

## Statement of Corporate Governance of Spark Networks SE

The Statement of Corporate Governance is published separately on the Internet pursuant to Section 289f German Commercial Code (*Handelsgesetzbuch* – HGB). It comprises the Compliance Statement pursuant to Section 161 German Stock Corporation Act (*Aktiengesetz* – AktG) (A.), relevant information on corporate governance practices (B.), a description of the working methods of the Management Board and the Supervisory Board, as well as of the composition and working methods of their committees (C.), specifications for promoting the participation of women in management positions pursuant to Section 76 para. 4 and Section 111 para. 5 AktG, together with a report on whether the targets set were achieved (D.), as well as a description of the diversity concept (E.).

### A. Compliance Statement pursuant to Section 161 AktG

The Management Board and the Supervisory Board of a listed German stock corporation or – in the case of a listed German SE with a one-tier system of corporate governance – the Administrative Board are, pursuant to Section 161 AktG, obliged to declare that the recommendations of the "Government Commission German Corporate Governance Code" published by the Federal Ministry of Justice and Consumer Protection in the official section of the Federal Gazette have been, and are being, complied with or which recommendations have not been, or are not being applied and why not.. The Administrative Board of Spark Networks SE issued the following statement in June 2020, which was published on the Company's website <https://www.spark.net/investor-relations/corporate-governance/highlights>:

**Compliance Statement  
regarding the recommendations of the  
Government Commission German Corporate Governance Code  
pursuant to Section 161 AktG**

Pursuant to Art. 9 p. 1 c) (ii) of the SE Regulation (SE-VO) and Section 22 p. 6 of the German SE Implementation Act (SEAG) in conjunction with Section 161 AktG, the Administrative Board of Spark Networks SE (the "**Company**") hereby declares as follows:

Taking into account the particularities of the one-tier system of corporate governance described under item 1 and subject to the exceptions listed and explained under item 2, the Company

- (a) since the last Compliance Statement published in May 2019, has complied with the recommendations of the German Corporate Governance Code in the version dated 7 February 2017, published by the German Ministry of Justice and Consumer Protection in the official section of the Federal Gazette on 24 April 2017 (the "**Code 2017**") and has complied with the recommendations of the German Corporate Governance Code in the version dated 16 December 2019, published by the German Ministry of Justice and Consumer Protection in the official section of the Federal Gazette on 20 March 2020 (the "**Code 2019**") since its entry into force;

and

- (b) will comply with the recommendations of the Code 2019.

## **1. Particularities of the One-Tier Corporate Governance System**

According to Art. 43 - 45 SE-VO, in conjunction with Sections 20 et seq. SEAG, under the one-tier system of corporate governance, the management of the SE is the responsibility of a single management body, namely the Administrative Board. The Administrative Board manages the Company, determines the Company's basic business strategies and monitors the implementation of said strategies by the Managing Directors. The Managing Directors manage the Company's day-to-day business, represent the Company in and out of court and are bound by the instructions of the Administrative Board.

Spark Networks SE applies those recommendations of the Code that address the Supervisory Board to the Administrative Board, and applies those recommendations of the Code that address the Management Board to its Managing Directors to the extent applicable.

## **2. Exceptions to the recommendations of the Code 2017 and the Code 2019**

### **Sec. 4.1.3 Code 2017 / A.2 Code 2019 (Compliance Management System)**

Pursuant to sec. 4.1.3 of the Code 2017 / A.2 of the Code 2019, the Managing Directors of a company shall institute an appropriate compliance management system reflecting the risk situation of the company and disclose the main features of such system. The Managing Directors continuously and responsibly deal with relevant risks, as the systematic management of business risks is considered fundamental to professional corporate governance. The Company has already implemented several internal compliance guidelines, e.g. a whistleblower policy, a corporate governance guideline, a code of ethics and an insider trading policy. So far, the Company has not yet implemented a complete compliance management system covering all consolidated companies. The Company intends to examine and implement further compliance management measures in the near future.

### **Sec. 4.2.2 Code 2017 / G.1 to G.4 and G.11 Code 2019 (Remuneration)**

As a result of the Act Implementing the Second Shareholders' Rights Directive (ARUG II), the requirements for determining the remuneration of Management Boards of listed companies have undergone far-reaching changes. In the future, the remuneration of the Management Board may mandatorily only be determined on the basis of an abstract remuneration system to be adopted by the Supervisory Board of the respective company by no later than the end of the first annual general meeting after 31 December 2020. The Company's Administrative Board has not yet adopted a remuneration system within the above meaning, but will develop and adopt such system timely and in accordance with the relevant statutory requirements. Therefore, the Company does not comply with recommendations G.1 to G.3 of the Code 2019.

In addition, given the Company's listing on the New York Stock Exchange (NYSE) and the US characteristics of the Company Group, the determination of the current remuneration follows the remuneration of comparable US-based companies. Thus, the Company does not comply with the recommendation of sec. 4.2.2 of the Code 2017 / G.4 of the Code 2019, pursuant to which – when assessing whether the remuneration is in line with usual levels within such company – the Administrative Board shall take into account the ratio between the remuneration of the Managing Directors and the remuneration of the senior management and the workforce as a whole, as well as how remuneration has developed over time. For the aforementioned reasons, the Company also does not comply with recommendation G.11 of the Code 2019.

### **Sec. 5.1.2 Code 2017 / B.2 and B.5 Code 2019 (Succession planning, age limit for Managing Directors)**

Pursuant to B.2 of the Code 2019, the procedure for long-term succession planning shall be described in the Statement of Corporate Governance. The Company, however, is of the opinion that the search for and selection of suitable persons for management positions in the Company belongs to the category of sensitive information that the Company – unless required by securities law – does not share with the public.

According to sec. 5.1.2 of the Code 2017 / B.5 of the Code 2019, an age limit shall be specified for members of the Management Board and disclosed in the Statement of Corporate Governance. Irrespective of the standards that exist in the Company with regard to the qualifications and responsibilities of board members, the Company does not consider the abstract criterion of the age of Managing Directors to be an appropriate attribute for generally denying a candidate's suitability for the respective position. Consequently, no age limit has been established nor is it disclosed in the Statement of Corporate Governance.

### **Sec. 5.4.1 Code 2017 / C.1 and C.2 Code 2019 (Composition of the Administrative Board, age limit for Administrative Board members)**

Pursuant to sec. 5.4.1 of the Code 2017 / C.1 of the Code 2019, the Administrative Board shall determine specific objectives regarding its composition and shall prepare a profile of skills and expertise for the entire board. The Administrative Board has not defined any concrete requirements and objectives for its composition within this meaning, as the Company is subject to special requirements and standards under US securities law due to the listing of its shares on the New York Stock Exchange (NYSE). Those standards regarding the qualifications and responsibilities of Administrative Board members are taken into account in each election.

According to sec. 5.4.1 of the Code 2017 / C.2 of the Code 2019, an age limit for members of the Supervisory Board shall be specified and appropriately taken into account and disclosed in the Statement of Corporate Governance. As for Managing Directors, the Company does not consider an abstract age criterion to be appropriate for generally denying a candidate's suitability for the respective position. Accordingly, no age limit has been established, nor is it disclosed in the Statement of Corporate Governance.

### **Sec. 5.4.5 Code 2017 / C.4 and C.5 Code 2019 (Board Mandates)**

Pursuant to sec. 5.4.5 of the Code 2017, members of the Management Board of a listed company shall not accept more than a total of three Supervisory Board mandates in non-group listed companies or in supervisory bodies of non-group companies that have comparable requirements, while pursuant to recommendation C.5 of the Code 2019, members of the Management Board of a listed company shall not hold, in aggregate, more than two Supervisory Board mandates in non-group listed companies or comparable functions, and shall not accept Chairmanship of a Supervisory Board in a non-group listed company.

Furthermore, C.4 of the Code 2019 stipulates that a Supervisory Board member who is not a member of any Management Board of a listed company shall not accept more than five Supervisory Board mandates at non-group listed companies or similar functions, with an appointment as Chair of the Supervisory Board being counted twice.

According to sec. 11 of the Company's Corporate Governance Guidelines reflecting the corresponding rules of the New York Stock Exchange (NYSE), executive members of the Administrative Board may hold up to four (4) board positions and non-executive members of the Administrative Board may hold up to six (6) board positions in addition their respective position as member of the Company's Administrative Board.

### **Sec. 7.1.2 Code 2017 / F.2 Code 2019 (Financial Statements)**

Pursuant to sec. 7.1.2 of the Code 2017 / F.2 of the Code 2019, the consolidated financial statements and the group management report shall be made publicly accessible within 90 days from the end of the financial year and the mandatory interim financial information shall be made publicly accessible within 45 days from the end of the reporting period.

The Company makes its Financial Statements and the interim financial information publicly accessible within the timeframe provided by German and US securities law in order to avoid additional administrative efforts that would otherwise be required due to its international group structure.

Berlin, June 2020

Spark Networks SE

For the Administrative Board

David Khalil

### **B. Information on corporate governance practices**

The corporate governance of Spark Networks SE is primarily determined by statutory provisions, the recommendations of the German Corporate Governance Code as amended, as well as the internal corporate guidelines.

Pursuant to Art. 43 - 45 SE-VO in conjunction with Sections 20 et seq. SEAG, in the one-tier corporate governance system, the management of the SE is the responsibility of a single management body, namely the Administrative Board. The Administrative Board manages the Company, determines the Company's basic business strategies and monitors the implementation of said strategies by the Managing Directors. The Managing Directors manage Company's day-to-day business, represent the Company in and out of court and are bound by the instructions of the Administrative Board.

Spark Networks SE applies those recommendations of the German Corporate Governance Code that address the Supervisory Board to the Administrative Board, and applies those recommendations of the Code that address the Management Board to its Managing Directors to the extent applicable.

Efficient cooperation between the Administrative Board and the Managing Directors, respect for shareholders' interests, openness and transparency are key aspects of good corporate governance.

Another corporate body is the General Meeting. The powers of the governing bodies are stipulated in the SE-VO (Regulation on the Statute for a European Company (SE)), the SEAG (SE Implementation Act), the AktG (German Stock Corporation Act), the Articles of Association and the Company's internal guidelines.

Lawful conduct and responsibility of employees and executives form the basis for the success of Spark Networks SE. In accordance with the Code of Conduct, all employees of Spark Networks SE are required to act in a risk-conscious manner and to avoid risks that could threaten the Company's existence. The Code of Conduct summarizes key policies and guidelines and includes moral standards and legal requirements that each employee must adhere.

To enhance good corporate governance, the Administrative Board and the Managing Directors shall ensure that appropriate measures are taken in line with the risk situation of the Company (Compliance Management System). The Managing Directors deal with the relevant risks on an ongoing and responsible basis, as business risk management is considered a fundamental part of professional corporate governance. Spark Networks SE has already adopted several internal corporate policies: Whistleblower Policy, Code of Conduct, Corporate Governance Policy, Code of Ethics and Insider Trading Policy. So far, the Company has not yet implemented a complete Compliance Management System covering all consolidated companies. The Company intends to examine and implement further compliance management measures in the near future.

For further information on key corporate governance practices is available on Spark Networks SE's homepage at <https://www.spark.net/investor-relations/corporate-governance/highlights>.

### **C. Functioning and composition of the Administrative Board, committees of the Administrative Board and functioning of the Managing Directors**

The Managing Directors manage the business of Spark Networks SE, represent Spark Networks SE in and out of court, and are bound by the instructions of the Administrative Board. The Managing Directors manage the business of Spark Networks SE in accordance with the law, the Articles of Association of Spark Networks SE and the instructions of the Administrative Board. In doing so, they are bound by the best interests of the Company and committed to increasing the sustainable value of the Company. The three Managing Directors, Eric Eichmann, Gitte Bendzulla and Bert Althaus, manage the business of Spark Networks SE by implementing the principles and guidelines set by the Administrative Board. The Administrative Board appointed Eric Eichmann as CEO, Gitte Bendzulla as General Counsel and Bert Althaus as CFO of Spark Networks SE. The Managing Directors conduct the business of the Company with the care and diligence of a prudent and conscientious manager. The Managing Directors cooperate with the other bodies of the Company in a collegial and trustful manner for the benefit of the Company.

The Administrative Board manages Spark Networks SE, determines the principles of the Company's activities and monitors their implementation. It cooperates closely and in a spirit of trust with the Managing Directors and other bodies of Spark Networks SE for the benefit of the Company.

The Administrative Board currently consists of the following members: David Khalil (Chair), Colleen Birdnow Brown, Jeronimo Folgueira, Bradley J. Goldberg, Axel Hefer, Cheryl Law and Deepak Kamra. In the opinion of the Administrative Board, with the exception of Jeronimo Folgueira, who was Managing Director of Spark Networks SE in the past, all of its members are independent within the meaning of the

German Corporate Governance Code.

In accordance with the Articles of Association of Spark Networks SE, the Administrative Board has established two committees, namely an Audit Committee and a Presiding & Nominating Committee.

The Audit Committee consists of three members and is responsible for the following topics: Preparation of the Administrative Board's resolution on the annual financial statements of Spark Networks SE, the application of accounting standards, monitoring the accounting process, monitoring the effectiveness of the internal audit system, the internal risk management system, the internal control system and compliance issues, passing resolutions on the audit mandate, the definition of audit priorities, monitoring the audit process and the independence of the auditor. The Audit Committee shall prepare the resolution of the Administrative Board regarding the annual financial statements (including the consolidated financial statements) and the proposal of the Supervisory Board regarding the appointment of the auditor for the General Meeting and the instructions for the auditor.

The Chairperson of the Audit Committee shall have expertise and experience in the application of accounting policies and internal control systems. In addition, the Chairperson of the Audit Committee must not be the Chairperson of the Administrative Board or a former Managing Director of Spark Networks SE within the previous two years.

The Audit Committee of Spark Networks SE must include at least one member with expertise in the fields of accounting or auditing within the meaning of Section 100 para. 5 AktG and one member who is considered an audit committee expert within the meaning of the provisions of the U.S. Securities and Exchange Commission with experience in accounting practice or finance. The members of the Audit Committee must be fully acquainted with the sector in which the Company operates.

The members of the Audit Committee are to be considered independent if the Administrative Board determines that they are independent within the meaning of the rules of the NYSE American LLC and the U.S. Securities and Exchange Commission.

The Audit Committee currently consists of the following members: Colleen Birdnow Brown (Chair), Axel Hefer and David Khalil.

The Presiding & Nominating Committee consists of three members and shall make candidate proposals to the Administrative Board to submit to the General Meeting for the election as members of the Administrative Board. The Presiding & Nominating Committee shall also prepare the decisions of the Administrative Board regarding the appointment, dismissal, remuneration and employment contracts of the Managing Directors.

The members of the Presiding & Nominating Committee are to be considered independent if the Administrative Board determines that they are independent within the meaning of the rules of the NYSE American LLC.

The Presiding & Nominating Committee currently consists of the following members: Bradley J. Goldberg (Chair), Cheryl Law and Colleen Birdnow Brown.

#### **D. Specifications for promoting the participation of women in management positions pursuant to Section 76 para. 4 and Section 111 para. 5 AktG and achievement report**

Pursuant to Section 9 para. 1c) (ii) SE-VO and Section 22 para. 6 SEAG in conjunction with Section 76 para. 4 and Section 111 para. 5 AktG, the Administrative Board shall set targets for the proportion of women on the Administrative Board, at the level of the Managing Directors, and at the two management levels below Managing Directors. Since Spark Networks SE has no management level below the Managing Directors, targets are only set for the Administrative Board and the Managing Directors.

Spark Networks SE currently has two women on its Administrative Board. On 28 March 2018, the Administrative Board set a target of having one woman on the eight-member Administrative Board until 30 June 2022. A target of 0% by 30 June 2022 was set at the level of the Managing Directors. Currently, one of the three Managing Directors is a woman.

#### **E. Diversity concept**

Pursuant to Section 289f para. 2 no. 6 HGB, stock corporations must include in their Statement of Corporate Governance a description of the diversity concept pursued in terms of the composition of the body authorized to represent the Company and the Supervisory Board regarding aspects such as age, gender, educational or professional background, as well as the objectives of this diversity concept, the way how it is implemented and the results achieved in the financial year. Pursuant to Section 289f para. 5 HGB, if a company does not pursue a diversity concept, it must explain this fact in the Statement of Corporate Governance.

On 28 March 2018, the members of the Administrative Board of Spark Networks SE passed a resolution that – with the exception of the target of one woman in the eight-member Administrative Board – no diversity concept within the meaning of Section 289f para. 2 no. 6 HGB regarding the composition of the Administrative Board and the Managing Directors in terms of age, gender, educational or professional background will be established. The Administrative Board is of the opinion that – in addition to the target for the composition of the Administrative Board and other measures previously introduced to promote diversity within the Company – a further diversity concept would not be expedient. Nevertheless, the Administrative Board will examine in the financial year 2020 whether establishing an own diversity concept would be advisable.

Berlin, June 2020