



Villeroy & Boch

1748

**Declaration of conformity of
Villeroy & Boch AG pursuant to
Section 161 of the German Stock Corporation Act**

(Version dated 10 March 2011)

In accordance with section 161 of the German Stock Corporation Act (AktG), the Management Board and the Supervisory Board of Villeroy & Boch AG hereby declare that, since the publication of the last declaration of conformity on 13 December 2010, the company continues to comply with the recommendations of the Government Commission of the German Corporate Governance Code (DCGK, the "Code") in the version dated 26 May 2010 with the exception of the small number of recommendations described below:

Section 3.8 (2) of the Code:

The existing D&O (directors' and officers' liability insurance) policy does not prescribe a deductible for the members of the Supervisory Board. Villeroy & Boch AG is of the opinion that a deductible is not a suitable means of influencing the level of motivation and responsibility with which the members of the Supervisory Board perform their activities.

D&O insurance

Section 4.2.3 (2) of the Code:

In the existing employment contracts of the members of the Management Board, the variable remuneration components take positive and negative developments within the agreed measurement period into account insofar as the variable remuneration is increased or reduced accordingly, or dropped completely. When making future arrangements, particularly in contracts with new members of the Management Board, the Supervisory Board will take the criteria of the German Act on the Appropriateness of Management Board Remuneration into account.

Management Board remuneration

Section 5.3.3 of the Code:

The Supervisory Board has not formed a separate Nomination Committee to propose suitable candidates for election to the Supervisory Board. Proposals for election have been and will continue to be prepared at shareholder representatives' meetings. As there are only six shareholder representatives on the Supervisory Board and the existing practice of proposing suitable candidates at shareholder representatives' meetings has proved to be efficient, the Supervisory Board sees no need to institutionalise this practice by setting up an additional Nomination Committee.

Nomination Committee

66693 Mettlach, Germany, March 2011

The Management Board

The Supervisory Board

Frank Göring
Chairman of the Management Board

Wendelin von Boch-Galhau
Chairman of the Supervisory Board