



Villeroy & Boch

1748

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

(Version dated 30.12.2022)

In accordance with section 161 of the German Stock Corporation Act (AktG), the Management Board and Supervisory Board of Villeroy & Boch AG hereby declare that, with the exception of the recommendations listed below, Villeroy & Boch AG has complied with the recommendations of the Government Commission of the German Corporate Governance Code (DCGK, the "Code") in the version dated 16 December 2019 (DCGK 2020) since the last declaration of conformity was issued on 29 December 2021 with the supplements dated 6 May 2022 and has complied with the recommendations of the Code in the version of 28 April 2022 (GCGC 2022) since its entry into force by publication in the Federal Gazette on 27 June 2022 and will comply with them in the future.

Recommendations C.6 (1), C.7 (1) of the Code 2022

The group of shareholder representatives of the Supervisory Board is - according to their own opinion - made up exclusively of independent members.

Independence of the members of the group of shareholder representatives in the Supervisory Board

The Company does not have a controlling shareholder within the meaning of the Code 2022 but points out that the Supervisory Board includes members of the founding families of von Boch and Villeroy as well as other representatives. However, in the opinion of the Supervisory Board, these relationships do not constitute a legally relevant conflict of interest. On the contrary, the current composition of the Supervisory Board ensures that monitoring is geared to the interests of the Company without any conflicts of loyalty or role.

Section G.I. Remuneration of the Management Board of the Code 2022

The Code 2022 contains in section G.I. recommendations on the remuneration of the Management Board from which there are still exceptions in this respect in particular points within the framework of individual employment contracts (namely concerning G.1, G.3, G.7, G.8 - G.11, G.13 - 14).

The Supervisory Board has developed and resolved a system for Management Board remuneration. This system has been approved by the Annual General Meeting on 26 March 2021. The new remuneration system applies to all new Management Board employment contracts to be concluded or extended. Since the resolution of the Supervisory Board on the new Management Board remuneration system, a system has been in place which reflects the contents of Section 87a AktG and which complies with the recommendations of Section G.I. of the GCGC 2022 with the following exceptions:

Recommendation G.1 of the Code 2022

According to Recommendation G.1, 2nd indent of the Code 2022, the maximum remuneration for individual Management Board members is to be determined.

In the Management Board remuneration system, the maximum remuneration is not set individually for each Management Board member, but for the Management Board as a whole. The Supervisory Board is of the opinion that setting the maximum remuneration for the entire Board provides the necessary flexibility to be able to decide individually on the maximum remuneration of the individual Management Board members during the four-year period of validity of the remuneration system. However, in the view of the Supervisory Board, this is also sufficient to ensure an effective cap on Management Board remuneration.

Recommendation G.8 of the Code 2022

According to Recommendation G.8 of the Code 2022, subsequent changes to the target values or the comparison parameters should be excluded.

The Management Board remuneration system provides for the possibility of a subsequent adjustment of target values or comparison parameters in the event of a significant change in the economic environment, insofar this may be required in the interests of the Company. A future adjustment is therefore not fundamentally ruled out.

Recommendation G.18 (2) of the Code 2022

On 1 April 2022, the Annual General Meeting adopted a new remuneration system for the members of the Supervisory Board of Villeroy & Boch AG with effect from 1 January 2022 and resolved the corresponding amendment to the Articles of Association. Accordingly, the Supervisory Board remuneration consists of a purely fixed remuneration. The recommendation is therefore now complied with.

**Performance-
related
Supervisory
Board
remuneration**

D-66693 Mettlach, in December 2022

The Management Board

The Supervisory Board

Frank Göring
Chairman of the Management Board

Andreas Schmid
Chairman of the Supervisory Board