



## **Remuneration System of the Supervisory Board of Villeroy & Boch Aktiengesellschaft**

The Supervisory Board carried out a review of the remuneration of the members of the Supervisory Board on the new regulations resulting from the ARUG II. It considered the recommendations and suggestions of the German Corporate Governance Code in the version of 16 December 2019 ("GCGC"). As a result of the review, the Supervisory Board and the Executive Board have decided to propose to the Annual General Meeting on 01 April 2022 a change to the remuneration system for Supervisory Board members and a corresponding new regulation of the remuneration in the Articles of Association. The Annual General Meeting approved the proposal and adopted the amendments. The amendment to the Articles of Association was filed in the commercial register on 12 April 2022.

The system for the remuneration of the members of the Supervisory Board is presented below.

### **(1) Remuneration of the Supervisory Board**

Supervisory Board remuneration is based on the German Stock Corporation Act, the Articles of Association of the Company as amended from time to time and, if applicable, corresponding resolutions of the General Meeting. The structure of Supervisory Board remuneration is also regularly reviewed for compliance with German, European and international corporate governance recommendations and regulations. The recommendations and suggestions of the German Corporate Governance Code are of particular importance in this context.

### **(2) Remuneration principles**

- The total remuneration reflects in its amount the responsibility and the complexity of the tasks of the members of the Supervisory Board as well as the business and financial situation of the company. It also reflects the contribution made to the long-term development of the company through the advisory and supervisory activities of the Supervisory Board.
- Appropriate remuneration is intended to compensate for the individual workload as well as the responsibilities of the members of the Supervisory Board. Against the background of the increased time expenditure, the remuneration considers the individual functions and responsibilities of the members of the Supervisory Board, namely the chairmanship or deputy chairmanship of the Supervisory Board, the activities and in particular the chairmanship of certain committees of the Supervisory Board.

- The structure of the supervisory board remuneration allows adequate control of the management as well as independent personnel- and remuneration-decisions of the supervisory board.
- The size, complexity and performance of the enterprise shall be considered in the assessment of the remuneration. As far as possible, the structure and amount of the remuneration for the supervisory board shall also be based on the supervisory board remuneration of comparable enterprises in terms of size.

### **(3) Remuneration structure and components**

The remuneration for the Supervisory Board of the Company provides for a purely fixed remuneration. If a member of the Supervisory Board is appointed for only part of the financial year, a claim to remuneration arises only pro rata temporis.

#### **Annual basic remuneration**

The members of the Supervisory Board receive a fixed annual basic remuneration of € 40,000. In addition to the basic remuneration, the Chairperson of the Supervisory Board shall receive € 80,000 p.a. and the Deputy Chairperson(s) of the Supervisory Board shall each receive € 17,000 p.a.

#### **Meeting Fee**

The members of the Supervisory Board receive a meeting fee of € 2,000 per meeting of the entire body.

#### **Committee activities**

The members of the Audit Committee and the Personnel Committee receive an additional € 3,000 p.a.; the members of the Investment Committee receive an additional € 2,500 p.a. The Chairman of the Audit Committee receives € 25,000 p.a., the Chairman of the Personnel Committee receives € 10,000 p.a. and the Chairman of the Investment Committee receives € 4,000 p.a.

### **(4) Reimbursement of expenses**

The members of the Supervisory Board shall be entitled to reimbursement of expenses incurred in connection with their activities.

### **(5) Miscellaneous**

The members of the Supervisory Board shall be included, at the expense of the Company, in appropriate insurance cover provided by the Company (including D&O and accident insurance).

The remuneration and expenses shall be paid plus any statutory value added tax that may be incurred.

### **(6) Entry into force**

The above provisions shall apply for the first time to the financial year commencing on 1 January 2022.

*To implement this remuneration system, the following amendment to the Articles of Association was adopted by the 2022 Annual General Meeting. The amendment to the Articles of Association was filed in the commercial register on 12 April 2022.*

§ Article 7 clause 9 of the Articles of Association of the Company is worded as follows:

“9. Expenses and remuneration

The members of the Supervisory Board shall receive an attendance fee of Euro 2,000.00 (in words: Euro two thousand) per meeting of the entire body. They shall receive a fixed annual basic remuneration of Euro 40,000.00 (in words: Euro forty thousand). In addition to the basic remuneration, the Chairman(s) of the Supervisory Board shall receive Euro 80,000.00 p.a. (in words: Euro eighty thousand), the Deputy Chairman(s) of the Supervisory Board shall each receive Euro 17,000.00 p.a. (in words: Euro seventeen thousand). (in words: Euro seventeen thousand), the Chairperson(s) of the Audit Committee Euro 25,000.00 p.a. (in words: Euro twenty-five thousand), the Chairman of the Personnel Committee Euro 10,000.00 p.a. (in words: Euro ten thousand). (in words: Euro ten thousand) and the Chairperson of the Investment Committee Euro 4,000.00 p.a. (in words: Euro four thousand). The members of the Audit Committee and the Personnel Committee shall additionally receive Euro 3,000.00 p.a. (in words: Euro three thousand). (in words: Euro three thousand) and the members of the Investment Committee shall receive an additional Euro 2,500.00 p.a. (in words: Euro two thousand).

The members of the Supervisory Board shall be entitled to reimbursement of the expenses incurred by them in connection with their activities and shall be included, at the expense of the Company, in appropriate insurance cover provided by the Company (including D&O and accident insurance). The remuneration and expenses shall be paid plus any statutory value added tax that may be incurred.

If a Supervisory Board member is appointed for only part of the financial year, a claim to remuneration shall only arise pro rata temporis.”