposal for the appointment of the auditor, assesses the auditor's suitability, qualifications and independence and, following appointment by the Annual General Meeting, commissions the auditor to audit the consolidated and annual financial statements. In doing so, it agrees the fee and determines the focal points of the audit. It also reviews the quality of the audit. The auditor reports to the committee on all accounting transactions that are considered critical and on any significant weaknesses in the accounting-related internal control and risk management system identified during the audit.

Furthermore, the Joint Risk and Audit Committee reviewed and monitored the measures introduced to remedy the deficiencies identified by the auditors, Internal Audit and the supervisory authorities in the course of supervisory audits and received regular reports on internal findings management and the status and progress of the rectification of identified deficiencies.

The Chairman of the Joint Risk and Audit Committee reports regularly and comprehensively to the Supervisory Board on the work of the Committee. He also regularly exchanges information with the auditors between meetings. If necessary, the Audit Committee also calls on the heads of relevant corporate departments of the Company to provide reports and answer questions on individual agenda items at the committee meetings. The Joint Risk and Audit Committee held six ordinary and two extraordinary meetings in the reporting year.

### **Nomination Committee**

Furthermore, the Supervisory Board formed a Nomination Committee by resolution dated 16 August 2022. This Committee is made up exclusively of shareholder representatives and fulfils the tasks prescribed by law and recommended for it by the German Corporate Governance Code. These tasks include, in particular, the preparation of personnel decisions by the Supervisory Board, especially proposals for the appointment and termination of the appointment of members of the Supervisory Board and the Management Board.

Among other things, the Nomination Committee searches for suitable candidates for vacant positions on the Management Board and, if necessary, commissions external consultants to carry out this search. The Committee also searches for suitable candidates to fill vacancies on the Supervisory Board and prepares the Supervisory Board's personnel decisions. When identifying candidates to fill a position on the Management Board and when preparing nominations for the election of Supervisory Board members, the Nomination Committee pays particular attention to the balance and diversity of knowledge, skills and experience of all members of the relevant body. The Nomination Committee deals with the preparatory development of an objective to promote the proportion of women on the Supervisory Board and a strategy to achieve this.

Furthermore, the Nomination Committee supports the Supervisory Board in the regular, at least annual, assessment of the structure, size, composition and performance of the Management Board and Supervisory Board and makes recommendations to the Supervisory Board in this regard. In this context, the Nomination Committee ensures that the decision-making process within the Management Board is not influenced by individuals or groups in a way that is detrimental to the Company.

Nomination Committee also prepares a regular assessment, at least once a year, of the knowledge, skills and experience of the individual members of the Management Board and the Supervisory Board as well as of the respective body as a whole and supports the Supervisory Board in reviewing the Management Board's principles for the selection and appointment of senior executives and in making recommendations to the Management Board in this regard.

In performing its duties, the Nomination Committee may draw on any resources it deems appropriate and may also engage external consultants. For this purpose, it may receive appropriate funding from the Company.

In addition to the Chairman of the Nomination Committee, Mr. Martin Korbmacher, the Nomination Committee also includes Mr. Stefan Müller and Ms. Aygül Özkan.

The Nomination Committee held two ordinary and one extraordinary meeting in the reporting year.

### **Remuneration Control Committee**

Furthermore, the Supervisory Board formed a Remuneration Control Committee by resolution dated 16 August 2022. This committee performs the tasks prescribed by law and recommended for it by the German Corporate Governance Code.

In particular, it monitors the appropriate structure of the remuneration systems for the Management Board and employees (especially the appropriate structure of the remuneration for the heads of the risk controlling function and the compliance function as well as those employees who have a significant influence on the Company's overall risk profile) and supports the Supervisory Board in monitoring the appropriate structure

of the remuneration systems for the Company's employees. In doing so, it assesses the impact of the remuneration systems on risk, capital and liquidity management.

The Remuneration Control Committee submits proposals to the Supervisory Board for resolutions on the remuneration system and its regular review, the determination of the remuneration of the individual members of the Management Board and the reduction of remuneration. The Remuneration Control Committee examines the appropriateness and customary nature of the proposed remuneration, taking into account horizontal and vertical comparability and the recommendations of the German Corporate Governance Code.

The Remuneration Control Committee supports the Supervisory Board in monitoring the proper involvement of internal control and all other relevant areas in the organisation of the remuneration systems.

At least one member of the Remuneration Control Committee has sufficient expertise and professional experience in the area of risk management and risk controlling, particularly with regard to mechanisms for aligning the remuneration systems with the Company's overall risk appetite and strategy and its capitalisation.

The Remuneration Control Committee should work together with the Joint Risk and Audit Committee and should seek advice internally, for example from Risk Controlling, and externally from persons who are independent of the Management Board. As a matter of principle, the Management Board may not attend meetings of the Remuneration Control Committee for the agenda items under which its remuneration is discussed.

The Chairman of the Remuneration Control Committee may obtain information directly from the Head of Internal Audit and the heads of the organisational units responsible for structuring the remuneration systems; if necessary, the Management Board must be informed of this.

The Remuneration Control Committee also prepares the annual remuneration report. Insofar as non-financial aspects of Management Board remuneration are concerned, the Remuneration Control Committee also deals with sustainability along the dimensions of environment, social and governance (*ESG*).

In addition to the Chairman of the Remuneration Control Committee, Mr. Martin Korbmacher, the Remuneration Control Committee also includes Mr. Herbert Seuling and Ms. Aygül Özkan.

The Remuneration Control Committee held three ordinary and two extraordinary meetings in the reporting year.

## Control / Committees

The Management Board has established various committees. These serve to support the Management Board in the decision-making process. Expertise and responsibility remain with the Management Board. In addition, there are specialised operational committees. Where necessary, the Management Board has endowed these committees with appropriate competences.

Detailed information on the activities of the Supervisory Board and the cooperation between the Supervisory Board and the Management Board can also be found in the "Report of the Supervisory Board" included in the Annual Report 2023.

The Management Board and Supervisory Board will make the Annual Report 2023 publicly available on the website of flatexDEGIRO AG no later than four months after the end of the financial year 2023 at:

<https://flatexdegiro.com/en/investor-relations/reports-financial-calendar>

## Target Quotas for the proportion of women on the Management Board and at the two subsequent management levels, as well as on the Supervisory Board

The Company's corporate bodies are legally obliged (Section 76 (4) and Section 111 (5) AktG) to set regular target quotas for the proportion of women on the Supervisory Board, the Management Board and the two management levels below the Management Board as well as deadlines for their implementation. These target quotas are to be reported on annually and the results of target achievement after the implementation deadlines have expired. If the defined target quotas have not been achieved during the implementation period, a justification must be included.

With regard to the obligations pursuant to Section 111 (5) AktG, the Supervisory Board determined in October 2020 that the minimum target quota for the proportion of women on both the Management Board and the Supervisory Board should be 0%, in line with the proportion of women at the time the target quota was set, due to the need to apply this for the first time following the uplisting to the Prime Standard; this determination was made until 25 October 2025 at the latest.

This was done with regard to the Management Board and the Supervisory Board both in view of the small size of the respective board at the time (at the time of the resolution: two members on the Management Board and three members on the Supervisory Board) and with regard to the Management Board contracts running until 2025.

Irrespective of this, the Supervisory Board again considered the target quotas in the reporting year; the Supervisory Board also passed a corresponding resolution to expand the Management Board with the addition of Ms. Christiane Strubel as CHRO as of 1 January 2024. A corresponding notification was submitted to the supervisory authorities and approved.

With regard to the Supervisory Board, in addition to the member already appointed since 2022, Ms. Aygül Özkan, the Company gained a further member of the Supervisory Board in the reporting year, Ms. Britta Lehfeldt, who was proposed for election at the Annual General Meeting in the financial year 2023 and elected by the Annual General Meeting with a term of office until the end of the Annual General Meeting in 2025. Furthermore, in view of the changes that have taken place in the Group structure, the focus was placed on ensuring continuity by having a largely experienced and well-established body that has already constructively and critically supported the Company's developments to date.



With this development in 2023, the Supervisory Board and the Management Board remain committed to their desire, as set out in the diversity concept, to strive for an appropriate representation of both genders on the boards.

With regard to the obligation under Section 76 AktG, the Management Board has decided to set the target quotas for the two lower management levels (Managing Director as the immediately downstream level and Executive Director as the second management level below the Management Board) at 20% and 7% respectively. Despite a maximum term until 25 October 2025, this is explicitly understood as a minimum target quota, as the Board of Directors wishes to continue to specifically promote women in management positions. At the same time, however, it must also take into account the existing structure with experienced full-time staff with permanent employment contracts.

## Diversity / Diversity Concept

We have a simple principle: "We want our teams to be as diverse as possible, because ultimately diversity always leads to the same result. The best." Therefore, as a Company, we consistently counteract any kind of reservation. We strive every day to become more open and let performance speak for itself. We cultivate a corporate culture in which everyone is valued with their individual abilities and facets.

When it comes to diversity, many people think of individual issues. Yet diversity has many more dimensions: It means diversity in professional career, education, but also in personal characteristics such as age, origin, ethnicity, religion or skin color, cultural imprint, mental and physical abilities or sexual identity. Diversity can be visible, but it can also be expressed in intellectual differences. We actively promote more openness and diversity, always keeping the personality of the employee in mind as a central dimension.

In those areas where we have not yet reached the standards we have set ourselves in terms of diversity, we are doing everything we can to fulfil them in the short term. The results of our efforts to integrate female managers are clear to see: key core areas of our Group, including the internal control system, finance (accounting) and parts of IT, are headed by female managers; the same has been true of the HR team for years. We are systematically continuing this development with the appointment of Ms. Christiane Strubel as a female member of the Management Board from our own ranks as of 1 January 2024.

The Supervisory Board has also adopted an explicit diversity concept for the Management Board and the Supervisory Board.

## Objectives of the Diversity Concept for the Management Board

As a result, criteria such as professional and social expertise, international experience and character traits are at the forefront when selecting the Management Board. A balanced age structure is emphasised when appointing members to the Management Board. The members of the Management Board should have many years of professional experience in comparable positions and in sectors relevant to flatexDEGIRO AG and the flatexDEGIRO Group.

## Implementation of the Diversity Concept for the Management Board

The diversity concept for the Management Board is implemented as part of the procedure for appointing Management Board members. When selecting candidates, the Supervisory Board observes the requirements set out in the diversity concept for the Management Board.

The current members of the Management Board have extensive knowledge and experience from various activities, including international activities, outside flatexDEGIRO AG and the flatexDEGIRO Group. At the time of publication of the 2023 annual report, the age range on the Management Board extends from 44 to 57 years due to the appointment of an additional Management Board member on 1 January 2024. The average age is therefore 52 years. In view of the existing long-term contracts of the members of the Board of Directors, the Supervisory Board has resolved a minimum target quota for the proportion of women of 0.0 % by 25 October 2025.

In the opinion of the Supervisory Board, the current members of the Management Board fulfil the objectives described above. This is all the more the case with the appointment of Ms. Christiane Strubel as an additional female member of the Management Board as of 1 January 2024.

## Objectives for the composition, skills profile and diversity concept for the Supervisory Board

The Supervisory Board of flatexDEGIRO AG should be composed of individuals who, as a whole, provide a range of expertise that ensures comprehensive and effective advice and supervision of the Management Board with regard to the entire business activities of flatexDEGIRO AG and the Group. The Supervisory Board should include an appropriate number of independent members with international experience.

The Supervisory Board implements the objectives for its composition and skills profile by taking into account the objectives and requirements set out in the diversity concept as part of the selection process and the nomination of candidates. In particular, these objectives, including the skills profile and the diversity concept, were the benchmark for the selection and the election proposal to be adopted for the election of Ms. Lehfeldt as a new member of the Supervisory Board, which was due to take place at the Annual General Meeting in the financial year 2023.

In the opinion of the Supervisory Board, the Supervisory Board in its current composition fulfils the composition targets and meets the competence profile and diversity concept. The Supervisory Board members have the professional and personal qualifications deemed necessary. As a whole, they are familiar with the Company's main areas of activity and the associated markets and value chains and have the knowledge, skills and experience required to advise and supervise the Management Board of flatexDEGIRO AG.

Further details, in particular on the objectives of the diversity concept for the Management Board, the manner and status of its implementation, the objectives for the composition including the skills profile and diversity concept for the Supervisory Board and their implementation, can also be found in the diversity concept in the version dated 29 January 2021, which is published at the following link:

<https://flatexdegiro.com/en/investor-relations/corporate-governance>

and there under "Further relevant documents 2021"

More detailed information on the status of implementation of the Supervisory Board's skills profile is presented in the following skills matrix:

flatexDEGIRO AG - Qualification matrix of the Supervisory Board



Please use ● for existing qualification		Martin Korbmacher	Stefan Müller	Herbert Seuling	Aygül Özkan	Britta Lehfeldt
Affiliation	Member (since)	30.10.2014	23.02.2017	02.05.2016	24.05.2022	22.06.2023
Personal suitability	Independence*	●	●	●	●	●
	No overboarding*	●	●	●	●	●
Diversity	Year of birth	1965	1969	1958	1971	1965
	Gender	Male	Male	Male	Female	Female
Nationality		German	German	German	German	German
International experience	Europe/Asia/USA	●/●/●	●/---/---	●/---/●	●/---/---	●/●/---
Professional suitability	Management experience	●	●	●	●	●
	Strategy	●	●	●	●	●
Risk management/risk controlling (Joint Risk and Audit Committee)		●	●	●		●
Industry knowledge (Banking & Brokerage)		●	●	---	●	●
Accounting expertise		●	●	●	●	●
Audit expertise (Joint Risk and Audit Committee)		●	●	●	●	●
ESG, sustainability and & transformation		●	●	●	●	●
Human capital, remuneration and corporate culture (Nomination Committee and Remuneration Control Committee)		●	●	●	●	●
Information technology, data and digitalisation		●	●	●	●	●
Law & regulation		●	●	---	●	●
Compliance & money laundering prevention		●	●	●	●	●

\* In accordance with the German Corporate Governance Code

● Criterion fulfilled, based on the self-assessment of the Supervisory Board. Means at least "good knowledge" and therefore the ability to understand relevant issues and make informed decisions on the basis of existing qualifications, professional experience, knowledge and experience acquired in the course of work as a Supervisory Board member or regular further training measures.

## Further Information on Corporate Governance

Information on the remuneration of the Management Board and the Supervisory Board in the financial year 2023 can be found in the "Principles of the remuneration system for the Management Board and the Supervisory Board" section of the management report and the "Other disclosures" section of the notes to the annual financial statements for the financial year 2023; in the Annual Report 2023, relevant information can be found in the "Principles of the remuneration system for the Management Board and the Supervisory Board" section of the Group management report and in Note 33. Following approval by the Annual General Meeting in the financial year 2024, the remuneration report for the financial year 2023 and the auditor's report in accordance with Section 162 AktG will also be made publicly available free of charge for at least ten years via the link below:

<https://flatexdegiro.com/en/investor-relations/corporate-governance>

The Management Board will have the annual financial statements and the management report for the financial year 2023 submitted for publication in the company register no later than four months after the end of the financial year 2023. The Annual Report 2023 will also be publicly available on the flatexDEGIRO AG website by no later than four months after the end of the financial year 2023 at

<https://flatexdegiro.com/en/investor-relations/reports-financial-calendar>

## Transparency

Uniform, comprehensive and timely information has a high priority at flatexDEGIRO AG and is an essential component of good corporate governance. This is expressed, among other things, in the fact that all essential information is published in German and English. Shareholders and interested parties can obtain information directly from the Company's website on current developments in the Company and the Group. All ad hoc announcements and press releases are made available on the Company's website. The acquisition and sale of flatexDEGIRO AG shares by persons performing management duties and by persons closely related to them will be published without delay throughout Europe and also via the website in accordance with Article 19 of Regulation (EU) No. 596/2014 (Market Abuse Regulation). The same applies to the publication of any transactions of flatexDEGIRO AG with related parties, which require the approval of the Supervisory Board pursuant to Section 111b para. 1 AktG. Equal reporting to all target groups on the business situation and the results of the Company and the Group is also carried out in the annual report, the quarterly reports and the half-yearly report, which are also made publicly available on the Company's website in addition to the publication customary on the capital market.

These and all other aforementioned publications can be viewed on the Company's website under "Investor Relations" following their publication.

## Accounting and Auditing

The annual financial statements of flatexDEGIRO AG as well as the management report and the Group management report are prepared in accordance with German statutory provisions. The consolidated financial statements and the consolidated half-year report are prepared in accordance with the principles of the International Financial Reporting Standards (IFRS) as adopted by the European Union and the additional requirements of German law pursuant to Section 315e (1) HGB. After preparation by the Management Board, the annual financial statements and management report of flatexDEGIRO AG as well as the consolidated financial statements and Group management report are audited by the auditor. The financial statements and management reports are then reviewed by the Joint Risk and Audit Committee and the Supervisory Board. The Joint Risk and Audit Committee reports to the Supervisory Board on the results of its review and submits its recommendations to the Supervisory Board, including on the possible adoption of the summarised corporate governance statement, the adoption of the separate non-financial Group report and the adoption of the annual financial statements and approval of the consolidated financial statements as well as the recommendation on the Management Board's proposal for the appropriation of profits. If there are no objections following the final result of its own review, the summarised corporate governance statement is adopted and the separate non-financial Group report is approved. The Supervisory Board then agrees with the recommendation on the Management Board's proposal for the appropriation of profits, if applicable, and approves the annual financial statements and consolidated financial statements; the annual financial statements are thus adopted.

In accordance with statutory regulations, the consolidated financial statements and the Group management report are published within four months of the end of the financial year at the latest and half-year financial reports within three months of the end of the respective reporting period at the latest.

The Annual General Meeting on 13 June 2023 elected BDO AG Wirtschaftsprüfungsgesellschaft, Hamburg, as auditor for flatexDEGIRO AG and the Group for the financial year 2023, as well as auditor for any audit review of the half-year financial report for the first half of 2023 and as auditor for any audit review of financial information during the year. BDO AG Wirtschaftsprüfungsgesellschaft (hereinafter also referred to as BDO) has audited the annual and consolidated financial statements as well as the management reports and Group management reports since those for the financial year 2015; the auditor responsible is Mr. Lukas Rist.

Before passing its resolution on the proposal to the Annual General Meeting to elect BDO as auditor and group auditor for the financial year 2023 and as auditor for any audit review of the half-year financial report for the first half of 2023 and as auditor for any audit review of interim financial information, the Joint Risk and Audit Committee obtained a declaration from BDO as to whether and, if so, which business, financial, personal or other relationships exist between BDO and its executive bodies and audit managers on the one hand and the company and its executive bodies on the other hand that could give rise to concerns about partiality. The declaration also covers which other services were provided for the Group in the previous financial year and to what extent, or are contractually agreed for the following year. This declaration by BDO as well as the report and recommendation of the Joint Risk and Audit Committee following a review of independence were submitted to the Supervisory Board. The required independence of BDO was also regularly reviewed by the Joint Risk and Audit Committee and the Supervisory Board, most recently at the balance sheet meeting. The Joint Risk and Audit Committee and the Supervisory Board satisfied themselves of BDO's independence, also taking into account any non-audit services.

This corporate governance statement will be published at no later than four months after the end of the financial year 2023 on the Company's website at

<https://flatexdegiro.com/en/investor-relations/corporate-governance>

and be accessible there for at least five years.

# 2023

## Corporate Governance Statement

### **Imprint**

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**flat** **DEGIRO**