DECLARATION OF CONFORMITY 2023

LUDWIG BECK am Rathauseck - Textilhaus Feldmeier Aktiengesellschaft

Declaration of Conformity 2023 with the German Corporate Governance Code
pursuant to Section 161 of the German Stock Corporation Act (AktG)

The following declaration refers to the recommendations of the German Corporate Governance Code in its version of April, 28, 2022, which was published in the Federal Gazette on June 27, 2022 ("Code").
The Executive Board and Supervisory Board of LUDWIG BECK am Rathauseck - Textilhaus Feldmeier Aktiengesellschaft declare pursuant to Section 161 AktG that the recommendations of the "Government Commission on the German Corporate Governance Code" published by the Federal Ministry of Justice and Consumer Protection in the official section of the Federal Gazette have been complied with and will be complied with in the future with the following exceptions:

1. Recommendation A.4 of the Code, according to which employees should be given the opportunity to report legal violations in the company in a protected manner (establishment of a whistleblower hotline), was not complied with until the end of June 2023. The Executive Board and the Supervisory Board were of the opinion that the company had a functioning compliance management system even without the establishment of a whistleblower hotline and that it could not be ruled out that the establishment of a whistleblower hotline would strain the excellent working atmosphere and encourage informing. Since the beginning of July 2023, however, the company now has a whistleblower protection system following a change in law and intends to continue to comply with recommendation A.4 of the Code.

2. The Supervisory Board has not formed a nomination committee (recommendation D.4 of the Code). The Supervisory Board is of the opinion that the preparation of election proposals for Supervisory Board members to the Annual General Meeting should take place in the plenum, which has a manageable number of six members.

3. On March 24, 2021, the Supervisory Board adopted a system for the remuneration of Executive Board members in accordance with the new Section 87a of the German Stock Corporation Act (AktG) introduced by the ARUG II, which does not fully comply with the recommendations of the Code. Recommendation G.3 sentence 1 of the Code, according to which the Supervisory Board shall use a suitable peer group of other companies, whose composition it discloses, to assess the customary nature of the specific total remuneration of the Executive Board members in comparison to other companies, is not complied with. The remuneration system adopted by the Supervisory Board on March 24, 2021, does not provide for such a peer group comparison. This is because there is currently no sufficient number of listed companies based in Germany that are comparable to LUDWIG BECK in terms of size and sector. Therefore, in the Supervisory Board’s opinion, the determination and disclosure of a representative peer group is currently out of the question. Nevertheless, the Supervisory Board checks by comparison with non-listed companies in the fashion industry in a broader sense that the Executive Board remuneration is appropriate and customary.

4. According to recommendations G.10 sentences 1 and 2 of the Code, the variable remuneration amounts granted to the Executive Board member should be predominantly invested by him in shares of the company or granted accordingly on a share-based basis. The Executive Board member should only be able to dispose of the long-term variable grant amounts after four years. The remuneration system deviates from these recommendations. The Supervisory Board does not consider the share price to be the relevant indicator of a remuneration system geared to promoting the business strategy and long-term development of the company. Instead, the Supervisory Board considers the financial and non-financial performance criteria set out in the remuneration system for the assessment of variable remuneration and

the payment of all variable remuneration components in cash to be more appropriate. The Executive Board members are paid the amounts of the long-term variable remuneration (LTI) at their free disposal after three-years. The Supervisory Board considers this period to be customary and appropriate.

5. The current employment contract of the Chairman of the Executive Board, Christian Greiner, was already concluded on September 15, 2020, with effect from January 1, 2021, and is therefore essentially still based on the previous remuneration system, which has since been replaced by the remuneration system adopted by the Supervisory Board on March 24, 2021. The employment contract therefore does not fully comply with the recommendations of the Code. For example, in addition to recommendations G.3 sentence 1 and G.10 sentences 1 and 2 (see already sections 3. and 4.), recommendation G.2 of the Code (setting a specific target total remuneration) is not complied with. Similarly, there is no provision for the performance criteria for the variable remuneration components, which are to be based primarily on strategic objectives, to be determined in each case for the upcoming financial year (G.7 sentence 1 of the Code). With regard to part of the variable remuneration, the recommendation in G.9 of the Code 2020 is also not fully complied with. The new employment contract of the Chairman of the Executive Board, Christian Greiner, effective from January 1, 2024, also deviates from the aforementioned recommendations of the Code.

Munich, September 12, 2023

The Executive Board
Signed:
Christian Greiner
Jens Schott

The Supervisory Board
Signed:
Dr Bruno Sälzer
Sandra Pabst
Clarissa Käfer
Sebastian Hejnal
Martin Paustian
Michael Eckhoff