

# REMUNERATION REPORT FOR THE MANAGEMENT BOARD AND SUPERVISORY BOARD OF VILLEROY & BOCH AKTIEN- GESELLSCHAFT

Global economic performance during the year was moderate on account of the exceptionally challenging economic environment. According to the report by the International Monetary Fund (IMF) on 30 January 2024, global growth in 2023 is estimated at 3.1 %.

The euro area economy was significantly impacted by the repercussions of the energy price shock, combined with higher overall inflation and rising interest rates. This took a heavy toll on consumer spending and the investment climate. According to the latest IMF forecast, the euro area recorded growth of 0.5 %. The US saw somewhat stronger growth of 2.5 %. The Chinese economy was held back by structural problems, although the IMF estimates that the country grew by 5.2 % in 2023.

In the 2023 financial year, the Villeroy & Boch Group's revenue declined by 7.5 % on a constant currency basis. Nominal consolidated revenue, which was affected by currency effects of EUR -18.3 million, totalled EUR 901.9 million (previous year: EUR 994.5 million).

In this difficult economic environment, we succeeded in generating EBIT of EUR 89.0 million (previous year: EUR 96.8 million). At -8.1 %, this was in line with the forecast that was adjusted during the year. Our operating EBIT decreased by EUR 9.5 million year-on-year to EUR 88.7 million (previous year: EUR 98.2 million).

In accordance with section 162 of the German Stock Corporation Act (AktG), the Management Board and Supervisory Board must, each year, prepare a clear and comprehensible report on the remuneration awarded and due to each individual current or past member of the Management Board and Supervisory Board in the past financial year by the company and by Group companies (taking into account the restriction set out in section 162 (5) sentence 2 AktG).

The following remuneration report contains a presentation of the main features of the remuneration system for the members of the Management Board and Supervisory Board as well as an individualized and itemized presentation of the remuneration of each member of the Management Board and

Supervisory Board, and individual information on the pension contributions for each member of the Management Board. The report also shows how the remuneration promotes the long-term development of the company and how the performance criteria are applied.

The following remuneration report and the accompanying report on the statutory formal audit of completeness in accordance with section 162 (1) and (2) AktG and on the voluntary audit of the accuracy of the content and the material completeness of the individual disclosures by Deloitte GmbH Wirtschaftsprüfungsgesellschaft can be found in the Investor Relations section of Villeroy & Boch Aktiengesellschaft's website.

## **Determining appropriate remuneration**

In line with the provisions of the AktG and the German Corporate Governance Code (GCGC) in the version dated 28 April 2022, the Supervisory Board has determined the total target remuneration of the individual Management Board members such that it is proportionate to the responsibilities and performance of the respective Management Board member as well as the economic situation of the company, it is geared towards the long-term, sustainable development of Villeroy & Boch Aktiengesellschaft, and it does not exceed the customary remuneration without exceptional reasons. External and internal comparisons are applied for this purpose.

The criteria for the appropriateness of the remuneration are the responsibilities of the individual Management Board member, their personal performance, and the economic situation of the company. The appropriateness of the remuneration is assessed in comparison with other companies (horizontal comparison) as well as within the company (vertical comparison). The level of the total target remuneration and the remuneration structure consider the function of the individual Management Board member and the differing requirements of the respective Management Board function. At its discretion, the Supervisory Board may apply a function-specific differentiation based on the market circumstances and the experience and area of responsibility of the Management

Board member; for example, this may result in a prominent member of the Management Board, such as the Chair of the Board, being eligible to receive higher remuneration than the other Management Board members.

The Supervisory Board applies a suitable peer group (horizontal comparison) in assessing the appropriateness of the specific total remuneration of the Management Board members compared with other companies. The market position of the respective company in comparison with Villeroy & Boch Aktiengesellschaft is decisive for this peer group comparison. To this end, the remuneration data of selected companies in the German small cap index (SDAX) was used most recently. The companies included in the peer group were those with comparable size criteria to Villeroy & Boch Aktiengesellschaft in terms of revenue, profit, headcount and total market capitalisation.

The vertical comparison concerns the ratio of the Management Board remuneration to the remuneration of the senior management and the employees of the company, including over time. For this purpose, the Supervisory Board has defined “senior management” as the executive managers of Villeroy & Boch Aktiengesellschaft. The Supervisory Board also takes into account the respective employment conditions of the employees, e.g. working hours and holidays.

## I. MANAGEMENT BOARD REMUNERATION

### Relevant remuneration systems for the members of the Management Board in the 2023 reporting year

In February 2021, the Supervisory Board resolved a remuneration system for the members of the Management Board in line with the requirements of the AktG in the version amended by the Act Implementing the Second Shareholders’ Rights Directive (ARUG II) for the first time (hereinafter referred to as the “2021 remuneration system”). The 2021 remuneration system was approved by the General Meeting of Shareholders on 26 March 2021 and is available to download from the company’s website at <https://www.villeroy-boch-group.com/en/investor-relations/corporate-governance/remuneration-system-for-the-management-board-of-villeroy-boch-aktiengesellschaft.html>.

The 2021 remuneration system applies to Management Board contracts of employment concluded with Management Board members on or after 26 March 2021 for the period from the appointment or reappointment of the respective member to the Management Board of Villeroy & Boch Aktiengesellschaft.

In March 2023, the Supervisory Board resolved a minor amendment to the 2021 remuneration system (hereinafter referred to as the “amended remuneration system”). These

amendments were approved by the General Meeting of Shareholders on 21 April 2023 and are also available to download from the company’s website at <https://www.villeroy-boch-group.com/en/investor-relations/corporate-governance/remuneration-system-for-the-management-board-of-villeroy-boch-aktiengesellschaft.html>. The remuneration system amended in 2023 applies to all Management Board contracts of employment concluded with Management Board members on or after 21 April 2023 for the period from the appointment or reappointment of the respective member to the Management Board of Villeroy & Boch Aktiengesellschaft.

For Management Board members whose contracts of employment were concluded prior to 26 March 2021, the legacy clause set out in section 26j (1) sentence 3 of the Introductory Act to the German Stock Corporation act (EAGAktG) applies, i.e. their remuneration is based on these legaced contracts of employment for the duration of such contracts (hereinafter referred to as the “existing remuneration system”). The existing remuneration system is already largely identical to the 2021 remuneration system and the amended remuneration system. It constitutes a performance-oriented remuneration system that provides for fixed remuneration and performance-related variable remuneration comprising an STI (short-term incentive) and an LTI (long-term incentive).

In the reporting year, the existing remuneration system applied to Mr Göring and Dr Warncke, as well as to Mr Lörz until 31 July 2023. In the reporting year, the 2021 remuneration system applied to Ms Schupp, Ms Jehle and Dr Domma, while the amended remuneration system applied to Mr Lörz with effect from his reappointment from 1 August 2023.

From 1 January 2024, the amended remuneration system will also apply to the new contracts of employment with Ms Schupp and Dr Warncke that were concluded with effect from 1 January 2024 (in connection with their reappointment from 1 January 2024). Accordingly, no legacy contracts of employment for current Management Board members will remain in place as of 1 January 2024.

### The remuneration systems at a glance

All of the remuneration systems promote the sustainable and successful development of the company whilst at the same time avoiding disproportionate risks by linking the remuneration of the Management Board members to both the short-term and the long-term development of the company. The short-term variable remuneration component (short-term incentive, STI) establishes incentives for consistently increasing the operating result (earnings before interest and taxes, EBIT) and implementing initiatives to promote the corporate strategy in line with the individual targets. The long-term

variable remuneration component (long-term incentive, LTI) focuses on the efficient utilisation of the tied-up capital and a dividend policy that is geared towards continuity. The quantitative targets are based on the key performance indicators of Group earnings before taxes (EBT) and return on net assets, for which multi-year targets have been defined.

The remuneration system since 2021<sup>(1)</sup> also includes targets for a portion of long-term variable Management Board remuneration based on environmental, social and governance criteria (“ESG targets”) and introduces a share purchase and shareholding obligation tied to the long-term variable remuneration as well as malus and clawback provisions for variable remuneration components that provide for variable remuneration components to be reduced (malus) or reclaimed (clawback) in certain circumstances relating to performance and compliance.

The amendments to the 2021 remuneration system that were made in 2023 primarily concerned the following aspects:

- The method for determining the degree of target fulfilment for the non-financial performance criteria of the long-term incentive (LTI) was defined in greater detail.
- The option to retain existing provisions on payments in the event of the non-extension of the contract of employment when extending existing contracts, i.e. contracts of employment with Management Board members concluded prior to 26 March 2021, was introduced. However, it is not permitted to agree such provisions if they were not already included in existing contracts.

#### A. Main features of the remuneration system applied in the reporting year

In the reporting year, the members of the Management Board received or were due non-performance-related fixed remuneration components and performance-related variable remuneration components under the respective remuneration system. These combine to form the total remuneration awarded and due to the respective Management Board member in the reporting year.

#### Non-performance-related fixed remuneration

The non-performance-related fixed remuneration ensures an appropriate basic income for the members of the Management Board. It is composed of the basic fixed remuneration agreed individually with each member of the Management Board and the respective fringe benefits (in line with market conditions), some of which differ from member to member, such as a company car, including for private use, reimbursements for the cost of running two households, contributions to social insurance and accident insurance premiums to accident insurance. All active members of the Management Board were also awarded an occupational pension.

#### Performance-related variable remuneration

Furthermore, the Management Board members received performance-related variable remuneration. The Supervisory Board endeavours to ensure ambitious targets as a means of incentivising the Management Board members to pursue sustainable value generation in the interests of the corporate strategy. This includes the short-term incentive (STI) with a one-year measurement period and the long-term incentive (LTI) with a (retrospective) three-year measurement period. The STI accounts for 49 % of the target variable remuneration (assuming 100 % target fulfilment) and the LTI accounts for the remaining 51 % of the performance-related remuneration, meaning that the long-term variable remuneration constitutes the larger portion of the target variable remuneration. The granting of the STI and the LTI and the incentivising effect of these performance-related variable remuneration components are based on financial and individual performance criteria. The remuneration system since 2021 also contains ESG targets. This ensures that Management Board remuneration is partially tied to sustainable environmental, social and governance targets. The respective performance criteria are defined by the Supervisory Board with a view to ensuring the implementation of the corporate strategy and the operational measures required to achieve this. Accordingly, the components have different bases of assessment and success parameters in line with the respective performance periods.

#### *Short-term incentive (STI) – main features and performance criteria*

The STI is calculated on the basis of the EBIT of the Group in the current financial year and individually defined targets, some of which are qualitative targets. The financial performance criterion is the respective operating EBIT approved by the Supervisory Board, which accounts for 28 % of the total performance-related remuneration and 60 % of the STI measurement.

<sup>(1)</sup>Where reference is made in this report to the „remuneration system since 2021”, this refers to the 2021 remuneration system as well as the attended remuneration system.

After the end of the financial year, the degree of target fulfilment is determined by dividing the deviation in operating EBIT (target/actual) in EUR million, adjusted for the contractually defined non-recurring effects, by the target net operating assets in EUR million, and multiplying this figure by a factor of 15. The percentage thus calculated is used to determine the degree of target fulfilment above or below 100 %. The degree of target fulfilment thus determined with regard to Group EBIT is taken into account in measuring the STI payment. Target fulfilment is limited to a maximum of 150 % (cap).

$$\frac{\text{Deviation from target}}{\text{Target net operating assets}} = \text{Ratio in \%} \times 15 = \text{Percentage calculated} + 100\% = \text{Degree of target achievement in \%}$$

The individual targets (individual performance criteria), which account for 21 % of the total performance-related remuneration, are defined by the Supervisory Board for the forthcoming year in the course of approving the annual planning. They make up 40 % of the STI. The Supervisory Board defines specific targets tied to strategic development for the respective function for each Management Board member.

After the end of the financial year, the degree of individual target fulfilment for the relevant STI targets (focal topics) is evaluated and determined by the Supervisory Board on a combined basis by reference to predetermined evaluation criteria. The total degree of target fulfilment for the individual targets is limited to a maximum of 130 % (cap).

#### *Long-term incentive (LTI) - main features and performance criteria*

In addition to the STI, the members of the Management Board are awarded a long-term incentive (LTI) annually depending on the degree of target fulfilment. The LTI is calculated on the basis of the company's medium-term success by reference to financial earnings components. The remuneration system since 2021 also includes non-financial performance criteria as part of the LTI.

Accounting for a total of 51 % of the performance-related remuneration and equally weighted in the existing remuneration system, the financial performance criteria are the cumulative operating EBT over a period of three years and the return on net operating assets based on a three-year average (in each case relating to the current financial year and the two previous financial years).

EBT is the key performance indicator for measuring the sustainable profitability of the company. The return on net operating assets measures profitability from the perspective of the efficient use of capital. The non-financial performance criteria for the LTI that additionally apply under the remuneration system since 2021 are currently based on the areas of decarbonisation, which is important for the ceramic sector, and compliance, which Villeroy & Boch considers to be critical to all business transactions.

The respective targets for both the financial and non-financial LTI performance criteria are defined in advance by the Supervisory Board for a period of three financial years. Target fulfilment is limited to a maximum of 150 %.

The degree of target fulfilment with regard to the cumulative long-term operating result (EBT) for the respective three-year measurement period is determined by comparing the achieved cumulative EBT values with the defined target result for the three-year period. The degree of target fulfilment thus determined with regard to multi-year EBIT is taken into account in measuring the LTI payment up to a maximum of 150 % (cap). No payout is made if the cumulative operating EBT over a rolling three-year period amounts to less than EUR 75 million.

The degree of target fulfilment with regard to the annual return on net operating assets is determined after the end of the respective financial year by dividing the actual return by the target return on assets defined previously. The percentage degree of target fulfilment for the respective three-year measurement period is calculated as the average of the annual target fulfilment rates for the year that has just ended and the two previous years. The degree of target fulfilment thus determined is taken into account in measuring the LTI payment. Target fulfilment is limited to a maximum of 150 % (cap). No payout is made if, over the rolling three-year measurement period, an average of less than 50 % of the target fulfilment level is achieved.

Since the 2021 remuneration system, the financial performance criteria for the LTI have accounted for 41 % of the total target variable remuneration. Cumulative EBT and the return on net operating assets are weighted equally for the purposes of the LTI measurement. The non-financial performance criteria for the LTI account for 10 % of the total target variable remuneration and are based on various topics for each of which the Supervisory Board defines up to six specific quantitative targets for the three-year measurement period. The current topics are decarbonisation and compliance. If the Supervisory Board does not define a specific weighting, the non-financial performance criteria are equally weighted.

The degree of target fulfilment with regard to the non-financial performance indicators is determined on the basis of the figures after the end of the financial year as collected in the course of sustainability reporting and published in the non-financial declaration (CSR report) approved by the Supervisory Board. The amendments to the remuneration system in 2023 specified that the annual degree of target fulfilment is calculated by dividing the actual figures by the targets defined in advance. The percentage degree of target fulfilment for the respective three-year measurement period is calculated as the average of the annual target fulfilment rates for the year that has just ended and the two previous years. In years for which no specific targets are agreed, a rate of 100 % is applied for the missing years. The degree of target fulfilment for the non-financial performance criteria thus determined for the respective financial year is taken into account in measuring the LTI payment up to a maximum of 150 % of the respective target (cap).

The Supervisory Board also pursues the goal of promoting non-financial issues sustainably and holistically among all of the Management Board members. To this end, it has established the non-financial LTI performance criteria applicable to the respective Management Board members under the remuneration system since 2021 as individual annual targets for the STI for 2023 for those Management Board members who fall under the existing remuneration system.

*Remuneration as a means of promoting the long-term development of the company*

The total remuneration is composed of fixed and variable remuneration components in order to clearly and transparently reward the implementation of the corporate strategy and a focus on the company's sustainable long-term success. The fixed remuneration ensures that Management Board membership is always adequately compensated, thereby helping to attract and retain qualified Management Board members in the interests of the company's long-term development. The variable remuneration components ensure that Management Board members are rewarded for their performance. They are tied to the achievement of performance criteria that are defined in advance.

The key financial indicators applied by the Group in determining the STI and LTI are the same as those used in corporate management as part of the corporate strategy. The individual STI targets aim to incentivise all Management Board members to implement certain departmental initiatives and projects for promoting the corporate strategy as a means of advancing the company's long-term development. Meanwhile, the LTI establishes incentives for consistently

increasing the operating result and ensuring the efficient utilisation of the tied-up capital and a dividend policy that is geared towards continuity. In this way, the interests of the Management Board members are aligned with those of the company's shareholders and additional stakeholders, such as customers and employees.

The non-financial ESG targets defined as part of the LTI under the remuneration system since 2021 (and the STI under the existing remuneration system), which currently cover the topics of decarbonisation and compliance, are derived from the sustainability strategy of Villeroy & Boch Aktiengesellschaft and establish particular incentives for ensuring the company's sustainable long-term growth.

**B. Application of the performance criteria for variable remuneration in the reporting year**

The following performance criteria were applied for the 2023 financial year:

STI 2023

The Supervisory Board defined the STI performance criterion for the members of the Management Board for the 2023 financial year as the achievement of the target EBIT corridor for 2023 of between EUR 94.0 million and EUR 102.0 million (for 100 % target fulfilment).

As an additional component of short-term variable remuneration, individual targets were derived and agreed for all Management Board members on the basis of the strategic corporate objectives and the operational management of the company.

The individual targets determined for the Chairman of the Management Board (Mr Göring) included focal topics in connection with (i) effective cooperation within the Management Board which was newly composed in 2023, (ii) the implementation of a Group sustainability strategy, (iii) sustainability targets in the area of decarbonisation and compliance, (iv) the strengthening of global core business through M&A activities, especially the evaluation and implementation of additional growth options, (v) certain group projects (e.g. the 275th anniversary celebrations) and (vi) the promotion of group-wide organisational development.

For the Dining & Lifestyle Director (Ms Schupp), the STI incentives are geared towards individual targets for (i) addressing strategic growth areas (especially defined revenue growth targets, the establishment of test markets and the

expansion and marketing of defined product ranges), (ii) ensuring strategic profitability (especially with a view to stabilising margins), (iii) the area of operations, (iv) the evaluation of M & A projects/partnerships in the gifts business line and (v) the promotion of Group-wide organisational development.

The Supervisory Board pursues similar objectives in the Bathroom & Wellness Division (Mr Lörz), where the individual STI targets are geared towards (i) addressing strategic growth areas and accelerating opportunities, (ii) ensuring strategic stability (e.g. with a view to margins and reducing days inventory outstanding), (iii) increasing the competitiveness of operations (with a view to production and supply chain optimisation), (iv) strategic M & A projects in the division, (v) sustainability targets in the area of decarbonisation and compliance, and (vi) the promotion of Group-wide organisational development.

The targets for the Chief Financial Officer (Dr Warncke) focused on (i) increasing the efficiency of the organisation and reduction costs (e.g. through procurement cost savings), (ii) the strategic control of marketing expenses and (iii) risk minimisation and improvements to compliance, as well as (iv) the further development of the Group's property holdings, (v) sustainability targets in the area of decarbonisation and compliance and (vi) the promotion of Group-wide organisational development.

In the area of digitalisation & IT (Dr Domma), the STI incentives are geared towards individual targets for (i) the strategic reorientation of IT and the establishment of the technical framework for Group-wide efficiency improvements in internal business processes, (ii) the realisation of potential benefits and efficiency gains in selected areas through process digitalisation and data science, (iii) the expansion of digital marketing in both divisions and growth in global e-commerce, (iv) the digital transformation and (v) the promotion of Group-wide organisational development.

In the area of HR & organisational development (Ms Jehle), the STI targets are focused on (i) increasing the efficiency and effectiveness of the HR organisation with regard to defined aspects, (ii) making progress with the digital transformation of the management of employee processes, (iii) Group-wide organisational development through the implementation of sustainable talent management and the expansion of leadership skills and digital skills for the future, (iv) defined Group projects (especially the implementation of a sustainability strategy), and (v) the expansion and cultivation of social partnership activities.

#### *LTI 2023*

For the purposes of the LTI, the achievement of cumulative EBT of EUR 135.0 million for 2021-2023 and the achievement of the target return on assets of 15.0 % (2023) were defined as targets for all Management Board members. The degree of target fulfilment with regard to the return on net operating assets is calculated as the average of the three annual target fulfilment rates for 2023, 2022 and 2021. In terms of the LTI non-financial performance criteria for 2023, the target in the area of decarbonisation was a 3.0 % reduction in the ratio of CO<sub>2</sub> emissions attributable to ceramics (in t) to the net production volume (in t) compared with the previous year, while the target for the coverage of the procurement volume by the Code of Conduct was 93 %; the percentage degree of target fulfilment for the non-financial performance indicators is based on the average of the three annual target fulfilment rates for 2023, 2022 and 2021.

The degree of target fulfilment for the variable remuneration for the 2023 financial year (STI and LTI), which is payable in March, was determined by the Supervisory Board in February 2024.

The following table shows the degree of target fulfilment by the individual Management Board members applying the performance criteria for the measurement of the variable remuneration (STI and LTI) earned in 2023.

**PERFORMANCE OF THE MEMBERS OF THE MANAGEMENT BOARD IN THE REPORTING YEAR /  
PERFORMANCE CRITERIA FOR THE VARIABLE REMUNERATION EARNED IN THE FINANCIAL YEAR 2023**

	Dr Peter Wolfgang Domma		Frank Göring		Esther Lea Jehle		Georg Lörz <sup>(1),(2)</sup>	
	Digitalisation / IT Director since 1 January 2023		Chief Executive Officer since 15 May 2009 Spokesman of the Management Board since 1 June 2007 Member of the Management Board since 1 January 2005		HR / Organisational Development Director since 1 January 2023		Bathroom & Wellness Director since 1 August 2020  Remuneration period until 31 July 2023	
	Fulfilment in %	Fulfilment in T EUR	Fulfilment in %	Fulfilment in T EUR	Fulfilment in %	Fulfilment in T EUR	Fulfilment in %	Fulfilment in T EUR
Target EBIT	80.8%	29.0	80.8%	147.1	80.8%	36.2	80.8%	36.3
Individual targets	99.0%	26.6	95.0%	129.7	97.0%	32.6	80.0%	27.0
<b>Total STI</b>	-	<b>55.6</b>	-	<b>276.8</b>	-	<b>68.8</b>	-	<b>63.2</b>
EBT	129.0%	33.9	150.0%	248.6	129.0%	42.3	150.0%	61.4
Return on net operating assets	121.7%	31.9	150.0%	248.6	121.7%	39.9	150.0%	61.4
Non-financial performance criteria	101.2%	13.0	-	-	101.2%	16.2	-	-
<b>Total LTI</b>	-	<b>78.7</b>	-	<b>497.3</b>	-	<b>98.4</b>	-	<b>122.7</b>
<b>Total variable remuneration 2023</b>	<b>104.9%</b>	<b>134.3</b>	<b>119.1%</b>	<b>774.0</b>	<b>104.5%</b>	<b>167.2</b>	<b>115.90%</b>	<b>186.0</b>
<b>Target variable remuneration 2023 (100%)</b>	<b>100.0%</b>	<b>128.0</b>	<b>100.0%</b>	<b>650.0</b>	<b>100.0%</b>	<b>160.0</b>	<b>100.0%</b>	<b>160.4<sup>(3)</sup></b>

**PERFORMANCE OF THE MEMBERS OF THE MANAGEMENT BOARD IN THE REPORTING YEAR /  
PERFORMANCE CRITERIA FOR THE VARIABLE REMUNERATION EARNED IN THE FINANCIAL YEAR 2023**

	Georg Lörz <sup>(1),(2)</sup>		Gabriele Schupp		Dr Markus Warnecke	
	Bathroom & Wellness Director since 1 August 2020  Remuneration period since 1 August 2023		Dining & Lifestyle Director since 1 February 2019		Chief Financial Officer since 1 January 2015	
	Fulfilment in %	Fulfilment in T EUR	Fulfilment in %	Fulfilment in T EUR	Fulfilment in %	Fulfilment in T EUR
Target EBIT	80.8%	22.6	80.8%	54.3	80.8%	62.2
Individual targets	80.0%	16.8	102.0%	51.4	95.0%	54.9
<b>Total STI</b>	-	<b>39.4</b>	-	<b>105.7</b>	-	<b>117.1</b>
EBT	150.0%	30.8	150.0%	73.8	150.0%	105.2
Return on net operating assets	150.0%	30.8	150.0%	73.8	150.0%	105.2
Non-financial performance criteria	102.6%	10.3	102.6%	24.6	-	-
<b>Total LTI</b>	-	<b>71.8</b>	-	<b>172.2</b>	-	<b>210.4</b>
<b>Total variable remuneration 2023</b>	<b>111.2%</b>	<b>111.2</b>	<b>115.8%</b>	<b>277.9</b>	<b>119.1%</b>	<b>327.5</b>
<b>Target variable remuneration 2023 (100%)</b>	<b>100.0%</b>	<b>100.0<sup>(4)</sup></b>	<b>100.0%</b>	<b>240.0</b>	<b>100.0%</b>	<b>275.0</b>

These figures may be subject to rounding differences.

- (1) For Mr Lörz, non-financial performance criteria only applied as part of the LTI for the remuneration period from the date of his reappointment effective 1 August 2023 until 31 December 2023. The contract of employment based on the existing remuneration system applied for the remuneration period from 1 January 2023 to 31 July 2023.
- (2) Mr Lörz's target annual variable remuneration (assuming 100 % target fulfilment, STI and LTI combined) was reduced from EUR 275 thousand to EUR 240 thousand with effect from 1 August 2023. Accordingly, the amounts shown for "Fulfilment in EUR" comprise the amounts achieved for the period from 1 January 2023 to 31 July 2023 and the period from 1 August 2023 to 31 December 2023 on a pro rata basis, in each case based on the respective target amount. This results in a total target amount of EUR 260.4 thousand for the financial year.
- (3) 7/12 of the target remuneration for the 2023 financial year based on the contract until 31 July 2023.
- (4) 5/12 of the target remuneration for the 2023 financial year based on the contract since 1 August 2023.

### Target fulfilment LTI 2023

The long-term incentive (LTI) is calculated on the basis of the company's medium-term success by reference to financial earnings components (EBT and return on net assets) and, since the 2021 remuneration system came into force, also by

reference to non-financial performance criteria (decarbonisation and compliance (increase in the share of the procurement volume attributable to suppliers covered by the Code of Conduct)):

#### PERFORMANCE CRITERIA AND TARGET FULFILMENT

Performance criterion	Measurement period	Remuneration system since 2021	Existing remuneration system	Evaluation criteria
Cumulative EBT over a three-year measurement period	Target fulfilment 2021-2023	209.6%	209.6%	Measurement of target fulfilment by comparing the cumulative annual values achieved with the three-year target. Capped at 150 %
	Total degree of target fulfilment in %	150% (Cap)	150% (Cap)	
	Weighting for LTI	40.2%	50.0%	In years for which no specific targets were agreed, a rate of 100 % is applied for the missing years.
Average fulfilment of the return on net assets target over the three-year period	Target fulfilment 2021	250.4%	250.4%	Three-year average of target fulfilment for the respective year. Capped at 150 %.
	Target fulfilment 2022	210.2%	210.2%	
	Target fulfilment 2023	165.2%	165.2%	
	Total degree of target fulfilment in %	150% (Cap)	150% (Cap)	
	Weighting for LTI	40.2%	50.0%	
Average fulfilment of the decarbonisation target over the three-year period	Target fulfilment 2021	100.0%	./.	Three-year average of target fulfilment for the respective year. Capped at 150 %.
	Target fulfilment 2022	105.7%	./.	
	Target fulfilment 2023	105.3%	./.	
	Total degree of target fulfilment in %	103.7%	./.	
	Weighting for LTI	9.8%	./.	
Average fulfilment of the target of increasing the share of the procurement volume attributable to suppliers covered by the Code of Conduct over the three-year period	Target fulfilment 2021	100.0%	./.	Three-year average of target fulfilment for the respective year. Capped at 150 %.
	Target fulfilment 2022	102.2%	./.	
	Target fulfilment 2023	101.9%	./.	
	Total degree of target fulfilment in %	101.4%	./.	
	Weighting for LTI	9.8%	./.	
<b>Total degree of target fulfilment LTI 2023</b>		<b>140.7%</b>	<b>150.0%</b>	

These figures may be subject to rounding differences.



### LTI in shares

Under the share purchase and shareholding obligation, Management Board members covered by the remuneration system since 2021 are obliged to invest the equivalent value of the LTI (after taxes) in shares of the company (any existing shares they hold may also be contributed) and to hold these shares for a period of at least four years. The company may

also pay the LTI remuneration in shares in the company. The shares are subject to the opportunities and risks of capital market development throughout the entire four-year holding period. By linking the payment of the LTI to the obligation to purchase and hold shares in the company, the company ensures that the Management Board members participate in the long-term increase in the company's value.

#### NUMBER OF SHARES BASED ON LTI PAYMENT IN SHARES OR SHARE PURCHASE AND SHAREHOLDING OBLIGATION

	LTI in shares and shareholding obligation				
	Year	LTI amount in EUR thousand (gross)	Number (based on payment in shares or share purchase obligation)	Type of share provision	Expiration date of holding period
Dr Peter Wolfgang Domma	2023	78.7	Calculated via the LTI payout after taxes based on the average share price eight weeks prior to payment of the bonus	Shares granted by the Company	31 March 2028
Frank Göring <sup>(1)</sup>		./.	./.	./.	./.
Esther Lea Jehle	2023	98.4	Calculated via the LTI payout after taxes based on the average share price eight weeks prior to payment of the bonus	Combination of shares granted by the Company and transfer of existing shares	31 March 2028
Georg Lörz	2023	71.8 <sup>(2)</sup>	Calculated via the LTI payout after taxes based on the average share price eight weeks prior to payment of the bonus	Shares granted by the Company	31 March 2028
Gabriele Schupp	2022	177.5	4318	Transfer of existing shares	31 March 2027
	2023	172.2	Calculated via the LTI payout after taxes based on the average share price eight weeks prior to payment of the bonus	Shares granted by the Company	31 March 2028
Dr Markus Warncke <sup>(3)</sup>		./.	./.	./.	./.

<sup>(1)</sup> As Mr Göring was still covered by the existing remuneration system in the reporting year, he is not subject to a share purchase and shareholding obligation in the reporting year.

<sup>(2)</sup> The share purchase and shareholding obligation applies to Mr Lörz on a pro rata basis for the period from 1 August 2023 to 31 December 2023. He was still covered by the existing remuneration system until 31 July 2023.

<sup>(3)</sup> As Dr Warncke was still covered by the existing remuneration system in the reporting year, he is not subject to a share purchase and shareholding obligation in the reporting year.

### **Extraordinary payment**

No other extraordinary payments such as joining bonuses, retention bonuses, relocation costs, reimbursements under previous contracts of employment or payments due to termination were made in the reporting year.

However, a former Management Board member (Nicolas Luc Villeroy) received a compensation payment of EUR 48.7 thousand for the justified compensation of unexpected tax payments originally incurred in Germany in connection with a severance payment awarded in 2019.

### **Pension/occupational pension scheme**

The members of the Management Board (with the exception of Mr Göring) were each granted occupational pension commitments under a defined contribution pension scheme. On this basis, annual contributions of 17.5 % (under the existing remuneration system) and 15 % (under the remuneration system since 2021) of the annual basic remuneration were made in the reporting year. This is used to establish capital to cover pension payments in the event that they become payable (due to old age, invalidity or death). The contribution level was reduced from 17.5 % to 15 % in the 2021 remuneration system because the relative proportions of the remuneration components, and hence also the amount of the basic remuneration, have changed since the 2021 remuneration system.

The annual contributions serve as employer-funded contributions to the defined contribution pension scheme with Allianz Lebensversicherungs-AG and vest immediately. The option of deferred compensation is also available for the pension obligations of all Management Board members. To date, only one Management Board member (Dr Warncke) has made use of this option.

Any pension benefits in connection with pension obligations from previous contracts of employment are not shown here, as they were not earned from activity as a member of the Management Board.

Mr Göring is the only Management Board member to still be entitled to an occupational pension in the form of defined benefit commitments in the event that a pension becomes payable (due to old age, invalidity or death), which he has already earned in full during his eighteen years of service as a member of the Management Board. This entitles Mr Göring to receive a pension in the amount of 40 % of his final basic remuneration.

## PENSION OBLIGATIONS

Present value of pension obligations and the corresponding expenses and provisions recognised by the company during the last financial year:

<b>PENSION BENEFITS</b>		
	<b>Service cost 2023 (in EUR thousand)<sup>(1)</sup></b>	<b>Present value of pension obligations 2023 (in EUR thousand)</b>
Dr Peter Wolfgang Domma	13.0	16.0
Frank Göring	./.	6,161
Esther Lea Jehle	17.4	21.0
Georg Lörz	35.0	136.5
Gabriele Schupp	41.1	285.1
Dr Markus Warncke	34.0	755.8 <sup>(2)</sup>

These figures may be subject to rounding differences.

<sup>(1)</sup> Service cost in accordance with IAS 19

<sup>(2)</sup> This includes a pension obligation in connection with deferred compensation with a present value of EUR 439.3 thousand for which an addition of EUR 69.6 thousand in connection with deferred compensation was recognised in the reporting year

### Provision for surviving dependents, occupational disability

In case of the death of a Management Board member during their active period of service, their surviving dependents shall be entitled to the continued payment of the remuneration under the respective contract of employment for a period of six months. Similarly, if the Management Board member becomes permanently unable to work due to occupational disability during the term of their contract of employment, they shall be entitled to the continued payment of their basic remuneration for the month in which the employment relationship ends due to this occupational disability and for a period of six months thereafter.

### Application of malus and clawback provisions

There were no relevant malus or clawback events in the reporting year, meaning that no variable remuneration components were reduced or reclaimed on the basis of malus or clawback provisions.

### Commitments in the event of regular termination of employment

All of the Management Board members were granted pension commitments to cover pension payments in the event that they become payable. Above and beyond this, no commitments in the event of regular termination of employment were agreed with the following exceptions for Dr Warncke, Ms Schupp and Mr Lörz:

In the event of regular termination of employment, the contracts of employment with Dr Warncke and Ms Schupp

(until 31 December 2023 in each case) and Mr Lörz (until 31 July 2023) provide for these Management Board members to receive a severance payment in the amount of 1/12 of the basic remuneration they received in the last calendar year of their period of service with Villeroy & Boch Aktiengesellschaft for each year of uninterrupted activity as a member of the Management Board, up to a maximum of 12/12, if the employment relationship ends because the member of the Management Board is not reappointed even though they would have agreed to be reappointed at contractual conditions that were economically unchanged in real terms (i.e. taking into account any adjustment of purchasing power to reflect inflation) and they are not otherwise responsible for not being reappointed.

As part of the renewal of the contracts of employment in connection with the reappointment of Mr Lörz (from 1 August 2023), Dr Warncke and Ms Schupp (from 1 January 2024 in each case), the severance years already accrued or granted on the basis of the aforementioned existing contracts were converted into fixed severance payment amounts to which the respective Management Board members will be entitled in the event of the non-extension of their new contracts of employment under the conditions described above. This results in severance entitlements of EUR 68.8 thousand for Mr. Lörz (corresponding to 1/12 per year of uninterrupted activity as a member of the Management Board until the expiry of his previous contract of employment on 31 July 2023), EUR 230 thousand for Ms Schupp (corresponding to 1/12 per year of uninterrupted activity as a member of the Management Board until the expiry of her previous contract of

employment on 31 January 2025) and EUR 206.3 thousand for Dr Warncke (corresponding to 1/12 per year of uninterrupted activity as a member of the Management Board until the expiry of his previous contract of employment on 31 December 2023). These severance entitlements will not increase further in line with the length of service of the respective Management Board members.

The contract of employment of Mr Göring that expired in the reporting year contained a slightly different arrangement providing for him to receive a severance payment in the amount of 12/12 of the basic remuneration he received in the last calendar year of his period of service in the event of the termination of his appointment and his contract of employment. On the basis of this provision, Mr Göring received a severance payment of EUR 650 thousand in the reporting year in connection with the termination of his contract of employment and his appointment.

#### **Commitments in the event of early termination of employment**

The contracts of employment of the Management Board members (other than Mr Göring, whose contract solely contained the severance provision described above) who did not leave the company at the end of the reporting year provide for them to be compensated for the contractual claims that would have arisen during the remaining term of their contract of employment in the event of the early termination of their employment at the company's instigation. The continued payment of remuneration is excluded for periods in which the Management Board member actively receives occupational pension payments.

The calculation of the continued remuneration to be paid takes account of the remuneration components agreed with the individual Management Board members. The basis of calculation for the severance payment is the basic remuneration in the last financial year plus 100 % of the average of the variable remuneration components paid in the last two financial years.

This severance payment is limited to a maximum of two years' remuneration (severance cap) and may not exceed the remuneration of the respective member during the remaining term of their contract of employment.

However, members of the Management Board shall have no claim for severance or any other type of payment if the company terminates their contract of employment for good cause that lies within their responsibility.

There are no commitments for payments in the event of the early termination of the contract of employment by the Management Board member due to a change of control.

The contracts of employment do not provide for any post-contractual restraint of competition. Under the current contracts of employment with all Management Board members, however, the restraint of competition set out in section 88 AktG continues to apply for as long as the respective member receives remuneration due to early termination.

#### **Commitments or payments to former members of the Management Board who left the company during the financial year**

With the exception of Mr Göring, who stepped down from the Management Board at the end of 31 December 2023, no members of the Management Board left Villeroy & Boch Aktiengesellschaft in the 2023 reporting year.

In connection with him leaving the company, Mr Göring received the severance payment set out in his contract of employment as well as a compensation payment for his remaining holiday entitlement in the reporting year. No other commitments in connection with the termination of employment were agreed or granted in the reporting year.

#### **Commitments or payments by third parties**

In the 2023 reporting year, no commitments or payments were made to members of the Management Board by third parties in connection with their activity for Villeroy & Boch.

### **C. Remuneration awarded and due in the financial year**

#### **Active members of the Management Board**

The following tables show the remuneration awarded and due to the active members of the Management Board in accordance with section 162 (1) sentence 1 AktG in the 2023 financial year. Accordingly, the tables contain all amounts actually paid to the individual Management Board members in the reporting period (remuneration awarded) and all remuneration that is legally due to them but that they have not yet received (remuneration due).

“Remuneration awarded” encompasses the remuneration components actually paid to the individual Management Board members in the reporting period insofar as they were not already reported as remuneration due in a previous reporting year. This includes the monthly basic remuneration and individual fringe benefits.

“Remuneration due” for the 2023 financial year relates to the variable remuneration for the 2023 financial year, as the underlying performance had been made in full as at the end

of the respective reporting period on 31 December but payment does not take place until after the end of the respective reporting year.

This allocation of “remuneration awarded” and “remuneration due” to the respective periods enables transparent and comprehensible reporting and ensures that remuneration is linked to performance in the reporting period.

**MANAGEMENT BOARD REMUNERATION AWARDED AND DUE IN EUR THOUSAND  
IN THE 2023 FINANCIAL YEAR  
ACTIVE MEMBERS OF THE MANAGEMENT BOARD**

	Dr Peter Wolfgang Domma		Frank Göring		Esther Lea Jehle	
	Digitalisation / IT Director since 1 January 2023		Chief Executive Officer since 15 May 2009 Spokesman of the Management Board since 1 June 2007 Member of the Management Board since 1 January 2005		HR/ Organisational Development  Director since 1 January 2023	
	in EUR thousand	Fulfilment in %	in EUR thousand	Fulfilment in %	in EUR thousand	Fulfilment in %
Basic remuneration	192.0	56.0%	650.0	45.0%	240.0	57.4%
Other/fringe benefits <sup>(2)</sup>	16.4	4.8%	22.0	1.5%	10.7	2.6%
<b>Total fixed remuneration components</b>	<b>208.4</b>	<b>60.8%</b>	<b>672.0</b>	<b>46.5%</b>	<b>250.7</b>	<b>60.0%</b>
Annual bonus 2023 (STI)	55.6	16.2%	276.7	19.1%	68.8	16.5%
Annual bonus 2023 (LTI measurement period 2021-2023)	78.7	23.0%	497.3	34.4%	98.4	23.5%
<b>Total variable remuneration components</b>	<b>134.3</b>	<b>39.2%</b>	<b>774.0</b>	<b>53.5%</b>	<b>167.2</b>	<b>40.0%</b>
<b>Remuneration awarded and due (RAD) in accordance with section 162 AktG</b>	<b>342.7</b>	<b>100.0%</b>	<b>1,446.0</b>	<b>100.0%</b>	<b>417.9</b>	<b>100.0%</b>
Occupational pension contributions in the reporting year (in accordance with IAS 19)	13.0	-	-	-	17.4	-
<b>Total remuneration 2023 incl. benefit contributions</b>	<b>355.7</b>	<b>-</b>	<b>1,446.0</b>	<b>-</b>	<b>435.3</b>	<b>-</b>
Severance payments	-	-	685.2 <sup>(1)</sup>	-	-	-
<b>Total</b>	<b>355.7</b>	<b>-</b>	<b>2,131.2</b>	<b>-</b>	<b>435.3</b>	<b>-</b>

**MANAGEMENT BOARD REMUNERATION AWARDED AND DUE IN EUR THOUSAND  
IN THE 2023 FINANCIAL YEAR  
ACTIVE MEMBERS OF THE MANAGEMENT BOARD**

	Georg Lörz		Gabriele Schupp		Dr Markus Warncke	
	Bathroom & Wellness Director since 1 August 2020 Remuneration period from 1 August 2023		Dining & Lifestyle Director since 1 February 2019		Chief Financial Director since 1 January 2015	
	in EUR thousand	Fulfilment in %	in EUR thousand	Fulfilment in %	in EUR thousand	Fulfilment in %
Basic remuneration	310.4	49.7%	360.0	53.8%	275.0	44.0%
Other/fringe benefits <sup>(2)</sup>	16.9	2.7%	30.9	4.6%	22.0	3.5%
<b>Total fixed remuneration components</b>	<b>327.3</b>	<b>52.4%</b>	<b>390.9</b>	<b>58.4%</b>	<b>297.0</b>	<b>47.6%</b>
Annual bonus 2023 (STI)	102.7	16.4%	105.7	15.8%	117.1	18.8%
Annual bonus 2023 (LTI measurement period 2021-2023)	194.5	31.1%	172.2	25.7%	210.4	33.7%
<b>Total variable remuneration components</b>	<b>297.1</b>	<b>47.6%</b>	<b>277.9</b>	<b>41.6%</b>	<b>327.5</b>	<b>52.4%</b>
<b>Remuneration awarded and due (RAD) in accordance with section 162 AktG</b>	<b>624.4</b>	<b>100.0%</b>	<b>668.8</b>	<b>100.0%</b>	<b>624.5</b>	<b>100.0%</b>
Occupational pension contributions in the reporting year (in accordance with IAS 19)	35.0	-	41.1	-	34.0	-
<b>Total remuneration 2023 incl. benefit contributions</b>	<b>659.4</b>	<b>-</b>	<b>709.9</b>	<b>-</b>	<b>658.5</b>	<b>-</b>
Severance payments	-	-	-	-	-	-
<b>Total</b>	<b>659.4</b>	<b>-</b>	<b>709.9</b>	<b>-</b>	<b>658.5</b>	<b>-</b>

These figures may be subject to rounding differences.

<sup>(1)</sup> In the reporting year, Mr Göring received a contractually agreed severance payment of EUR 650 thousand and a compensation payment for his remaining holiday entitlement in connection with the end of his contract of employment on 31 December 2023.

<sup>(2)</sup> This includes taxable non-cash benefits and other fringe benefits in the 2023 financial year. D & O insurance premiums are paid by the Company but are not included in the fringe benefits.

### Former members of the Management Board

The following table shows the remuneration awarded and due to former members of the Management Board in accordance with section 162 (1) sentence 1 AktG in the 2023 financial year. In accordance with section 162 (5) sentence 2 AktG, the personal details of former members of the Management Board are omitted if ten years have passed since the end of the financial year in which they stepped down from the

Management Board. In the 2023 financial year, these former Management Board members for whom personal details are omitted and their surviving dependents were awarded and due a total of EUR 1,825 thousand (previous year: EUR 2,054 thousand). Measured in accordance with IAS 19, the company's pension obligations for these individuals amounted to EUR 17,412 thousand

**REMUNERATION AWARDED AND DUE  
IN EUR THOUSAND IN THE 2023 FINANCIAL YEAR  
FORMER MEMBERS OF THE MANAGEMENT BOARD**

	For all other former members of the Management Board		Nicolas Luc Villeroy	
	in EUR thousand	in % of RAD	in EUR thousand	in % of RAD
Basic remuneration	-	0.0%	-	0.0%
Other/fringe benefits	39.2 <sup>(1)</sup>	2.1%	48.7 <sup>(2)</sup>	80.6%
Pensions <sup>(3)</sup>	1,785.5	97.9%	11.7	19.4%
<b>Total fixed remuneration components</b>	<b>1,824.7</b>	<b>100.0%</b>	<b>60.4</b>	<b>100.0%</b>
Annual bonus 2023 (STI)	-	0.0%	-	0.0%
Annual bonus 2023 (LTI)	-	0.0%	-	0.0%
<b>Total variable remuneration components</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>0.0%</b>
<b>Remuneration awarded and due (RAD) in accordance with section 162 AktG</b>	<b>1,824.7</b>	<b>100.0%</b>	<b>60.4</b>	<b>100.0%</b>

These figures may be subject to rounding differences.

<sup>(1)</sup> Allowance for accommodation and non-cash benefit for the provision of accident insurance.

<sup>(2)</sup> Compensation payment for the justified compensation of unexpected tax payments originally incurred in Germany in connection with a severance payment granted in 2019.

<sup>(3)</sup> Total monthly pension/contractual pension payments and one-off payments of retirement capital to former members of the Management Board in the reporting year.

### Maximum remuneration

The maximum remuneration under the current remuneration system is EUR 5 million for the entire body. It is composed of the sum of all variable remuneration components plus the fixed remuneration components for one financial year. The remuneration awarded to the entire body of active Management Board members in the reporting year under the existing remuneration system and the remuneration system since 2021 was not higher than this maximum remuneration of EUR 5 million for the entire body.

### Deviations from the remuneration system

There were no deviations from the relevant Management Board remuneration system in terms of the remuneration awarded in the reporting year.

In the contract of employment with Mr Lörz that has been in place since 1 August 2023 and the contracts of employment with Dr Warncke and Ms Schupp that have been in place since 1 January 2024, the definition of the amount of the severance payment in the event of the non-extension of the contract of employment for reasons for which the Management Board member is not responsible deviates in terms of its specific features from the potential continuation of the severance provision under the amended remuneration system, which limits any severance payment entitlement of 1/12 of the basic annual remuneration per year of uninterrupted activity as a member of the Management Board to a

maximum of 12/12. However, the aforementioned provisions in the current contracts of employment with Mr Lörz, Dr Warncke and Ms Schupp fall within the legacy clause provided for by the amended remuneration system, as the amount of the severance payment as defined (which is based on the term of the previous contracts of employment) is lower than the amount of the additional severance payment entitlement that could be earned under the amended remuneration system.

## II. SUPERVISORY BOARD REMUNERATION

The General Meeting of Shareholders on 1 April 2022 adopted a new remuneration system for the members of the Supervisory Board of Villeroy & Boch Aktiengesellschaft and resolved the corresponding amendment to the Articles of Association. Following this change, the Articles of Association state that Supervisory Board remuneration has consisted solely of a fixed component since 1 January 2022. The remuneration shown below is paid together with any value added tax incurred. Members are only entitled to receive remuneration on a pro rata basis for their term of office.

The employee representatives on the Supervisory Board indicated in the table have declared that their remuneration will

be paid in accordance with the guidelines of the German Trade Union Confederation and the IGBCE trade union.

#### **Non-performance-related fixed remuneration**

The fixed annual basic remuneration for each member of the Supervisory Board amounts to EUR 40 thousand. The Chair receives an additional EUR 80 thousand, while the Vice Chair receives an additional EUR 17 thousand. The Chair of the Audit Committee receives an additional EUR 25 thousand, the Chair of the Human Resources Committee receives an additional EUR 10 thousand, and the Chair of the Investment Committee receives an additional EUR 4 thousand. The members of the Audit Committee and the Human Resources Committee each receive EUR 3 thousand p.a. in addition to their basic remuneration, while the members of the Investment Committee each receive an additional EUR 2.5 thousand p.a. Members of the Supervisory Board receive a fee of EUR 2 thousand for each meeting of the full Supervisory Board.

#### **Extraordinary payments**

In accordance with the company's Articles of Association, the members of the Supervisory Board are entitled to claim reimbursement for the expenses incurred as a result of their work. The Chair of the Supervisory Board is reimbursed office costs of EUR 74 thousand p.a. The costs for both 2022 and 2023 were reimbursed in 2023, resulting in a total of EUR 148 thousand.

#### **Malus or clawback provisions**

As no variable remuneration components were granted, no such components were reclaimed from members of the Supervisory Board in the reporting year. Furthermore, the remuneration system for the Supervisory Board set out in the Articles of Association of Villeroy & Boch Aktiengesellschaft does not provide for any malus or clawback provisions. The active members of the Supervisory Board of Villeroy & Boch Aktiengesellschaft received the following remuneration for performing their duties in the financial year:



**SUPERVISORY BOARD REMUNERATION AWARDED AND DUE IN EUR THOUSAND  
IN THE 2023 FINANCIAL YEAR - ACTIVE MEMBERS OF THE SUPERVISORY BOARD**

	Andreas Schmid		Bärbel Werwie <sup>(1)</sup>		Dominique Villeroy de Galhau		Susanne Heckelsberger	
	Chairman of the Supervisory Board since 27 March 2021, Member of the Supervisory Board since 30 October 2020		First Vice Chairwoman since 21 April 2023 Member of the Supervisory Board since 23 March 2018		Second Vice Chairman since 21 April 2023 Member of the Supervisory Board since 2 October 2015		Chairwoman of the Audit Committee since 30 October 2020, Member of the Supervisory Board since 1 July 2020	
	in EUR thousand	in % of TR	in EUR thousand	in % of TR	in EUR thousand	in % of TR	in EUR thousand	in % of TR
Basic remuneration	120.0	77.9%	51.8	69.3%	51.8	67.7%	40.0	47.1%
Committee remuneration	14.0	9.1%	3.0	4.0%	4.7	6.1%	25.0	29.4%
Meeting fees	20.0	13.0%	20.0	26.7%	20.0	26.2%	20.0	23.5%
<b>Total remuneration (TR) 2023 in accordance with section 162 AktG</b>	<b>154.0</b>	<b>100.0%</b>	<b>74.8</b>	<b>100.0%</b>	<b>76.5</b>	<b>100.0%</b>	<b>85.0</b>	<b>100.0%</b>
	Anna Engfer <sup>(1)</sup>		Daniela Graf <sup>(1)</sup>		Christina Rosenberg		Thomas Scherer <sup>(1)</sup>	
	Employee representative since 16 August 2022		Employee representative since 21 April 2023		Shareholder representative since 22 March 2013		Employee representative since 1 July 2020	
	in EUR thousand	in % of TR	in EUR thousand	in % of TR	in EUR thousand	in % of TR	in EUR thousand	in % of TR
Basic remuneration	40.0	66.7%	27.8	60.6%	40.0	63.5%	40.0	64.0%
Committee remuneration	-	0.0%	2.1	4.6%	3.0	4.8%	2.5	4.0%
Meeting fees	20.0	33.3%	16.0	34.9%	20.0	31.7%	20.0	32.0%
<b>Total remuneration (TR) 2023 in accordance with section 162 AktG</b>	<b>60.0</b>	<b>100.0%</b>	<b>45.9</b>	<b>100.0%</b>	<b>63.0</b>	<b>100.0%</b>	<b>62.5</b>	<b>100.0%</b>
	Louis de Schorlemer		Roland Strasser <sup>(1)</sup>		Susanne Ollmann		Richard Graf von Waldburg zu Wolfegg und Waldsee	
	Shareholder representative since 23 March 2018		Employee representative since 10 February 2021		Employee representative since 21 April 2023		Shareholder representative since 21 April 2023	
	in EUR thousand	in % of TR	in EUR thousand	in % of TR	in EUR thousand	in % of TR	in EUR thousand	in % of TR
Basic remuneration	40.0	65.8%	40.0	63.5%	27.8	63.5%	27.8	63.5%
Committee remuneration	2.8	4.6%	3.0	4.8%	-	-	-	-
Meeting fees	18.0	29.6%	20.0	31.7%	16.0	36.5%	16.0	36.5%
<b>Total remuneration (TR) 2023 in accordance with section 162 AktG</b>	<b>60.8</b>	<b>100.0%</b>	<b>63.0</b>	<b>100.0%</b>	<b>43.8</b>	<b>100.0%</b>	<b>43.8</b>	<b>100.0%</b>

These figures may be subject to rounding differences.

The Company has a D & O insurance policy that also covers the activities of the Supervisory Board members. The insurance premiums are paid by the company but are not included in the remuneration shown.

<sup>(1)</sup> These employee representatives on the Supervisory Board have declared that their remuneration will be paid in accordance with the guidelines of the German Trade Union Confederation and the IGBCE trade union.

The former members of the Supervisory Board of Villeroy & Boch AG received the following remuneration for performing their duties in the financial year:

**SUPERVISORY BOARD REMUNERATION AWARDED AND DUE IN EUR THOUSAND  
IN THE 2023 FINANCIAL YEAR  
FORMER MEMBERS OF THE SUPERVISORY BOARD**

	Dr Alexander von Boch-Galhau		Thomas Kannengießer		Ralf Runge <sup>(1)</sup>	
	Shareholder representative until 21 April 2023		Employee representative until 21 April 2023		1. First Vice Chairman until 21 April 2023	
	in EUR thousand	in % of TR	in EUR thousand	in % of TR	in EUR thousand	in % of TR
Basic remuneration	17.6	78.2%	12.3	75.5%	17.6	78.2%
Committee remuneration	0.9	4.0%	-	-	0.9	4.0%
Meeting fees	4.0	17.8%	4.0	24.5%	4.0	17.8%
<b>Total remuneration (TR) 2023 in accordance with section 162 AktG</b>	<b>22.5</b>	<b>100.0%</b>	<b>16.3</b>	<b>100.0%</b>	<b>22.5</b>	<b>100.0%</b>

These figures may be subject to rounding differences.

The Company has a D & O insurance policy that also covers the activities of the Supervisory Board members. The insurance premiums are paid by the company but are not included in the remuneration shown.

<sup>(1)</sup> This employee representative on the Supervisory Board has declared that his remuneration will be paid in accordance with the guidelines of the German Trade Union Confederation and the IG BCE trade union.

### III. COMPARATIVE PRESENTATION OF THE REMUNERATION OF THE MANAGEMENT BOARD AND SUPERVISORY BOARD WITH THE FINANCIAL PERFORMANCE OF THE COMPANY AND THE REMUNERATION OF ITS EMPLOYEES

In accordance with section 162 (1) sentence 2 no. 2 AktG, the following table presents the financial performance of Villeroy & Boch, the annual change in the remuneration of the members of the Management Board and Supervisory Board, and the annual change in the average remuneration of the total workforce on a full-time equivalent basis for the 2023 financial year. The transitional provision set out in section 26j (2) sentence 2 of the Introductory Act to the German Stock Corporation Act (EGAktG) was applied.

To enable a comparative presentation, the financial performance is presented in the form of consolidated EBIT, consolidated operating EBIT and consolidated EBT, i.e. some of the key performance indicators that are also used to measure the performance of the Management Board members for the purpose of their variable remuneration and that therefore have a significant influence on the level of Management Board remuneration. The Group result of the Villeroy & Boch Group and the net income/loss of Villeroy & Boch Aktiengesellschaft in accordance with section 275 (3) no. 17 of the German Commercial Code (HGB) are also shown.

The remuneration awarded and due in the financial year within the meaning of section 162 (1) sentence 1 AktG is shown for the members of the Management Board and Supervisory Board (in line with the presentation in the tables). As in the previous report, the earnings principle (based on the interpretation of remuneration awarded and due described above) was applied.

The comparative multi-year presentation of average employee remuneration contains information on the annual change in average employee remuneration. The group of employees included in this presentation is the total (permanent) workforce of Villeroy & Boch Aktiengesellschaft in Germany in the respective financial year. In the 2023 financial year, this encompassed 1,838 employees (full-time equivalents)

excluding Management Board members, trainees, working students and people in marginal employment (previous year: 1,807 employees). As in the previous reporting year, the comparative presentation was limited to people who were employed by the company throughout the entire financial year in order to ensure a representative permanent workforce, meaning that employees who joined or left the company during the year were not included. In this reporting year, the comparative presentation also excluded employees whose level of employment changed during the year and employees classified as unable to work without continued remuneration. The resulting number of 1,322 employees forms the basis for the table in the comparative presentation. This serves to ensure a uniform assessment across the periods being compared.

To determine the annual change in average employee remuneration, the remuneration awarded and due in the respective financial year was compared with the remuneration awarded and due in the previous financial year. The remuneration is composed of the basic salary calculated on the basis of monthly data over the financial year, functional and other allowances and the annual bonuses expected or paid out for the financial year (but not including pure loyalty bonuses due to length of service). It also includes the cost of payments to pension funds and direct insurance schemes under which employees obtain a direct entitlement with the respective provider, the provision of a company car (where applicable, based on the 1 % provision) and the social security contributions to be borne by the employer. The extrapolation to full-time equivalents is based on a 40-hour working week for employees not covered by collective wage agreements and a 38-hour working week for employees covered by collective wage agreements. Accordingly, the extrapolation to full-time equivalents means that any reductions in working hours due to short-time work or any overtime worked in the reporting year are not taken into account in the comparative presentation. The relevant figures for the average remuneration of the total (permanent) workforce of Villeroy & Boch Aktiengesellschaft in Germany have also been determined in line with these principles for the prior years since 2020. The resulting growth rates are shown in the following table.

**COMPARATIVE PRESENTATION OF FINANCIAL PERFORMANCE AND THE CHANGE IN THE REMUNERATION OF EMPLOYEES,  
THE MANAGEMENT BOARD AND THE SUPERVISORY BOARD**

<b>Financial performance as defined by section 264 (2) sentence 1 HGB</b>	<b>Increase in 2021 vs. 2020</b>	<b>Increase in 2022 vs. 2021</b>	<b>Increase in 2023 vs. 2022</b>
Consolidated EBIT	122%	7%	-8%
Consolidated EBIT (operating)	87%	6%	-10%
Consolidated EBT	139%	11%	-10%
Net income/loss of Villeroy & Boch Group	164%	18%	-15%
Net income/loss of Villeroy & Boch AG	-(1)	95%	-46%
<b>Average employee remuneration on an FTE Basis</b>	<b>Increase in 2021 vs. 2020</b>	<b>Increase in 2022 vs. 2021</b>	<b>Increase in 2023 vs. 2022</b>
Development of the total remuneration of Villeroy & Boch Aktiengesellschaft's workforce compared with the previous year <sup>(2),(3)</sup>	6%	1%	3% <sup>(4)</sup>
Development of the total remuneration (row 1) compared with contractual remuneration	8%	6%	7%
Development of contractual remuneration (basis remuneration + variable target remuneration) compared with the previous year	3%	3%	5%
Percentage impact of non-recurring effects on contractual remuneration (tax-free COVID-19 payments/inflation bonuses, other extraordinary benefits)	3%	3%	3%
<b>Active members of the Management Board</b>	<b>Increase in 2021 vs. 2020<sup>(5)</sup></b>	<b>Increase in 2022 vs. 2021<sup>(5)</sup></b>	<b>Increase in 2023 vs. 2022</b>
<b>Dr Peter Wolfgang Domma</b> Digitalisation/IT since 1 January 2023	-	-	-
<b>Frank Göring <sup>(6)</sup></b> Chief Executive Officer since 15 May 2009 Spokesman of the Management Board since 1 June 2007 Member of the Management Board since 1 January 2005	-17%	0%	-3%
<b>Esther Lea Jehle</b> HR/Organisational Development Director since 1 January 2023	-	-	-
<b>Georg Lörz <sup>(7)</sup></b> Bathroom & Wellness Director since 1 August 2020	179%	2%	1%
<b>Gabriele Schupp<sup>(8)</sup></b> Dining & Lifestyle Director since 1 February 2019	19%	-35%	-3%
<b>Dr Markus Warncke</b> Chief Financial Officer since 1 January 2015	21%	-6%	-2%
<b>Former Members of the Management Board</b>	<b>Increase in 2021 vs. 2020</b>	<b>Increase in 2022 vs. 2021</b>	<b>Increase in 2023 vs. 2022</b>
<b>Nicolas Luc Villeroy</b> Tableware Director until 31 January 2019	-	-	2%
<b>For all other former members of the Management Board</b>	0%	1%	12%
<b>Active members of the Supervisory Board</b>	<b>Increase in 2021 vs. 2020</b>	<b>Increase in 2022 vs. 2021</b>	<b>Increase in 2023 vs. 2022</b>
<b>Andreas Schmid</b> Chairman since 27 March 2021 Shareholder representative since 30 October 2020	680% <sup>(9)</sup>	53%	3%
<b>Bärbel Werwie</b> Employee representative since 23 March 2018 First Vice Chairman since 21 April 2023	12%	16%	27%
<b>Dominique Villeroy de Galhau</b> Shareholder representative since 2 October 2015 Second Vice Chairman since 21 April 2023	9%	12%	34%
<b>Anna Engfer</b> Employee representative since 16 August 2022	-	-	316% <sup>(11)</sup>
<b>Daniela Graf</b> Employee representative since 21 April 2023	-	-	-
<b>Susanne Heckelsberger</b> Chairwoman of the Audit Committee since 30 October 2020 Shareholder representative since 1 July 2020	146% <sup>(10)</sup>	39%	5%
<b>Susanne Ollmann</b> Employee representative since 21 April 2023	-	-	-

**COMPARATIVE PRESENTATION OF FINANCIAL PERFORMANCE AND THE CHANGE IN THE REMUNERATION OF EMPLOYEES,  
THE MANAGEMENT BOARD AND THE SUPERVISORY BOARD**

<b>Christina Rosenberg</b> Shareholder representative since 22 March 2013	9%	16%	7%
<b>Thomas Scherer</b> Employee representative since 1 July 2020	115% <sup>(12)</sup>	15%	7%
<b>Louis de Schorlemer</b> Shareholder representative since 18 April 2018	11%	15%	4%
<b>Roland Strasser</b> Employee representative since 10 February 2021	-	29%	11%
<b>Richard Graf von Waldburg zu Wolfegg und Waldsee</b> Shareholder representative since 21 April 2023	-	-	-
<b>Former members of the Supervisory Board</b>	<b>Increase in 2021 vs. 2020</b>	<b>Increase in 2022 vs. 2021</b>	<b>Increase in 2023 vs. 2022</b>
<b>Dr Alexander von Boch-Galhau</b> Second Vice Chairman since 27 March 2021 before Chairman since 15 January 2020	-27%	0%	-70% <sup>(13)</sup>
<b>Ralf Runge</b> First Vice Chairman since 30 May 2008	13%	17%	-70% <sup>(14)</sup>
<b>Thomas Kannengießer</b> Employee representative since 23 March 2018	10%	16%	-71% <sup>(15)</sup>

These rates of increase are subject to rounding differences.

- (1) As a net loss of € -28.1 million was reported in the 2020 financial year and net income of € 27.5 million was reported in the 2021 financial year, it is not mathematically possible to calculate a percentage increase.
- (2) The presentation of total employee remuneration is consistent with the principle of remuneration awarded and due as defined by section 162 (1) sentence 1 AktG and applied to the remuneration of the Management Board and Supervisory Board.
- (3) The higher growth rate in the 2021 financial year is attributable to an unusually high bonus payment of 150 % and a tax-free COVID-19 payment of up to € 1.65 thousand (net). The ratio of the bonus granted in the 2022 financial year (105 %) to the bonus granted in the 2021 financial year (150 %) and the COVID-19 payment in the 2021 financial year (up to € 1.65 thousand) to the inflation bonus in the 2022 financial year (up to € 1.3 thousand) had a negative impact on the increase in total remuneration between 2021 and 2022.
- (4) The effect of the inflation bonus is not visible in the total remuneration as a special bonus in the same amount was paid in the previous year. Effects in connection with short-time work are not recorded because the total remuneration is calculated on the basis of full-time equivalents.
- (5) In the historically strong 2021 financial year, the financial performance criteria for the variable remuneration of the Management Board members were exceeded by some distance, resulting in a high growth rate between 2020 and 2021 and a lower growth rate between 2021 and 2022.
- (6) Mr Göring received contractually agreed remuneration for special projects in the 2020 financial year. His total remuneration was increased with effect from 1 January 2022 in accordance with his contract.
- (7) Mr Lörz was appointed to the Management Board with effect from 1 August 2020, meaning that he received remuneration for the 2020 financial year on a pro rata basis from the start of his term of office. His total remuneration was increased by resolution of the Supervisory Board with effect from 1 April 2022 and amended with effect from 1 August 2023 following the extension of his contract and his move to the remuneration system since 2021.
- (8) The total remuneration for Ms Schupp was adjusted following the extension of her contract in 2022 and her move to the 2021 remuneration system.
- (9) In the 2020 financial year, Mr Schmid received remuneration on a pro rata basis from the start of his term of office. He was elected as Chairman of the Supervisory Board in the 2021 financial year. In this function, he also chairs two committees.
- (10) In the 2020 financial year, Ms Heckelsberger received remuneration on a pro rata basis from the start of her term of office.
- (11) In the 2023 financial year, Ms Engfer received remuneration on a pro rata basis from the start of her term of office.
- (12) In the 2020 financial year, Mr Scherer received remuneration on a pro rata basis from the start of his term of office.
- (13) In the 2020 financial year, Dr von Boch-Galhau was the Chairman of the Supervisory Board and also chaired two committees. On stepping down as Chairman in March 2021, he became the Second Vice Chairman of the Supervisory Board and a committee member. He stepped down from the Supervisory Board on 21 April 2023 and received remuneration for the 2023 financial year on a pro rata basis until the end of his term of office.
- (14) Mr Runge stepped down from the Supervisory Board on 21 April 2023 and received remuneration for the 2023 financial year on a pro rata basis until the end of his term of office.
- (15) Mr Kannengießer stepped down from the Supervisory Board on 21 April 2023 and received remuneration for the 2023 financial year on a pro rata basis until the end of his term of office.

### Approval by the General Meeting of Shareholders

The remuneration report for the 2022 reporting year was presented to the 2023 General Meeting of Shareholders for approval in accordance with section 120a (4) AktG. The General Meeting of Shareholders approved the remuneration report on 21 April 2023 with 100.00 % of the votes cast. In light of this result and to ensure consistency, the Supervisory Board and the Management Board see no reason to alter the fundamental approach or the nature of the reporting.

## INDEPENDENT AUDITOR’S REPORT

### To Villeroy & Boch Aktiengesellschaft

We have audited the accompanying remuneration report of Villeroy & Boch AG, Mettlach/Germany, (“the Company”) for the financial year from 1 January 2023 to 31 December 2023, including the related disclosures, which has been prepared to comply with Section 162 German Stock Corporation Act (AktG).

#### Responsibilities of the Executive Directors and the Supervisory Board.

The executive directors and the supervisory board of Villeroy & Boch AG, Mettlach/Germany, are responsible for the preparation of the remuneration report, including the related disclosures, that complies with the requirements of Section 162 AktG. The executive directors and the supervisory board are also responsible for such internal control as they consider necessary to enable the preparation of a remuneration report, including the related disclosures, that is free from material misstatement, whether due to fraud (i.e. fraudulent financial reporting and misappropriation of assets) or error.

#### Auditor’s Responsibilities

Our responsibility is to express an opinion on this remuneration report, including the related disclosures, based on our audit. We conducted our audit in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW). These Standards require that we fulfil the professional responsibilities and that we plan and perform the audit so that we obtain reasonable assurance as to whether the remuneration report, including the related disclosures, is free from material misstatements.

An audit involves performing audit procedures in order to obtain audit evidence for the amounts stated in the remuneration report, including the related disclosures. The choice of the audit procedures is subject to the auditor’s professional judgement. This includes assessing the risk of material misstatements, whether due to fraud or error, in the remuneration report, including the related disclosures. In assessing these risks, the auditor considers the system of internal control, which is relevant to preparing the remuneration report, including the related disclosures. Our objective is to plan and perform audit procedures that are appropriate in the circumstances, but not to express an audit opinion on the effectiveness of the Company’s system of internal control. An audit also comprises an evaluation of the accounting policies used, of the reasonableness of accounting estimates made by the

executive directors and the supervisory board as well as an evaluation of the overall presentation of the remuneration report, including the related disclosures. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### Audit Opinion

In our opinion, on the basis of the knowledge obtained in the audit, the remuneration report for the financial year from 1 January 2023 to 31 December 2023, including the related disclosures, complies, in all material respects, with the accounting principles of Section 162 AktG.

#### Other Matter – Formal Audit of the Remuneration Report

The audit of the content of the remuneration report described in this report comprises the formal audit of the remuneration report required under Section 162 (3) AktG including the issuance of a report on this audit. Since our audit opinion on the audit of the content of the remuneration report is unmodified, this audit opinion includes that the disclosures required under Section 162 (1) and (2) AktG are contained, in all material respects, in the remuneration report.

#### Intended Use of the Report

We issue this report as stipulated in the engagement letter agreed with the Company. The audit has been performed for the purposes of the Company and the report is solely intended to inform the Company about the result of the audit.

#### Liability

This report is not intended to be used by third parties as a basis for any (asset) decision. We are liable solely to Villeroy & Boch AG, Mettlach/Germany, and our liability is also governed by the engagement letter dated 5/6 February 2024 agreed with the Company as well as the “General Engagement Terms for Wirtschaftsprüferinnen, Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften (German Public Auditors and Public Audit Firms)” promulgated by the Institut der Wirtschaftsprüfer in Deutschland e.V. (IDW) in the version dated 1 January 2024 (IDW-AAB). However, we do not accept or assume liability to third parties.

Stuttgart/Germany, 27 February 2024

Deloitte GmbH  
Wirtschaftsprüfungsgesellschaft

Signed:	Signed:
Marco Koch	Wilhelm Röscheisen
Wirtschaftsprüfer	Wirtschaftsprüfer
(German Public Auditor)	(German Public Auditor)