

# REMUNERATION REPORT FOR THE MANAGEMENT BOARD AND SUPERVISORY BOARD OF VILLEROY & BOCH AG

In autumn 2020, the situation for the forthcoming financial year was not very stable: The ongoing COVID-19 pandemic posed significant challenges for Villeroy & Boch and its customers and partners around the world. The presidential election in the US was imminent and there was no way of predicting the economic consequences of the strained relations between the US and China. All of these factors have an impact on Villeroy & Boch's business. Looking back, it was an exciting and very challenging financial year, but also an extremely successful one. Villeroy & Boch's employees achieved outstanding performance in difficult times.

In the past financial year, Villeroy & Boch increased its consolidated net revenue including licence income by 18 % to € 945 million, thereby comfortably exceeding the forecast that it most recently updated in September 2021 (over € 920 million). The Dining & Lifestyle Division and the Bathroom and Wellness Division both recorded double-digit growth rates. At a new all-time high of around € 92 million, the operating Group result (EBIT) also exceeded the September forecast (over € 85 million) by some distance. This meant that the operating Group result in 2021 was easily the highest since the company's IPO in 1990. This extremely positive business development not only year-on-year, but also compared with the pre-pandemic 2019 financial year, serves to underline the substantial improvement in the Group's performance.

In line with the provisions of the German Stock Corporation Act (Aktiengesetz; AktG) and the German Corporate Governance Code (GCGC), 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 Chief Executive Officer, 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) is used. The companies included in the peer group are 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.

In accordance with section 162 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.

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 individual presentation of the remuneration of each member of the Management Board and Supervisory Board broken down into the constituent components, and individual information on the pension contributions for each member of the Management Board and the remuneration of the members of the Supervisory Board. The report also shows how the remuneration corresponds to the prevailing remuneration system, how it promotes the long-term development of the company and how the performance criteria are applied.

In addition to the statutory formal audit of completeness in accordance with section 162 (1) and (2) AktG, the auditor has conducted a voluntary audit of the following remuneration report with respect to the accuracy of the content and the material completeness of the individual disclosures.

## I. MANAGEMENT BOARD REMUNERATION

In February 2021, the Supervisory Board resolved a new remuneration system for the members of the Management Board (hereinafter referred to as the “2021 remuneration system”). The 2021 remuneration system implements the requirements of the German Stock Corporation Act (AktG) in the version amended by the Act Implementing the Second Shareholders’ Rights Directive (ARUG II) and takes into account the recommendations of the German Corporate Governance Code (GCGC) in the version dated 19 December 2019 (which came into force on 20 March 2020) unless explicitly deviated from. 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.villeroyboch-group.com/en/investor-relations/corporate-governance/remuneration-system-for-the-management-board-of-villeroy-boch-aktiengesellschaft.html>.

The 2021 remuneration system applies from the date on which members of the Management Board of Villeroy & Boch Aktiengesellschaft are reappointed and for newly elected members. For Management Board members who are already appointed, i.e. all of the active members in the reporting year, the remuneration system previously agreed with those members (“existing remuneration system”) remains in force due to the legal provision that protects contracts which pre-date the new 2021 remuneration system.

However, the existing remuneration system that applies in this reporting year is already largely identical to the 2021 remuneration system and provides for performance-based remuneration that includes fixed remuneration and

performance-related variable remuneration. In addition to the statutory requirements of the AktG, this remuneration system considers the recommendations of the 2017 version of the GCGC unless explicitly deviated from in the cases discussed in the declaration of conformity.

The 2021 remuneration system also includes targets for a portion of long-term variable Management Board remuneration based on environment, social and governance criteria (“ESG targets”) and introduces share purchase and shareholding obligations for portions of the long-term variable remuneration and malus and clawback provisions for variable remuneration components.

### Contribution to promoting the short-term and long-term development of the company

The existing remuneration system also promotes 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 (STI) establishes incentives for consistently increasing the operating result (earnings before interest and taxes, EBIT) and implementing initiatives to promote the corporate strategy.

The long-term variable remuneration component (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 net return on assets, for which multi-year targets have been defined.

### A. Main features of the existing remuneration system in the 2021 reporting year

In the reporting year, the members of the Management Board received non-performance-related fixed remuneration components and performance-related variable remuneration components under the existing remuneration system that combine to form the total remuneration of the respective Management Board member.

#### 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) such as a company car, also for private use, reimbursements for the cost of running two households, contributions to social insurance and contributions to accident insurance.

### Performance-related variable remuneration

The performance-related remuneration is intended to incentivise 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 term of one year and the long-term incentive (LTI) with a three-year measurement period. The STI accounts for 49 % of the performance-related variable remuneration, with the LTI accounting for the remaining 51 %.

The granting of the STI and the LTI and the incentivising effect of these performance-related variable remuneration components are based on financial performance criteria. They 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. A majority of the variable remuneration components are long-term variable components.

#### 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 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 makes up 60 % of the STI.

After the end of the financial year, the degree of target achievement is determined by dividing the deviation in operating EBIT (target/actual) in € million, adjusted for the contractually defined non-recurring effects, by the target net operating assets and multiplying this figure by a factor of 15. The percentage thus calculated is used to calculate the degree of target achievement above or below a target achievement of 100 %. The degree of target achievement thus determined is paid out up to a maximum of 150 % of the target amount (cap).

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

The individual targets (individual performance criteria), which account for 21 % of the performance-related remuneration, were defined by the Supervisory Board for the forthcoming year in the course of approving the annual planning in December 2020. 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.

In February 2022, the degree of target achievement was determined on the basis of defined criteria and the status

reports submitted to the Human Resources Committee during the course of the year and defined individually for each Management Board member. The degree of target achievement thus determined is paid out up to a maximum of 130 % of the target amount (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. The LTI is calculated on the basis of the company's medium-term success and includes financial earnings components. Accounting for a total of 51 % of the performance-related remuneration, the equally weighted 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. 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. These targets are defined in advance by the Supervisory Board for a period of three financial years.

The degree of 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 achievement for the respective three-year measurement period is calculated as the average of the annual target achievement rates for the year that has just ended and the two previous years. The degree of target achievement for the respective financial year thus calculated is paid out up to a maximum of 150 % of the target amount (cap). No payout is made if the average degree of target achievement over a rolling three-year measurement period is less than 50 %.

The degree of target fulfilment in terms of the cumulative long-term operating result for the respective three-year measurement period is determined by dividing the cumulative EBT by the defined target earnings for the respective three-year period. The degree of target achievement thus calculated is paid out up to a maximum of 150 % of the target amount (cap). No payout is made if the cumulative operating EBT over a rolling three-year assessment period amounts to less than € 75 million.

#### Extraordinary payments

When she took up her position, it was agreed that Ms Schupp would receive a special bonus for the reorientation of the Tableware (Dining & Lifestyle) Division in the form of three target tranches for each of the 2019, 2020 and 2021 financial years; however, these tranches (hereinafter referred to as the "special bonus") are payable only once the full contractual

term is complete. The criteria for target achievement were defined individually by the Supervisory Board.

The degree of target achievement for the special bonus was determined separately by the Supervisory Board for the respective financial years. The individual amounts due will be paid out collectively after the degree of target achievement for the third tranche is determined in the first quarter of 2022 (see “Active members of the Management Board” table).

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

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

The members of the Management Board other than Mr Göring have been awarded occupational pension contributions under a defined contribution scheme in the amount of 17.5 % of their annual fixed remuneration. Half of the special bonus is included in the amount for Ms Schupp.

Mr Göring has been awarded a defined benefit commitment that he has already earned in full during his seventeen 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. However, this pension may be claimed and paid out only when Mr Göring no longer receives any remuneration under his current contract of employment.

The contributions for Mr Göring are recognised as service cost in accordance with IAS 19. The annual contributions for the other Management Board members serve as employer-funded contributions to the defined contribution pension scheme with Allianz Lebensversicherungs-AG.

These amounts (see “Active members of the Management Board” table) do not constitute “remuneration awarded and due” within the meaning of section 162 (1) sentence 1 AktG, but instead are classed as benefit contributions forming part of the total remuneration of the Management Board members.

The present value of the pension obligations for Mr Göring amounted to € 7.9 million as at 31 December 2021. This amount represents all of the contributions made during Mr Göring’s period of service for the aforementioned pension in the amount of 40 % of his final basic remuneration, which he will receive when he retires.

#### **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 on a pro rata basis for the month in which the employment relationship ends due to this occupational disability and for a period of six months thereafter.

#### **Malus and clawback provisions**

The current contracts of employment do not include any malus or clawback provisions. No variable remuneration components were reclaimed in the reporting year.

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

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, the Management Board member shall 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 AG for each year of uninterrupted activity as a member of the Management Board, up to a maximum of 12/12.

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

In the event of the early termination of a Management Board member’s employment at the company’s instigation, they shall be compensated for the contractual claims that would have arisen during the remaining term of their contract of employment.

The calculation of this severance payment considers the remuneration components agreed with the individual members. For Mr Lörz, Ms Schupp and Dr Warncke, the basis of calculation for the severance payment is their basic remuneration in the last financial year plus 100 % of the average of the variable remuneration components paid in the last two financial years, whereas the calculation for Mr Göring takes into account 75 % 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’ target remuneration (severance cap) and may not exceed the remuneration of the respective member during the remaining term of their contract of employment. A special provision has been agreed for Mr Göring to the extent that, if his employment relationship ends under certain circumstances during the term of his current appointment, he shall

exclusively receive severance within the meaning of 7. above in the amount of his last basic annual remuneration. 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.

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

No members of the Management Board left Villeroy & Boch AG in the 2021 reporting year.

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

In the 2021 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.

### **B. Variable remuneration in the 2021 reporting year**

The Supervisory Board endeavours to ensure that the targets for the variable components of Management Board remuneration are ambitious and demanding. The variable remuneration may be reduced as far as zero if the targets are not achieved. Target achievement is capped at 150 % for the financial performance criteria and 130 % for the individual targets.

In light of the impact of the outbreak of the COVID-19 pandemic and the first lockdowns in 2020 and the resulting uncertainty for the subsequent financial years in particular, the Supervisory Board defined the STI performance criterion for the members of the Management Board for the 2021 financial year as the achievement of the target EBIT corridor for 2021 of € 51-55 million (for 100 % target achievement). As an additional component of short-term variable

remuneration, individual targets were derived for all Management Board members on the basis of the strategic corporate objectives and the operational management of the company. The key focal topics defined for the 2021 financial year were evaluated by the Supervisory Board on a combined basis by reference to predetermined evaluation criteria and the degree of target achievement for each Management Board member was determined individually.

The focal topics for the Chief Executive Officer included succession planning for the Management Board, the intensification of the digital transformation, the optimisation of the HR organisation and processes, and project work relating to M & A and the Mettlach 2.0 project.

For the Bathroom and Wellness Division, the STI incentives are geared towards individual targets for sales concepts, the production master plan, the creation of additional growth options, and the dynamic development and intensification of the APAC growth strategy.

The Supervisory Board aims for similar incentives in the Dining & Lifestyle Division by rewarding the adjustment of the brand strategy, the further expansion of e-commerce, the strengthening of core business, the establishment of new business areas and the implementation of the China strategy in particular.

With regard to finance, the focus is on efficiency improvements within the organisation, the optimisation of the IT architecture and the introduction of a tax compliance system. Additionally, decarbonisation with the aim of CO<sub>2</sub>-neutral production was adopted as a focal topic in the past financial year and will be a key aspect of sustainable business development in future.

The LTI earned in the 2021 financial year and determined on 14 February 2022 was based on the achievement of the average EBT of € 129.0 million (2019-2021) and the achievement of the target return of 15.0 % (2021). The degree of target achievement was calculated on the basis of the above formulas and determined as shown in the following table. The overall target achievement of the individual members of the Management Board is summarised in the following table.

**PERFORMANCE OF THE MEMBERS OF THE MANAGEMENT BOARD IN THE REPORTING YEAR  
VARIABLE REMUNERATION EARNED IN THE 2021 FINANCIAL YEAR**

	Frank Göring		Georg Lörz		Gabriele Schupp		Dr Markus Warncke	
	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		Bathroom and Wellness Director since 1 August 2020		Dining & Lifestyle Director since 1 February 2019		Chief Financial Officer since 1 January 2015	
	Fulfilment in %	Fulfilment in € thousand	Fulfilment in %	Fulfilment in € thousand	Fulfilment in %	Fulfilment in € thousand	Fulfilment in %	Fulfilment in € thousand
Target EBIT/Target DB4 <sup>(1)</sup>	150.0%	256.9	150.0%	100.8	150.0%	138.6	150.0%	115.5
Individual targets	110.0%	141.3	130.0%	65.5	125.0%	86.6	110.0%	62.5
<b>Total STI</b>	<b>0.0%</b>	<b>398.2</b>	<b>0.0%</b>	<b>166.3</b>	<b>0.0%</b>	<b>225.2</b>	<b>0.0%</b>	<b>179.0</b>
Long-term EBT	147.0%	229.8	146.0%	89.6	147.0%	124.0	147.0%	103.3
Return on net operating assets	145.0%	226.2	148.0%	90.2	145.0%	122.1	145.0%	101.7
<b>Total LTI</b>	<b>0.0%</b>	<b>456.1</b>	<b>0.0%</b>	<b>179.8</b>	<b>0.0%</b>	<b>246.0</b>	<b>0.0%</b>	<b>205.0</b>
<b>Total variable remuneration 2021<sup>(2)</sup></b>	<b>140.0%</b>	<b>854.3</b>	<b>144.0%</b>	<b>346.1</b>	<b>143.0%</b>	<b>471.2</b>	<b>140.0%</b>	<b>384.2</b>
<b>Target variable remuneration 2021 (100 %)</b>	<b>100.0%</b>	<b>611.7</b>	<b>100.0%</b>	<b>240.0</b>	<b>100.0%</b>	<b>330.0</b>	<b>100.0%</b>	<b>275.0</b>
Other	-	-	-	-	130.0%	227.5 <sup>(3)</sup>	-	-

<sup>(1)</sup> The notional degree of target achievement for the target EBIT is 309.7 %; this is capped at 150 %.

<sup>(2)</sup> These totals are subject to rounding differences.

<sup>(3)</sup> This item contains the third tranche of the special bonus agreed with Ms Schupp in accordance with A.3., which was due in the financial year.

### C. Remuneration awarded and due in the 2021 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 2021 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. In February 2022, the degree of target achievement for the 2021 financial year was also determined by the Supervisory Board and the variable remuneration was paid out.

“Remuneration due” for the 2021 financial year relates to the variable remuneration for the 2021 financial year, as the underlying performance had been made in full as at the end of the respective reporting period on 31 December. Accordingly, the amounts payable are shown for the respective reporting year even though payment does not take place until after the end of the reporting year. This enables transparent and comprehensible reporting and ensures that remuneration is linked to performance in the reporting period.

**MANAGEMENT BOARD REMUNERATION AWARDED AND DUE IN € THOUSAND  
 IN THE 2021 FINANCIAL YEAR  
 ACTIVE MEMBERS OF THE MANAGEMENT BOARD**

	Frank Göring		Georg Lörz		Gabriele Schupp		Dr Markus Warncke	
	Chief Executive Officer since 15 May 2009 Spokesman of the Management Board since 01 June 2007 Member of the Management Board since 01 January 2005		Bathroom and Wellness Director since 01 August 2020		Dining & Lifestyle Director since 01 February 2019		Chief Financial Officer since 01 January 2015	
	in € thousand	in % of RAD	in € thousand	in % of RAD	in € thousand	in % of RAD	in € thousand	in % of RAD
Basic remuneration	611.7	41.0%	240.0	40.0%	330.0	31.0%	275.00	40%
Other/Fringe benefits <sup>(1)</sup>	22.0	2.0%	16.6	3.0%	30.1	3.0%	21.50	3%
<b>Total fixed remuneration components</b>	<b>633.7</b>	<b>43.0%</b>	<b>256.6</b>	<b>43.0%</b>	<b>360.1</b>	<b>34.0%</b>	<b>296.50</b>	<b>44%</b>
Annual bonus 2021 (STI)	398.2	27.0%	166.3	28.0%	225.2	21.0%	179.00	26%
Annual bonus 2021 (LTI 2019-2021)	456.1	31.0%	179.8	30.0%	246.0	23.0%	205.00	30%
<b>Total variable remuneration components</b>	<b>854.3</b>	<b>57.0%</b>	<b>346.1</b>	<b>57.0%</b>	<b>471.3</b>	<b>45.0%</b>	<b>384.10</b>	<b>56%</b>
Other	-	-	-	-	227.5 <sup>(3)</sup>	22.0%	-	-
<b>Remuneration awarded and due (RAD) in accordance with section 162 AktG</b>	<b>1,488.0</b>	<b>100.0%</b>	<b>602.8</b>	<b>100.0%</b>	<b>1,058.9</b>	<b>100.0%</b>	<b>680.60</b>	<b>100%</b>
Benefit contributions in the reporting year <sup>(4)</sup>	148.0	-	4.0	-	73.1	-	48.10	-
<b>Total remuneration 2021 incl. benefit contributions</b>	<b>1,636.0</b>	<b>-</b>	<b>644.7</b>	<b>-</b>	<b>1,132.0</b>	<b>-</b>	<b>728.70</b>	<b>-</b>

<sup>(1)</sup> Other/Fringe benefits = Benefits in kind and fringe benefits such as a company car, also for private use, reimbursements for the cost of running two households, contributions to social insurance, excluding cover under Group insurance policies.

<sup>(2)</sup> These totals are subject to rounding differences.

<sup>(3)</sup> This item contains the third tranche of the special bonus agreed with Ms Schupp in accordance with A.3., which was due in the financial year.

<sup>(4)</sup> Although occupational pension contributions are not classed as remuneration awarded and due, they are reported here for transparency and in order to present the total remuneration. This item represents the service cost in accordance with IAS 19 for Mr Göring and the employer-funded contributions for the other members of the Management Board.

### 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) AktG in the 2021 financial year. In accordance with section 162 (5) sentence 2 AktG, the personal details of former members of the Management Board are omitted if they stepped down from the Management Board or Supervisory Board prior to 1 January 2011.

**MANAGEMENT BOARD REMUNERATION AWARDED AND DUE  
IN € THOUSAND IN THE 2021 FINANCIAL YEAR  
FORMER MEMBERS OF THE MANAGEMENT BOARD**

	Wendelin von Boch-Galhau		Manfred Finger		Former member of the Management Board <sup>(1)</sup>		Former member of the Management Board <sup>(1)</sup>	
	Chief Executive Officer since 01 June 2007		Chief Financial Officer since 31 July 2011		Former member of the Management Board <sup>(1)</sup>		Former member of the Management Board <sup>(1)</sup>	
	in € thousand	in % of RAD	in € thousand	in % of RAD	in € thousand	in % of RAD	in € thousand	in % of RAD
Basic remuneration	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Other/Fringe benefits <sup>(3)</sup>	-	0.0%	-	0.0%	39.1 <sup>(5)</sup>	12.0%	-	0.0%
Pensions <sup>(4)</sup>	274.8	100.0%	169.3	100.0%	283.4	88.0%	137.2	100.0%
<b>Total fixed remuneration components</b>	<b>274.8</b>	<b>100.0%</b>	<b>169.3</b>	<b>100.0%</b>	<b>322.6</b>	<b>100.0%</b>	<b>137.2</b>	<b>100.0%</b>
Annual bonus 2021 (STI)	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Annual bonus 2021 (LTI 2019-2021)	-	0.0%	-	0.0%	-	0.0%	-	0.0%
<b>Total variable remuneration components</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>0.0%</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>274.8</b>	<b>100.0%</b>	<b>169.3</b>	<b>100.0%</b>	<b>322.6</b>	<b>100.0%</b>	<b>137.2</b>	<b>100.0%</b>
	Former member of the Management Board <sup>(1)</sup>		Former member of the Management Board <sup>(1)</sup>		Former member of the Management Board <sup>(1)</sup>		Former member of the Management Board <sup>(1)</sup>	
	in € thousand	in % of RGO	in € thousand	in % of RGO	in € thousand	in % of RGO	in € thousand	in % of RGO
	in € thousand	in % of RGO	in € thousand	in % of RGO	in € thousand	in % of RGO	in € thousand	in % of RGO
Basic remuneration	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Other/Fringe benefits <sup>(3)</sup>	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Pensions <sup>(4)</sup>	55.9	100.0%	225.7	100.0%	166.1	100.0%	88.4	100.0%
<b>Total fixed remuneration components</b>	<b>55.9</b>	<b>100.0%</b>	<b>225.7</b>	<b>100.0%</b>	<b>166.1</b>	<b>100.0%</b>	<b>88.4</b>	<b>100.0%</b>
Annual bonus 2021 (STI)	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Annual bonus 2021 (LTI 2019-2021)	-	0.0%	-	0.0%	-	0.0%	-	0.0%
<b>Total variable remuneration components</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>0.0%</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>55.9</b>	<b>100.0%</b>	<b>225.7</b>	<b>100.0%</b>	<b>166.1</b>	<b>100.0%</b>	<b>88.4</b>	<b>100.0%</b>

<sup>(1)</sup> In accordance with section 162 (5) AktG, the personal details of former members of the Management Board are omitted after ten years have passed since the end of the financial year in which the respective member stepped down from the Management Board.

<sup>(2)</sup> These totals are subject to rounding differences.

<sup>(3)</sup> Other/Fringe benefits = Benefits in kind and fringe benefits such as a company car, also for private use, reimbursements for the cost of running two households, contributions to social insurance, excluding cover under Group insurance policies.

<sup>(4)</sup> Total monthly pension/contractual pension payments to former members of the Management Board in the reporting year.

<sup>(5)</sup> A former member of the Management Board has been awarded a lifelong right of abode that is reported as a benefit in kind in a specific amount.



	Former member of the Management Board <sup>(1)</sup>		Former member of the Management Board <sup>(1)</sup>	
	in € thousand	in % of RAD	in € thousand	in % of RAD
Basic remuneration	-	0.0%	-	0.0%
Other/Fringe benefits <sup>(3)</sup>	-	0.0%	-	0.0%
Pensions <sup>(4)</sup>	79.50	100.0%	20.30	100.0%
<b>Total fixed remuneration components</b>	<b>79.50</b>	<b>100.0%</b>	<b>20.30</b>	<b>100.0%</b>
Annual bonus 2021 (STI)	-	0.0%	-	0.0%
Annual bonus 2021 (LTI 2019-2021)	-	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>79.5</b>	<b>100.0%</b>	<b>20.3</b>	<b>100.0%</b>

<sup>(1)</sup> In accordance with section 162 (5) AktG, the personal details of former members of the Management Board are omitted after ten years have passed since the end of the financial year in which the respective member stepped down from the Management Board.

<sup>(2)</sup> These totals are subject to rounding differences.

<sup>(3)</sup> Other/Fringe benefits = Benefits in kind and fringe benefits such as a company car, also for private use, reimbursements for the cost of running two households, contributions to social insurance, excluding cover under Group insurance policies.

<sup>(4)</sup> Total monthly pension/contractual pension payments to former members of the Management Board in the reporting year.

<sup>(5)</sup> A former member of the Management Board has been awarded a lifelong right of abode that is reported as a benefit in kind in a specific amount.

## D. Maximum remuneration

Due to the legal provision that protects contracts with the Management Board members which pre-date the new 2021 remuneration system, the maximum remuneration required by German stock corporation law and determined by the Supervisory Board for the 2021 remuneration system did not yet apply to the remuneration in the reporting year; however, the remuneration awarded for the total body in the reporting year under the existing remuneration system was not higher than the maximum remuneration of € 5 million for the entire body as prescribed by the 2021 remuneration system.

This also applies to the maximum remuneration to be achieved in the existing remuneration system, which is composed of the sum of all maximum variable remuneration components plus the fixed remuneration components in the reporting year.

## II. SUPERVISORY BOARD REMUNERATION

In accordance with the Articles of Association, Supervisory Board remuneration likewise consists of a fixed and a variable component. The variable performance-related component is measured on the basis of the dividend distributed by Villeroy & Boch Aktiengesellschaft. 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.

### Non-performance-related fixed remuneration

The fixed annual basic remuneration for each member of the Supervisory Board amounts to € 24 thousand. The Chairman receives an additional € 53 thousand, while the Vice Chairman receives an additional € 16.5 thousand. The Chairman of the Audit Committee receives € 10 thousand p.a. and the Chairmen of the Investment Committee and the Human Resources Committee each receive € 4 thousand p.a. in addition to their basic remuneration, while the members of the respective committees each receive an additional € 2.5 thousand p.a. Members of the Supervisory Board receive a fee of € 1.5 thousand for each meeting of the full Supervisory Board.

### Performance-related variable remuneration

The members of the Supervisory Board receive variable remuneration of an additional € 195 for each cent per share by which the dividend payable to shareholders exceeds 10.5 cents. The shareholder dividend is calculated as the average of the dividends paid for one preference share or one ordinary share. This results in variable remuneration of € 17 thousand for the financial year.

“Remuneration due” for the 2021 financial year relates to the variable remuneration for the 2021 financial year, as the

underlying performance had been made in full as at the end of the respective reporting period on 31 December. Accordingly, the amounts due are shown for the respective reporting year even though payment does not take place until after the end of the reporting year. This enables transparent and comprehensible reporting and ensures that remuneration is linked to performance in the reporting period.

#### **Extraordinary payments**

No extraordinary payments were made to the members of the Supervisory Board in the reporting year.

#### **Malus and clawback provisions**

No variable remuneration 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 AG does not provide for any malus or clawback provisions. The active 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 € THOUSAND  
IN THE 2021 FINANCIAL YEAR  
ACTIVE MEMBERS OF THE SUPERVISORY BOARD**

	Andreas Schmid		Ralf Runge <sup>(2)</sup>		Dr Alexander von Boch-Galhau		Susanne Heckelsberger	
	Chairman of the Supervisory Board since 27 March 2021 Member of the Supervisory Board since 30 October 2020		First Vice Chairman since 23 May 2003		Second Vice Chairman since 27 March 2021 previously Chairman of the Supervisory Board since 15 January 2020		Chairwoman of the Audit Committee since 30 October 2020 Member of the Supervisory Board since 1 July 2020	
	in € thousand	in % of TR	in € thousand	in % of TR	in € thousand	in % of TR	in € thousand	in % of TR
Basic remuneration	67.9	69.0%	40.5	62.0%	49.6	65.0%	24.0	41.0%
Committee remuneration	6.0	6.0%	-	0.0%	2.0	3.0%	10.0	17.0%
Meeting fees	7.5	8.0%	7.5	12.0%	7.5	10.0%	7.5	13.0%
<b>Total fixed remuneration components</b>	<b>81.4</b>	<b>83.0%</b>	<b>48.0</b>	<b>74.0%</b>	<b>59.1</b>	<b>78.0%</b>	<b>41.5</b>	<b>71.0%</b>
Variable remuneration (dividend 2021) <sup>(1)</sup>	17.0	17.0%	17.0	26.0%	17.0	22.0%	17.0	29.0%
<b>Total variable remuneration components</b>	<b>17.0</b>	<b>17.0%</b>	<b>17.0</b>	<b>26.0%</b>	<b>17.0</b>	<b>22.0%</b>	<b>17.0</b>	<b>29.0%</b>
<b>Total remuneration (TR) 2021 in accordance with section 162 AktG</b>	<b>98.3</b>	<b>100.0%</b>	<b>65.0</b>	<b>100.0%</b>	<b>76.1</b>	<b>100.0%</b>	<b>58.5</b>	<b>100.0%</b>
	Thomas Kannengießer		Christina Rosenberg		Thomas Scherer <sup>(2)</sup>		Louis de Schorlemer	
	Employee representative since 23 March 2018		Shareholder representative since 22 March 2013		Employee representative since 1 July 2020		Shareholder representative since 23 March 2018	
	in € thousand	in % of TR	in € thousand	in % of TR	in € thousand	in % of TR	in € thousand	in % of TR
Basic remuneration	24.0	50.0%	24.0	47.0%	24.0	47.0%	24.0	47.0%
Committee remuneration	-	0.0%	2.5	5.0%	2.3	5.0%	2.5	5.0%
Meeting fees	7.5	15.0%	7.5	15.0%	7.5	15.0%	7.5	15.0%
<b>Total fixed remuneration components</b>	<b>31.5</b>	<b>65.0%</b>	<b>34.0</b>	<b>67.0%</b>	<b>33.8</b>	<b>67.0%</b>	<b>34.0</b>	<b>67.0%</b>
Variable remuneration (dividend 2021) <sup>(1)</sup>	17.0	35.0%	17.0	33.0%	17.0	33.0%	17.0	33.0%
<b>Total variable remuneration components</b>	<b>17.0</b>	<b>35.0%</b>	<b>17.0</b>	<b>33.0%</b>	<b>17.0</b>	<b>33.0%</b>	<b>17.0</b>	<b>33.0%</b>
<b>Total remuneration (TR) 2021 in accordance with section 162 AktG</b>	<b>48.5</b>	<b>100.0%</b>	<b>51.0</b>	<b>100.0%</b>	<b>50.8</b>	<b>100.0%</b>	<b>51.0</b>	<b>100.0%</b>

<sup>(1)</sup> As the variable remuneration due to the members of the Supervisory Board is based on the annual dividend distribution, it is paid out after the dividend is resolved by the General Meeting of Shareholders in the following year. The remuneration shown here relates to the dividend for 2021 according to the proposal on the appropriation of profits by the Management Board and the Supervisory Board to the General Meeting of Shareholders on 1 April 2022.

<sup>(2)</sup> In accordance with the guidelines of the German Trade Union Confederation, these employee representatives and the union representatives on the Supervisory Board have declared that their remuneration will be paid to the Hans Böckler Foundation.

	Roland Strasser <sup>(2)</sup>		Sabine Süpke <sup>(2)</sup>		Dominique Villeroy de Galhau		Bärbel Werwie <sup>(2)</sup>	
	Employee representative since 10 February 2021		Employee representative since 18 April 2018		Shareholder representative since 2 October 2015		Employee representative since 23 March 2018	
	in € thousand	in % of TR	in € thousand	in % of TR	in € thousand	in % of TR	in € thousand	in % of TR
Basic remuneration	21.4	49.0%	24.0	47.0%	24.0	47.0%	24.0	47.0%
Committee remuneration	-	0.0%	2.5	5.0%	2.5	5.0%	2.5	5.0%
Meeting fees	7.5	17.0%	7.5	15.0%	7.5	15.0%	7.5	15.0%
<b>Total fixed remuneration components</b>	<b>28.9</b>	<b>66.0%</b>	<b>34.0</b>	<b>67.0%</b>	<b>34.0</b>	<b>67.0%</b>	<b>34.0</b>	<b>67.0%</b>
Variable remuneration (dividend 2021) <sup>(1)</sup>	15.1	34.0%	17.0	33.0%	17.0	33.0%	17.0	33.0%
<b>Total variable remuneration components</b>	<b>15.1</b>	<b>34.0%</b>	<b>17.0</b>	<b>33.0%</b>	<b>17.0</b>	<b>33.0%</b>	<b>17.0</b>	<b>33.0%</b>
<b>Total remuneration (TR) 2021 in accordance with section 162 AktG</b>	<b>44.0</b>	<b>100.0%</b>	<b>51.0</b>	<b>100.0%</b>	<b>51.0</b>	<b>100.0%</b>	<b>51.0</b>	<b>100.0%</b>

<sup>(1)</sup> As the variable remuneration due to the members of the Supervisory Board is based on the annual dividend distribution, it is paid out after the dividend is resolved by the General Meeting of Shareholders in the following year. The remuneration shown here relates to the dividend for 2021 according to the proposal on the appropriation of profits by the Management Board and the Supervisory Board to the General Meeting of Shareholders on 1 April 2022.

<sup>(2)</sup> In accordance with the guidelines of the German Trade Union Confederation, these employee representatives and the union representatives on the Supervisory Board have declared that their remuneration will be paid to the Hans Böckler Foundation.

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 € THOUSAND IN THE 2021 FINANCIAL YEAR  
FORMER MEMBERS OF THE SUPERVISORY BOARD**

	Dietmar Geuskens <sup>(2)</sup>	
	Employee representative until 31 January 2021	
	in € thousand	in % of TR
Basic remuneration	2.2	61.0%
Committee remuneration	-	0.0%
Meeting fees	-	0.0%
<b>Total fixed remuneration components</b>	<b>2.2</b>	<b>61.0%</b>
Variable remuneration (dividend 2021) <sup>(1)</sup>	1.4	39.0%
<b>Total variable remuneration components</b>	<b>1.4</b>	<b>39.0%</b>
<b>Total remuneration (TR) 2021 in accordance with section 162 AktG</b>	<b>3.6</b>	<b>100.0%</b>

<sup>(1)</sup> As the variable remuneration due to the members of the Supervisory Board is based on the annual dividend distribution, it is paid out after the dividend is resolved by the General Meeting of Shareholders in the following year. The remuneration shown here relates to the dividend for 2021 according to the proposal on the appropriation of profits by the Management Board and the Supervisory Board to the General Meeting of Shareholders on 1 April 2022.

<sup>(2)</sup> In accordance with the guidelines of the German Trade Union Confederation, these employee representatives and the union representatives on the Supervisory Board have declared that their remuneration will be paid to the Hans Böckler Foundation.

### 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 2021 financial year. The transitional provision set out in section 26j (2) sentence 2 of the Introductory Act to the German Stock Corporation Act (EAG) 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. 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 AG in accordance with

section 275 (3) no. 16 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.

The average employee remuneration is based on the total workforce of Villeroy & Boch AG in Germany. The total workforce in the 2021 financial year averaged 1,825 employees (full-time equivalents) excluding Management Board members, trainees, working students and people in marginal employment. The remuneration due for the 2021 financial year was compared with the remuneration due for the 2020 financial year. This was done on a pro rata basis for employees covered by and those not covered by collective wage agreements. The staff costs comprise the monthly basic remuneration based on the salary levels as at 1 December 2021 plus functional/other allowances and annual bonuses. They also include the cost of pension provision and a company car (as applicable; 1 % rule) as well as social security contributions borne by the employer. The collectively agreed pay increase is not included. The extrapolation to full-time equivalents is based on a 40-hour working week. Accordingly, the presentation of employee remuneration is consistent with the principle of remuneration awarded and due as defined by section 162 (1) sentence 1 AktG and applied for the remuneration of the Management Board and Supervisory Board.

#### COMPARATIVE PRESENTATION OF FINANCIAL PERFORMANCE AND THE CHANGE IN THE REMUNERATION OF EMPLOYEES, THE MANAGEMENT BOARD AND THE SUPERVISORY BOARD<sup>1)</sup>

FINANCIAL PERFORMANCE AS DEFINED BY SECTION 264 (2) SENTENCE 1 HGB	Increase in 2021 vs. 2020
Consolidated EBIT	122%
Consolidated EBIT (operating)	87%
Consolidated EBT	139%
Group result	164%
Net income/loss of Villeroy & Boch AG (section 275 (2) no. 17, (3) no. 16 HGB)	..(1)

  

AVERAGE EMPLOYEE REMUNERATION ON AN FTE BASIS <sup>2)</sup>	Increase in 2021 vs. 2020
Villeroy & Boch AG total workforce	5%

ACTIVE MEMBERS OF THE MANAGEMENT BOARD	Increase in 2021 vs. 2020
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<b>Frank Göring</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% <sup>(2)</sup>
<b>Georg Lörz</b> Bathroom and Wellness Director since 1 August 2020	179% <sup>(3)</sup>
<b>Gabriele Schupp</b> Dining & Lifestyle Director since 1 February 2019	19%
<b>Dr Markus Warncke</b> Chief Financial Officer since 1 January 2015	21%

FORMER MEMBERS OF THE MANAGEMENT BOARD	Increase in 2021 vs. 2020
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<b>Wendelin von Boch-Galhau</b> Chief Executive Officer until 1 June 2007	0%
<b>Manfred Finger</b> Chief Financial Officer until 31 July 2011	0%
Former member of the Management Board <sup>(4)</sup>	0%
Former member of the Management Board <sup>(4)</sup>	0%
Former member of the Management Board <sup>(4)</sup>	0%
Former member of the Management Board <sup>(4)</sup>	0%
Former member of the Management Board <sup>(4)</sup>	0%
Former member of the Management Board <sup>(4)</sup>	0%
Former member of the Management Board <sup>(4)</sup>	0%
Former member of the Management Board <sup>(4)</sup>	0%

ACTIVE MEMBERS OF THE SUPERVISORY BOARD	Increase in 2021 vs. 2020
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<b>Andreas Schmid</b> Chairman since 27 March 2021 Member of the Supervisory Board since 30 October 2020	680% <sup>(5)</sup>
<b>Ralf Runge</b> First Vice Chairman since 30 May 2008	13%
<b>Dr Alexander von Boch-Galhau</b> Second Vice Chairman since 27 March 2021, previously Chairman since 15 January 2020	-27% <sup>(6)</sup>
<b>Susanne Heckelsberger</b> Chairwoman of the Audit Committee since 30 October 2020 Member of the Supervisory Board since 1 July 2020	146% <sup>(7)</sup>
<b>Thomas Kannengießer</b> Employee representative since 23 March 2018	10%
<b>Christina Rosenberg</b> Shareholder representative since 22 March 2013	9%
<b>Thomas Scherer</b> Employee representative since 1 July 2020	115% <sup>(8)</sup>
<b>Louis de Schorlemer</b> Shareholder representative since 18 April 2018	11%
<b>Roland Strasser</b> Employee representative since 10 February 2021	0%
<b>Sabine Süpke</b> Employee representative since 18 April 2018	9%
<b>Dominique Villeroy de Galhau</b> Shareholder representative since 2 October 2015	9%
<b>Bärbel Werwie</b> Employee representative since 23 March 2018	12%

<b>FORMER MEMBER OF THE SUPERVISORY BOARD</b>	<b>Increase in 2021 vs. 2020</b>
<b>Dietmar Geuskens</b> Employee representative until 31 January 2021	-92%

<sup>(1)</sup> As a net loss of € -28.1 million was reported in the previous 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.

<sup>(2)</sup> The prior-year figure for Mr Göring includes contractually agreed remuneration for special projects.

<sup>(3)</sup> Mr Lörz was appointed to the Management Board with effect from 1 August 2020.

<sup>(4)</sup> In accordance with section 162 (5) AktG, the personal details of former members of the Management Board are omitted after ten years have passed since the end of the financial year in which the respective member stepped down from the Management Board.

<sup>(5)</sup> In the previous 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 reporting year. In this function, he also chairs two committees.

<sup>(6)</sup> In the previous year, Dr von Boch-Galhau was the Chairman of the Supervisory Board and also chaired two committees. On stepping down from these positions in March 2021, he became the Second Vice Chairman of the Supervisory Board and a committee member.

<sup>(7)</sup> In the previous year, Ms Heckelsberger received remuneration on a pro rata basis from the start of her term of office.

<sup>(8)</sup> In the previous year, Mr Scherer received remuneration on a pro rata basis from the start of his term of office.

### **Approval by the General Meeting of Shareholders**

The remuneration report was required to be prepared for the first time for the 2021 financial year and will be presented to the General Meeting of Shareholders in 2022 for approval (section 120a (4) AktG). Accordingly, the remuneration report for 2021 does not yet contain the information on the discussion of the report by the General Meeting of Shareholders required by section 162 (1) sentence 2 no. 6 AktG.

## INDEPENDENT AUDITOR’S REPORT

### To Villeroy & Boch Aktiengesellschaft

We have audited the attached remuneration report of Villeroy & Boch Aktiengesellschaft, Mettlach, prepared to comply with Sec. 162 AktG [“Aktiengesetz”]: German Stock Corporation Act] for the fiscal year from 1 January to 31 December 2021 and the related disclosures.

#### Responsibilities of the executive directors and the supervisory board.

The executive directors and supervisory board of Villeroy & Boch Aktiengesellschaft are responsible for the preparation of the remuneration report and the related disclosures in compliance with the requirements of Sec. 162 AktG. In addition, the executive directors and supervisory board are responsible for such internal control as they determine is necessary to enable the preparation of a remuneration report and the related disclosures that are free from material misstatement, whether due to fraud or error.

#### Auditor’s responsibility

Our responsibility is to express an opinion on this remuneration report and 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 [Institute of Public Auditors in Germany] (IDW). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the remuneration report and the related disclosures are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts in the remuneration report and the related disclosures. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the remuneration report and the related disclosures, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the preparation of the remuneration report and the related disclosures in order to plan and perform audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. An audit also includes evaluating the accounting policies used and the reasonableness of accounting estimates made by the executive directors and

supervisory board, as well as evaluating the overall presentation of the remuneration report and the related disclosures.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Opinion

In our opinion, on the basis of the knowledge obtained in the audit, the remuneration report for the fiscal year from 1 January to 31 December 2021 and the related disclosures comply, in all material respects, with the financial reporting provisions of Sec. 162 AktG.

#### Other matter - formal audit of the remuneration report

The audit of the content of the remuneration report described in this auditor’s report comprises the formal audit of the remuneration report required by Sec. 162 (3) AktG and the issue of a report on this audit. As we are issuing an unqualified opinion on the audit of the content of the remuneration report, this also includes the opinion that the disclosures pursuant to Sec. 162 (1) and (2) AktG are made in the remuneration report in all material respects.

#### Limitation of liability

The “General Engagement Terms for Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften [German Public Auditors and Public Audit Firms]” as issued by the IDW on 1 January 2017, which are attached to this report, are applicable to this engagement and also govern our responsibility and liability to third parties in the context of this engagement.

Stuttgart, 14 February 2022

Ernst & Young GmbH

Wirtschaftsprüfungsgesellschaft

Hummel

Wirtschaftsprüfer

[German Public Auditor]

Waldner

Wirtschaftsprüfer

[German Public Auditor]