

Rules of Procedure for the Supervisory Board of Villeroy & Boch AG

in the version of 29 December 2021

Section 1 - General

- (1) Taking into account the current recommendations of the German Corporate Governance Code (GCGC - *Deutscher Corporate Governance Kodex* DCGK), the Supervisory Board adopted the following new version of its Rules of Procedure on 29 December 2021.
- (2) The work of the Supervisory Board is governed by the relevant statutory provisions, the Articles of Association of Villeroy & Boch AG, the present Rules of Procedure and the Company's corporate governance principles.
- (3) The Supervisory Board supervises and advises the Management Board in the management of the Company. It is involved in all decisions of fundamental importance to the Company. It works closely and in a spirit of trust with the Management Board in the best interests of the Company.
- (4) The Supervisory Board appoints and discharges the members of the Management Board. With respect to the overall composition of the Management Board, it seeks to take adequate account of diversity. Together with the Management Board, the Supervisory Board ensures long-term succession planning.
- (5) Supervisory Board and Management Board are obliged to issue an annual declaration of compliance with the GCGC. The Supervisory Board and its members comply with the recommendations of the GCGC in accordance with the respective current declaration of compliance.
- (6) The Supervisory Board, together with the Management Board, shall report annually on the corporate governance of the Company in the Corporate Governance Statement.
- (7) The members of the Supervisory Board shall provide the Company and/or the Supervisory Board with all information necessary to meet their respective reporting obligations in accordance with the law, the GCGC or other applicable regulations.
- (8) The Supervisory Board shall assess, at regular intervals, how effectively the Supervisory Board as a whole and its committees fulfil their tasks.

- (9) In the performance of its duties, the Supervisory Board may, at its professional discretion, use the services of auditors, legal advisors and other internal and external advisors, and invite them to Supervisory Board meetings. The costs shall be borne by the Company.
- (10) The members of the Supervisory Board take responsibility for undertaking any training or professional development measures necessary to fulfil their duties. In doing so, they shall be adequately supported by the Company.

Section 2 - Composition of the Supervisory Board

- (1) The Supervisory Board is composed in compliance with the statutory provisions. In addition, the Supervisory Board shall determine specific objectives regarding its composition, taking into account the recommendations of the GCGC, and shall prepare a profile of skills and expertise for the entire Board while taking the principle of diversity into account.
- (2) The Supervisory Board is composed of 12 members, six of whom are elected by the General Meeting of Shareholders (shareholders' representatives) and six of whom are elected by the Company's employees in accordance with the provisions of the German Codetermination Act of 1976 (MitbestG) (employee representatives). Unless the General Meeting of Shareholders specifies a shorter term of office on election, members of the Supervisory Board are elected for a term that runs until the end of the General Meeting of Shareholders that resolves on the formal discharge of the Supervisory Board members for the fourth financial year after commencement of their term of office, without including the financial year in which the term of office commences.
- (3) Election proposals for the Supervisory Board shall take these objectives with respect to the composition of the Supervisory Board into account, while simultaneously aiming at fulfilling the overall profile of required skills and expertise of the Supervisory Board.

Section 3 - Rights and Duties of the Supervisory Board Members

- (1) All members of the Supervisory Board have the same rights and duties unless otherwise determined by the legal provisions, the Articles of Association or these Rules of Procedure. They are not bound by mandates or directives.
- (2) Each Supervisory Board member ensures that they have sufficient time available to discharge their duties; this shall also include the mandate limitations specified in recommendations C.4 and C.5 of the GCGC.
- (3) Each member of the Supervisory Board may resign from office subject to two months' notice by written notification addressed to the Chairperson of the Supervisory Board and to the Management Board. The notice period may be shortened by mutual agreement.

Section 4 - Chairperson / Vice Chairperson

- (1) A meeting of the Supervisory Board that shall not require any separate invitation shall be held following a General Meeting of Shareholders at which the majority of the shareholders' representatives have been newly elected. At this meeting, the Supervisory Board elects a Chairperson and a Vice Chairperson from among its members for the duration of its term of office. The shareholders' representative who is oldest in years shall preside over this meeting.

The election of the Chairperson and the Vice Chairperson takes place subject to the provisions of Section 27 (1) and (2) of the German Codetermination Act (MitbestG) and Section 7 point 3 (1) sentence 2 of the Articles of Association. If the Chairperson or Vice Chairperson resigns during their term of office, the Supervisory Board shall immediately elect a successor.

- (2) In accordance with Section 7 point 3 (2) sentence 1 of the Articles of Association, the Supervisory Board can elect a further Vice Chairperson. Insofar as is legally permissible, if the First Vice Chairperson is unavailable, the Second Vice Chairperson performs their duties.
- (3) The First Vice Chairperson shall only exercise the rights and duties of the Chairperson if the Chairperson is unavailable and unless otherwise provided for by law, the Articles of Association or these Rules of Procedure. If the First Vice Chairperson is also unavailable, the rights and duties of the Chairperson shall be exercised, to the extent permitted by law, by the Second Vice Chairperson in accordance with Section 7 point 3(2) sentence 2 of the Articles of Association where such a Second Vice Chairperson has been elected.
- (4) The Chairperson of the Supervisory Board coordinates the activities of the Supervisory Board and chairs its meetings. They shall determine the order in which items on the agenda are dealt with as well as the method, manner and order of voting. The Chairperson of the Supervisory Board may – according to their best judgment – cancel or postpone a convened meeting, and adjourn any deliberation or resolution on individual items of the agenda or postpone to a later meeting the discussion of motions and questions not related to items on the agenda.
- (5) The Chairperson of the Supervisory Board is also the Chairperson of the Human Resources Committee, the Conciliation Committee formed in accordance with Section 27(3) of the Codetermination Act MitbestG and the Investment Committee.
- (6) The Chairperson of the Supervisory Board is authorised to execute the resolutions of the Supervisory Board and issue the requisite declarations of intent.
- (7) Between meetings, the Supervisory Board Chairperson shall be in regular contact with the Management Board, in particular the Management Board Chairperson, in order to discuss with them issues of strategy, planning, business development, the risk situation, risk management and compliance of the Company. The Management Board Chairperson informs the Supervisory Board Chairperson without undue delay of major events that are of material importance for the

assessment of the Company's status and performance, and for the management of the Company. The Supervisory Board Chairperson subsequently has to inform the Supervisory Board and, if required, convenes an extraordinary Supervisory Board meeting.

- (8) The Chairperson of the Supervisory Board may discuss Supervisory Board-related issues with investors. They shall inform the Supervisory Board or its committees and the Management Board about these discussions. The Chairperson of the Supervisory Board shall discuss the principles of this dialogue with the Management Board. They may invite other Supervisory Board or Management Board members to participate in an investor meeting.

Section 5 - Committees

- (1) Depending on the specific circumstances of the Company and the number of Supervisory Board members, the Supervisory Board has set up committees of members with relevant specialist expertise to allow it to perform its tasks efficiently and deal with complex issues more intensively. For this purpose, the Supervisory Board shall set up a Human Resources, a Nomination, an Investment and an Audit Committee in addition to the Conciliation Committee prescribed by Section 27(3) of the German Codetermination Act (Mitbestimmungsgesetz - MitbestG).
- (2) The Supervisory Board may at any time set up further committees as required, which prepare the meetings of the Supervisory Board and also pass resolutions in lieu of the Supervisory Board within the scope of competence defined by the Rules of Procedure applicable to the committee in question. This requires the Supervisory Board to pass a corresponding resolution granting such decision-making authority.
- (3) The Supervisory Board has adopted separate Rules of Procedure for the above-mentioned committees with regard to their composition, Rules of Procedure and tasks, as well as delegation of decision-making authority.
- (4) The chairpersons of the committees shall report regularly to the full Supervisory Board on the work of the committees.
- (5) In all other respects, the provisions applicable to the Supervisory Board in the Articles of Association and in these Rules of Procedure shall apply mutatis mutandis to committees, unless the Rules of Procedure provide otherwise.

Section 6 - Transactions Subject to Approval

Those transactions and measures that require Supervisory Board approval are governed by Section 5 of the Rules of Procedure for the Management Board.

Section 7 - Meetings and Adoption of Resolutions

- (1) The Supervisory Board shall hold one meeting per calendar quarter; it must convene two meetings in each calendar half-year. The dates of the ordinary meetings shall be fixed at the beginning of the year in consultation with the Management Board. A meeting of the Supervisory Board shall also be convened upon request to the Supervisory Board Chairperson by a member of the Supervisory Board or the Management Board of the Company, stating the purpose and reasons.
- (2) Meetings of the Supervisory Board shall be convened by the Chairperson or, if they are unavailable, by their deputy. The invitation shall state the individual items on the agenda and the proposed resolutions. The meeting may be convened in writing, by telephone, by fax or by any common means of communication (e.g. by e-mail).
- (3) The agenda and proposed resolutions should be notified to the Supervisory Board members at least one week before the meeting, but in any case sufficiently in advance of the meeting so that absent members of the Supervisory Board can cast written votes.

In urgent cases – including matters of particular confidentiality – the documents may also be made available with reasonable notice before the meeting or, in exceptional cases, only at the meeting.

- (4) The Supervisory Board has a quorum if at least 2/3 of its members take part in the resolution. Resolutions are passed by simple majority, unless otherwise prescribed by law. This also applies to elections. A member also takes part in the resolution if they abstain from voting.
- (5) Resolutions of the Supervisory Board are generally passed at meetings. The agenda items must be communicated when notice of the meeting is issued. Resolutions can only be passed on agenda items of which insufficient prior notice has been given if no member raises an objection. In such an instance, absent members shall be given the opportunity of subsequently objecting to the resolution within a reasonable period to be set by the Chairperson. The resolution comes into effect only if no absent member objects within the set period.
- (6) Absent members of the Supervisory Board can vote on Supervisory Board resolutions by arranging for other Supervisory Board members to submit written votes on their behalf. In addition, absent members of the Supervisory Board can cast their vote by any common means of telecommunication, (in particular by fax, e-mail or video link) (mixed resolution) during the meeting or subsequently within an appropriate period to be set by the Supervisory Board Chairperson. Members of the Supervisory Board have no right of objection to a mixed resolution.
- (7) Outside of meetings, resolutions may be passed by casting votes in writing, by telephone, by fax, by e-mail or by other common means of telecommunication, in particular via video conference, if the Chairperson of the Supervisory Board orders this and no Supervisory Board member objects.
- (8) Members of the Management Board take part in meetings of the Supervisory Board, unless the Chairperson of the Supervisory Board determines otherwise in individual cases or the Supervisory

Board resolves otherwise. Notwithstanding the foregoing, the Supervisory Board shall meet on a regular basis also without the Management Board.

- (9) The Chairperson of the Supervisory Board or, if they are unavailable, their deputy may allow other persons to attend meetings, as appropriate (e.g. external experts, auditors) and to the extent that this is deemed relevant for deliberation of the matter under discussion.
- (10) Minutes of the discussions and resolutions of the Supervisory Board shall be drawn up within four weeks, which shall be signed by the Chairperson of the Supervisory Board or the respective chairperson of the meeting and forwarded to each member of the Supervisory Board.
- (11) The shareholders' representatives and the employee representatives may each prepare the meetings of the Supervisory Board separately, involving members of the Management Board where necessary.

Section 8 - Conflicts of Interest

- (1) The members of the Supervisory Board have a duty to uphold the best interests of the Company. In fulfilling their duties, they must neither pursue personal interests nor exploit for themselves business opportunities to which the Company is entitled.
- (2) Each member of the Supervisory Board is obliged to disclose any potential conflicts of interest to the Chairperson of the Supervisory Board without undue delay, who, should they deem the conflict of interest to be material, shall inform the Supervisory Board.
- (3) The Company has established an internal procedure applicable to related party transactions. All transactions between the Company on the one hand and Supervisory Board members, as well as related undertakings or natural or legal persons on the other hand shall comply with standards customary to the sector. Unless these are part of regular purchases by employees or minor transactions, the Chairperson of the Supervisory Board must be notified in advance of the initiation of such transactions. Where material interests of the Company are affected, the Chairperson of the Supervisory Board shall seek the Supervisory Board's prior approval.
- (4) In its report, the Supervisory Board shall inform the General Meeting of Shareholders of any conflicts of interest that have arisen and how they were addressed. Relevant material conflicts of interest involving a Supervisory Board member that are not merely temporary shall result in the termination of that member's Supervisory Board mandate.
- (5) Supervisory Board members may not request or accept inappropriate benefits or other advantages from third parties either for themselves or for any other persons in connection with their activities, nor should they grant inappropriate benefits to third parties. Consulting and other service agreements or works contracts between a member of the Supervisory Board and the Company are subject to the approval of the Supervisory Board.

Section 9 - Duty of Secrecy

- (1) Good corporate governance requires an open dialogue between the Management Board and the Supervisory Board as well as between members of the individual boards. Comprehensive observance of confidentiality is of paramount importance in this regard.
- (2) Each member of the Supervisory Board shall be obliged to maintain secrecy with regard to all matters subject to industrial secrecy or other confidential matters and business secrets of the Company and its affiliated companies of which they obtain knowledge while performing their duties as a member of the Supervisory Board, even after the end of their term of office.
This also applies to reports classified as confidential, the course of discussions, as well as opinions expressed and resolutions passed by the Supervisory Board and its committees. Upon expiry of the mandate, all confidential documents shall – as far as technically possible – be returned to the Company or destroyed. The members of the Supervisory Board shall ensure that any employees and consultants engaged by them will also accept the obligation to observe secrecy.
- (3) Should a member of the Supervisory Board wish to disclose information to third parties, and it cannot be ruled out that the information is confidential or concerns Company secrets, the relevant member shall, unless the disclosure is obviously permissible, inform the Chairperson of the Supervisory Board in advance and give them the opportunity to submit an opinion.
- (4) The members of the Supervisory Board shall ensure compliance with the insider trading rules of the European Market Abuse Regulation (MAR), its implementing rules and the corresponding legal provisions.

Section 10 - Management Board

- (1) The Management Board of the Company comprises several members and a Chairperson.
- (2) The table of duties, the organisation of the departments and the assignment of responsibility for the departments among the members of the Management Board shall be decided by resolution of the Supervisory Board.
- (3) Cooperation within the Management Board, matters relating to the Management Board as a whole as well as information and reporting duties based on Section 90 of the German Stock Corporation Act (AktG) are governed by the Rules of Procedure for the Management Board. The currently valid organisation chart is included as an annex to the Rules of Procedure for the Management Board.

- (4) The Supervisory Board appoints and discharges the members of the Management Board. Together with the Management Board, it shall ensure long-term succession planning. The Supervisory Board has established a Human Resources Committee which is responsible for preparing the resolution for the appointment of Management Board members, the terms of the employment contract and determining and preparing the total remuneration (remuneration system).
- (5) The Supervisory Board represents the Company in dealings with Management Board members. Material transactions with related undertakings or natural or legal persons of a Management Board member require the approval of the Supervisory Board's Human Resources Committee.
- (6) The Supervisory Board shall set the age limit for Management Board members at the end of the calendar year in which the Management Board member reaches the age of 65.

Section 11 - D & O Insurance

- (1) The Company has taken out a D & O insurance policy for the Management Board and Supervisory Board members. The D & O policy does not include a deductible for the members of the Supervisory Board. For the Management Board, a deductible has been agreed within the limits of Section 93 (2) sentence 3 of the German Stock Corporation Act (AktG).
- (2) The maximum amount of cover under the terms of the D & O policy shall be at least € 100 million.

Section 12 - Miscellaneous

These Rules of Procedure shall enter into force on 29 December 2021, shall fully replace the version of 16 December 2020 and shall apply until otherwise resolved by the Supervisory Board. The Supervisory Board may decide by a simple majority to deviate from these Rules of Procedure in individual cases.