

2014

Declaration of Conformity according to § 161 of the German Stock Corporation Act (AktG)

For the time from November 28, 2013 to September 29, 2014, the following declaration refers to the recommendations of the “Government Commission for the German Corporate Governance Code” (“Code”) as of May 13, 2013, which were made public in the German Federal Gazette on June 10, 2013.

Starting September 30, 2014, the declaration refers to the recommendations of the Code in its version as of June 24, 2014, made public on September 30, 2014 in the German Federal Gazette (2013 version).

The Executive Board and the Supervisory Board of LUDWIG BECK am Rathauseck – Textilhaus Feldmeier Aktiengesellschaft declare in accordance with Section 161 Joint Stock Corporation Act (AktG) that they have conformed to the recommendations of the “Government Commission for the German Corporate Governance Code” with the following exceptions:

1. The Executive Board of the Company has no chairman or spokesman (Code Clause 4.2.1 sentence 1). The Supervisory Board is of the opinion that this best reflects the close cooperation of the two members of the Executive Board, which is based on equality and trust.
2. The contracts for the acting Executive Board members limit the amounts of the fixed salary and most components of the variable compensation paid to the Executive Board members. The contracts do not limit the amounts of some of the variable compensation components and the total amount of compensations paid. Therefore these provisions no longer correspond with the recommendation in Clause 4.2.3, paragraph 2, sentence 6 of the Code (2013 version) to its full extent. The reason for this deviation being that, in order to safeguard existing standards, the Supervisory Board and the Executive Board refrain from interfering with the current contractual relationship. Apart from that, the compensation for the Executive Board members will not exceed reasonable margins because of the lack of limits for certain compensation components.
3. In the composition of the Executive Board, the Supervisory Board does not specifically strive for an equitable representation of women (Code Clause 5.1.2 par. 1). The Supervisory Board is of the opinion that professional qualifications and experience alone should form the basis for a candidate’s selection as Executive Board member of LUDWIG BECK am Rathauseck – Textilhaus Feldmeier Aktiengesellschaft, and not the question of gender.
4. The Supervisory Board has not formed a nomination committee (Code Clause 5.3.3). The Supervisory Board is of the opinion that election proposals to the General Meeting for members of the Supervisory Board should be worked out in a plenary sitting of the manageable six-member body.
5. In respect to Clause 5.4.1 par. 2 sentence 1 of the Code, the Supervisory Board is not declaring fair representation of women amongst its members as its goal (Code

Clause 5.4.1 par. 2 sentence 2). The decisive grounds for the composition of the Supervisory Board must be criteria such as professional qualifications and experience, rather than the question of gender.

6. The performance-related compensation authorized for the supervisory board is not geared to a sustainable business development (Code version 2012, Clause 5.4.6, par. 2, sentence 2). The compensation of the supervisory board consists of a fixed and a performance-related component linked to dividends distributed for the respective fiscal year. The compensation regulation corresponded to the original recommendation in Clause 5.4.6, paragraph 2, sentence 1 of the Code in its May 26, 2010 version. With the revision of Clause 5.4.6, paragraph 2 of the Code, effective June 15, 2012, the compensation regulation no longer corresponds with the recommendation in Clause 5.4.6, par. 2, sentence 2 (Code version 2012). Nevertheless, the Executive and the Supervisory Board share the view that the existing compensation regulation provides sufficient incentive for the supervisory board members to execute their office with the company's long-term, successful development in mind.

7. Neither the Supervisory Board nor its audit committee discussed any semi-annual or quarterly financial reports with the Executive Board prior to publication (Code Clause 7.1.2 sentence 2). The Supervisory Board and the Executive Board are in regular contact on the basis of a monthly reporting system; therefore an additional discussion on semi-annual or quarterly reports prior to publication is dispensable.

Munich, November 27, 2014

The Executive Board:

signed Dieter Münch

signed Christian Greiner

The Supervisory Board:

signed Dr. Joachim Hausser

signed Hans Rudolf Wöhr

signed Edda Kraft

signed Michael Neumaier

signed Philip Hassler

signed Dr. Steffen Stremme