

CHRISTIE MANSON & WOODS LIMITED
(the “Company”)

STATEMENT BY THE DIRECTORS IN PERFORMANCE OF THEIR STATUTORY DUTIES IN ACCORDANCE WITH SECTION 172 COMPANIES ACT 2006

Extracted from the Company’s FY 2022 Annual Report and Accounts

Christie Manson & Woods Limited is a wholly owned subsidiary of Christie’s International plc, the parent of the Group (the “Shareholder”). Christie’s is a name and place that speaks of extraordinary art, unparalleled service and international expertise. Christie’s endeavours to uphold the highest standards of operation. We cherish the role we have earned as cultural stewards of the objects that pass through our hands and undertake our wider responsibilities and duties with utmost seriousness: as an employer, as a service provider to our clients as well as our role in the broader community in which we work. We want to use our influence as a positive force and to be a valued contributor to the art and cultural communities within which we operate.

The Board of the CMW is cognisant of its duty to promote the success of the Company. it recognises the importance of considering all relevant stakeholders and factors as set out in paragraphs a-f of Section 172 of the Companies Act 2006 in its decision making process during the year ended 31 December 2022, and the positive impact this has on the Company’s operations.

The Directors report sets out the key stakeholders, the Employees, (see 1 below), and the Stakeholder Engagement, (see 2 below), whose interests the Board takes into consideration and how the Company engages with these stakeholders. In addition, the Board engages with its Shareholder to ensure its views on the Company’s matters are taken into consideration, in particular, by acting in accordance with the Group corporate governance arrangements.

During the year, the Board and the Shareholder continued to consider and address the challenges arising from the COVID-19 pandemic to ensure the Company’s success in both the short and long-term. Since 2021, the outlook in respect of COVID-19 has improved due to the development of a vaccine which is effective and has led to less severe infection rates. When making decisions around the return of the workforce to the office the Board considered governmental guidelines and prioritised the health and safety and wellbeing of employees to ensure a safe return to office working, resulting in the adoption of a flexible hybrid-working approach which is under continual review.

In addition, during the year the Company took steps to amend and restate its ongoing finance arrangements, including entering into a \$250m refinancing providing a stable source of financing for years to come. These decisions were taken with a view to achieving the Group’s long-term financing plans which are designed to allow the Company to meet its strategic growth plans for the long term success of the Company, whilst also meeting the Company’s short term needs in the challenging environment presented by macro-economic factors.

1. Employees

(a) The Company is dependent upon highly skilled specialist staff in all fields of operation and their welfare is a high priority of management. Disabled persons are fully considered for positions for which they are qualified and, when selected, undergo the same training and have similar career prospects to their colleagues who suffer no disability. Existing disabled employees are shown every consideration for any special requirements. All United Kingdom employees are insured against prolonged disability, subject to qualifying age and service. This insurance provides a substantial proportion of remuneration to those who become disabled and are consequently unable to continue in their occupation. Overseas employees are covered under state or local occupational schemes.

(b) Employee Involvement

The Board recognises that the employees of the Christie's Group of Companies (the "Group") are at the core of the business, and that a highly- engaged, inclusive and effective workforce is key to the Company's success. Christie's is committed to providing a stimulating and caring work environment for all its employees, with diversity and parity as central tenets of the workplace. Christie's Core Values of Integrity, Teamwork and Respect, embody the spirit in which we interact with our valued employees, as well as the way we operate our business as a whole. Christie's ultimately strives to be the employer of choice in the art world.

The Company's policy (in line with its Group) is to consult and discuss with employees matters likely to affect their interests and the Company fully recognises the benefits of promptly informing employees of business progress and involving them in the Company's performance. Any specific notifications throughout 2022, including those relating to local pandemic restrictions and business operations, have been initially communicated to staff via regular internal communications, and supplemented by newsletters and the maintenance of a robust and interactive intranet. Christie's consults and discusses with unions and staff councils on employee related matters where applicable. Throughout the year the Company has maintained its cadence of regular communication, including a regular CEO update for Senior Management globally to ensure consistent communications is cascaded through the business. The objective of these initiatives is to provide an opportunity for a two-way channel of communication between the Board, senior leadership and employees.

In addition, the Group conducts regular global and regional all staff meetings lead by the Senior Leadership team. All staff meetings can be accessed in a variety of ways: in person, live streamed and recorded to ensure we are able to connect with all employees across different working patterns, remote-working arrangements and time zones. Our Senior leaders also hold informal meetings with departments regionally to answer questions and better understand their roles and the 'workings' within teams.

Managers are encouraged to schedule regular one-to-one meetings with their reports to facilitate information sharing and to allow employees to raise any issues informally. Senior Managers are measured for their management responsibilities and, in 2022, all Senior Managers each have objectives focussed on the management of their teams, which will be expanded to all line managers for 2023. Finally, Christie's has improved and expanded its management training programme.

The Company runs internal networks such as the Women's Network, the CSR Committee and Equity, Diversity & Inclusion ("ED&I") groups, including groups focussed on gender parity, disability awareness, race and religious awareness, LGBTQ+ communities and socio-economic diversity, providing forums for employees to be heard and for issues to be raised and dealt with at management level. The Company also conducts an Engagement Survey annually whereby employees across its global business provide feedback on how they feel about the Company and what it can do to improve. The Engagement Survey is viewed by the Board as an important tool used to measure progress and define specific action plans at both Group and departmental level, such as developing specific training initiatives. Our communication strategy to employees around pay, career planning and skills development is continually being refined to maintain engagement and to ensure clarity for employees and managers.

2. Stakeholder Engagement

The Board highly values the Company's reputation for unparalleled service and expertise, and recognises the need to foster strong and mutually beneficial business relationships with all of its stakeholders in order to maintain and grow its business globally. In pursuit of this goal, the Company continuously strives to strengthen its relationship with its clients by embodying our Core Values of Business Judgement, Exceptional Client Service, Passionate Expertise and Innovation in our interactions with these key stakeholders. Client satisfaction and feedback is monitored through a number of channels, with regular reports made both to senior leadership and internal stakeholders, driving change in processes to deliver better client experience. The Group continues to work closely with its clients to understand their evolving requirements so that we can improve our service and adapt to clients' needs.

Similarly, the Board views suppliers as an extension to the Company's business, selecting key suppliers on their commitment to provide exceptional client service and alignment with the Company's core values. Suppliers are expected to sign up to the Company's Supplier Code of Conduct, and the Company aims to build close longstanding partnerships with those suppliers to ensure high standards are maintained and a premium service is delivered. The Company invests time to develop these key relationships to ensure we are creating mutually beneficial partnerships to enable us to maintain our position as market leaders in our field, and to ascertain whether our suppliers' operations continue to be suitable for our business.

In each area of its business, the Company aims to promote open communication and transparency with its key stakeholders. For instance, the Company maintains a transparent and engaged relationship with our direct and indirect shareholders and their representatives and advisers. In addition, the Company communicates openly with the sole trustee of the Company's defined benefit pension scheme, who is independent of the Company, ensuring that the decisions made by both the trustee and the Company reflect the interests of all stakeholders. The Company maintains a regular dialogue and information flow with its relationship banks and lenders, and is committed to developing and maintaining good relationships with its tax authorities and regulators, in accordance with its values. Where appropriate, the Company participates in industry bodies and forums, to advance the interests of the art market and promote best practices.