

DECLARATION ON CORPORATE GOVERNANCE PURSUANT TO SECTIONS 289f AND 315d GERMAN COMMERCIAL CODE (HGB)

The corporate governance of LUDWIG BECK AG as a listed German stock corporation and of the LUDWIG BECK Group (collectively "LUDWIG BECK") is primarily determined by the German Stock Corporation Act (*AktG*), other statutory provisions and also by the recommendations of the German Corporate Governance Code as amended (unless the declaration pursuant to section 161 German Stock Corporation Act (*AktG*) states otherwise).

I. Procedures of the Executive Board and the Supervisory Board

In accordance with the statutory regulations, LUDWIG BECK AG is subject to the "two-tier management system". This is characterised by the existence of an Executive Board as management body and a Supervisory Board as supervisory body and their competences being strictly separated. The Executive Board and the Supervisory Board work closely together in the interest of the company.

1. Executive Board

As the management body, the Executive Board of LUDWIG BECK AG is committed to the interests of the company. It determines the principles of corporate policy and the company's strategy, sets budgets and allocates resources. It prepares and publishes the quarterly statements, the half-year reports and the annual financial statements for the group as a whole and the company and is responsible for filling the most important positions at the company. In addition, the Executive Board informs the Supervisory Board, regularly, promptly and comprehensively, about all relevant aspects of planning, intended business policy, business development, the risk situation and risk management. Deviations in the course of business from plans drawn up and targets set are comprehensively explained and justified.

a) Members of the Executive Board

The Executive Board of LUDWIG BECK AG consists of the Chairman of the Executive Board, Mr Christian Greiner, and Mr Jens Schott.

b) Procedures

The Executive Board carries out its activity in accordance with the statutory provisions, the recommendations of the German Corporate Governance Code (unless the declaration pursuant to section 161 German Stock Corporation Act (*AktG*) states otherwise), the Articles of Association, its rules of procedure and the respective service contracts.

The principles of cooperation between the members of the Executive Board and the Supervisory Board are governed, in particular, by the rules of procedure for the Executive Board. The members of the Executive Board work together in a spirit of cooperation and continuously inform one another about their activities and about significant transactions. The members of the Executive Board manage the business of the company jointly as a matter of principle and coordinate management measures between themselves. If prior coordination is not possible, the respective other member of the Executive Board must be informed without undue delay about the management measure concerned. Significant management measures require a prior resolution by the Executive Board. The rules of procedure also determine transactions and measures by the Executive Board which require the prior consent of the Supervisory Board.

The Executive Board informs the Supervisory Board, regularly, promptly and comprehensively, about all issues of strategy, planning and business development relevant to the company and about transactions which could be of significant importance to the profitability or liquidity of the company and the group. With regard to certain significant measures, the Executive Board must report to the Supervisory Board's Management and Personnel Committee in advance. The Supervisory Board may, at any time, request further reports from the Executive Board on company matters, on its legal and business relationships with affiliated companies and on the transactions of these companies which may have a considerable impact on the position of the company.

Each member of the Executive Board has a right as a matter of principle, and at the request of the Supervisory Board has a duty, to attend the meetings of the Supervisory Board, unless personal matters concerning Executive Board members are to be discussed, the auditor is called to the respective meeting as an expert within the meaning of section 109 (1) sentence 3 German Stock Corporation Act (*AktG*) or the Supervisory Board decides to meet without the Executive Board. Together with the Executive Board, the Supervisory Board ensures long-term succession planning. In this regard the Executive Board advises the Supervisory Board. Outstanding professional qualifications, many years of management experience and the previous performance of the candidates are of particular significance when appointing members of the Executive Board. The Supervisory Board ensures that the appointment of a member of the Executive Board does not extend beyond the calendar year in which the Executive Board member reaches the age of 65.

Each member of the Executive Board discloses conflicts of interest to the Chairman of the Supervisory Board and the Chairman of the Executive Board without undue delay and

informs the other members of the Executive Board accordingly. There were no conflicts of interest with regard to the members of the Executive Board of LUDWIG BECK AG in the reporting year.

2. Supervisory Board

The Supervisory Board advises the Executive Board on the management of the company and monitors its activity.

a) Composition of the Supervisory Board

In accordance with the German One-Third Participation Act (*DrittelbG*), the Supervisory Board of LUDWIG BECK AG is composed of members appointed by the shareholders and members appointed by the employees, with one-third of the Supervisory Board members being appointed by the employees. It consists of six members. The Supervisory Board is composed as follows: Dr Bruno Sälzer (Chairman) since 15 May 2018, Sandra Pabst (Deputy Chairwoman) since 15 May 2018, Clarissa Käfer since 13 May 2015 and Sebastian Hejnal since 9 May 2023 as shareholder representatives and Michael Eckhoff since 8 August 2019 and Martin Paustian since 9 May 2023 as employee representatives. Dr Moritz Frhr. v. Hutten z. Stolzenberg has been elected as substitute member of the shareholder representatives of the Supervisory Board.

b) Procedures

The Supervisory Board carries out its activity in accordance with the statutory provisions, the recommendations of the German Corporate Governance Code (unless the declaration pursuant to section 161 German Stock Corporation Act (*AktG*) states otherwise), the Articles of Association and its rules of procedure.

The Articles of Association and the rules of procedure of the Supervisory Board govern the internal organisation and resolutions of the Supervisory Board. The Supervisory Board elects a chairman and a deputy chairman from among its members. The chairman coordinates the work of the Supervisory Board and chairs its meetings. The chairman has regular contact with the Executive Board and discusses the strategy, business development and risk management of the company. The chairman is responsible for representing the Supervisory Board in dealings with third parties.

The Supervisory Board must hold two meetings per calendar half-year. The meetings of the Supervisory Board are convened by the chairman of the Supervisory Board observing

a notice period of two weeks which can, however, be shortened in urgent cases. The items on the agenda must be included with the invitation. The Supervisory Board is quorate if all of its members have been invited to the meeting and at least two-thirds of its members participate in the resolution procedure. Unless otherwise required as mandatory by law or the Articles of Association, resolutions of the Supervisory Board are passed with the simple majority of the votes cast. If a vote results in a tie, the chairman or, if he does not participate in the vote, the deputy chairman will have the casting vote. Resolutions of the Supervisory Board can also be passed by way of circulation procedure outside of meetings if the chairman determines this in the individual case.

The Supervisory Board appoints the Executive Board of the company. It supervises and advises the Executive Board with regard to the management of the business in accordance with the statutory provisions and the Articles of Association. It is involved in all decisions of fundamental importance to LUDWIG BECK AG and the group. The Supervisory Board's consent is required for significant management measures and transactions in accordance with the rules of procedure for the Executive Board. The members of the Supervisory Board keep information which becomes known to them in connection with their offices confidential.

Each member of the Supervisory Board has a duty to disclose conflicts of interest to the chairman of the supervisory board, especially those which could result from an advisory role or position on a body at customers, suppliers, creditors or other business partners. In the event of material and not merely temporary conflicts of interest, the Supervisory Board member should resign from office. There were no conflicts of interest with regard to the members of the Supervisory Board of LUDWIG BECK AG in the reporting year.

Clarissa Käfer has expertise in auditing and Sebastian Hejnal has expertise in accounting within the meaning of section 100 (5) German Stock Corporation Act (*AktG*). All of the members of the Supervisory Board are familiar with the field of activity of the company.

The Supervisory Board regularly assesses how effectively the Supervisory Board in its entirety and its committees perform their duties. However, the Supervisory Board did not carry out such a self-assessment in the 2023 financial year. The next self-assessment of the Supervisory Board is to be carried out in 2024.

c) Supervisory Board committees

The principles of cooperation between the members of the Supervisory Board are governed, in particular, by the rules of procedure for the Supervisory Board. These provide for the formation of committees, among other things; there are currently two Supervisory Board committees, the Audit Committee and the Management and Personnel Committee:

aa) Audit Committee

The duties of the Audit Committee primarily include accounting and auditing issues as well as monitoring accounting, the accounting process, the effectiveness of the internal control system, risk management, the internal audit system and the audit of the financial statements.

In the 2023 financial year, the Audit Committee consisted of the following members: Clarissa Käfer (Committee Chairwoman), Dr Bruno Sälzer and Josef Schmid. The latter member was replaced by Sebastian Hejnal after the 2023 Annual General Meeting. The Audit Committee held two meetings during the financial year. The Committee Chairwoman held four further meetings with the auditor's representatives to coordinate the audit of the annual financial statements. With the exception of Josef Schmid, who was unable to attend one meeting, all members attended all meetings of the Audit Committee. Along with Clarissa Käfer and Sebastian Hejnal, the Audit Committee was composed of financial experts within the meaning of section 100 (5) German Stock Corporation Act (*AktG*) and its members are all familiar with the company's field of business.

bb) Management and Personnel Committee

In the 2023 financial year, the Management and Personnel Committee consisted of Dr Bruno Sälzer (Chairman), Sandra Pabst and Clarissa Käfer. In 2023, one meeting of the Management and Personnel Committee was held to discuss the extension of Christian Greiner's contract. Despite only holding one meeting, the members of the Management and Personnel Committee were in regular contact.

d) Additional details

The committee chairman/chairwoman regularly report to the Supervisory Board on the work of the committees. The majority of the respective committee members are independent. Further details on the respective committee members and the specific work of the Supervisory Board and its committees can be found in the current report of the Supervisory Board on p. [7 ff.] of the annual report.

In view of the recommendation in C.1 sentence 1 of the German Corporate Governance

Code, the Supervisory Board has adopted specific objectives for its composition and has drawn up a competence profile for the entire Supervisory Board. The objectives and the competence profile are available at the following link: <https://kaufhaus.ludwigbeck.de/en/company/investor-relations/corporate-governance/further-information>. The objectives set by the Supervisory Board for its composition and the requirements set out in the competence profile are currently met. In the Supervisory Board's view, the Supervisory Board should include at least one or two independent members appointed by the shareholders. The Supervisory Board currently has two independent shareholder representatives, Dr Bruno Sälzer and Clarissa Käfer.

The status of implementation of the defined objectives and the competence profile is shown in the skills matrix below:

	Dr Bruno Sälzer	Sandra Pabst	Clarissa Käfer	Sebastian Hejnal	Michael Eckhoff	Martin Paustian
At least one or two independent Supervisory Board members within the meaning of C.1 sentence 6 GCGC	X		X			
At least one member with expertise in the field of business administration	X	X	X	X	X	X
At least one member with expertise in the field of national retail	X	X	X		X	X
At least one member with expertise in the field of accounting (section 100 (5))	X		X	X		

	Dr Bruno Sälzer	Sandra Pabst	Clarissa Käfer	Sebastian Hejnal	Michael Eckhoff	Martin Paustian
German Stock Corporation Act (AktG))						
At least one member with expertise in sustainability issues relevant to the company	X		X	X		
At least one member with expertise in the field of auditing (section 100 (5) German Stock Corporation Act (AktG))			X			
No member older than 70 years	X	X	X	X	X	X
No Supervisory Board member should be subject to frequent or permanent conflicts of interest	X	X	X	X	X	X

With regard to an age limit for Supervisory Board members, section 10 (3) sentence 4 of the Articles of Association stipulates that Supervisory Board members should not be older than 70. The term of office of a member of the Supervisory Board ends at the end of the Annual General Meeting which follows the 70th birthday of the member of the Supervisory Board concerned. Deviations from the above regulations are possible if the Annual General Meeting resolves something different with a majority of two-thirds of the votes cast when electing one or more of the members to be elected by it.

II. Gender quota and setting targets for the proportion of women on the Supervisory Board, Executive Board and in management positions

Gender Quota

The "German Act on Equal Participation of Women and Men in Management Positions in the Private and Public Sectors" of 24 April 2015 places an obligation on listed or codetermined companies to set targets for the proportion of women on the Executive Board, at the two management levels below the Executive Board and on the Supervisory Board.

In order to meet these statutory requirements, the Supervisory Board and Executive Board of LUDWIG BECK AG have resolved the following:

a) Target percentage for the Supervisory Board

For the period from 1 July 2022, the Supervisory Board set a target percentage of 33.33 % for the proportion of women on the Supervisory Board. A deadline of 30 June 2027 was set to achieve this target. At the time when the target was set, the proportion of women on the Supervisory Board as a whole was 33.33 % and 50 % of the shareholder representatives were women.

b) Target percentage for the Executive Board

For the period from 1 July 2022, the Supervisory Board set a target of 0 % for the proportion of women on the Executive Board and a deadline of 30 June 2027 to achieve this target. When the target was set, the proportion of women on the Executive Board was 0 %. The Supervisory Board still takes the view that it is not necessary to expand the Executive Board. The Supervisory Board also sees no reason to change the members of the Executive Board at present. Against this background, the Supervisory Board does not consider it expedient to set a higher quota for women on the Executive Board and considers it important that professional qualifications and expertise should continue to be the sole deciding factors for appointing members of the company's Executive Board.

c) Target percentage for the first and second management levels below the Executive Board

At its meeting on 24 May 2022, the Executive Board set a target of 30 % for the proportion of women at the first management level below the Executive Board and a deadline of five

years to achieve this. When the target was set, the proportion of women at the first management level below the Executive Board was 40 %.

At its meeting on 24 May 2022, the Executive Board set a target of 50 % for the proportion of women at the second management level below the Executive Board and a deadline of five years to achieve this. When the target was set, the proportion of women at the second management level below the Executive Board was 70 %.

III. Declaration of Compliance pursuant to section 161 German Stock Corporation Act (*AktG*)

The term "corporate governance" stands for responsible corporate management and control with the aim of sustainable value creation. LUDWIG BECK is committed to these values and has complied with the recommendations of the German Corporate Governance Code, first adopted in 2002, without any significant restrictions since April 2003. After due examination, the Executive Board and Supervisory Board of LUDWIG BECK therefore last issued the following Declaration of Compliance in accordance with section 161 German Stock Corporation Act (*AktG*) on 12 September 2023:

Declaration of Compliance 2023 with the German Corporate Governance Code pursuant to section 161 German Stock Corporation Act (*AktG*)

The following declaration refers to the recommendations of the German Corporate Governance Code ("Code") in the version of 28 April 2022 which was published in the Federal Gazette on 27 June 2022.

The Executive Board and Supervisory Board of LUDWIG BECK am Rathauseck – Textilhaus Feldmeier Aktiengesellschaft declare pursuant to section 161 German Stock Corporation Act (*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 and will continue to be complied with, with the following exceptions:

1. Recommendation A.4 of the Code, according to which employees should be given the opportunity to report, in a protected manner, suspected breaches of the law within the enterprise (setting up a whistleblower hotline) was not complied with by the end of June 2023. The Executive Board and Supervisory Board took the view that the company has a functioning compliance management system even without setting up a whistleblower hotline and, moreover, that it cannot be ruled out that

setting up a whistleblower hotline would have a negative impact on the excellent working atmosphere and encourage denunciation. Since the beginning of July 2023, however, the company has had a whistleblower protection system in place due to a change in the 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 takes the view that making election proposals for Supervisory Board members to the Annual General Meeting should be the responsibility of the six-member plenary which has a manageable number of members.
3. On 24 March 2021, the Supervisory Board adopted a system for the remuneration of Executive Board members in accordance with the new section 87a German Stock Corporation Act (*AktG*) introduced by the German Act Implementing the Second Shareholders' Rights Directive (*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 should use an appropriate peer group of other entities, and disclose the composition of such group, in order to assess whether the specific total remuneration of the Executive Board members is in line with usual levels compared to other companies, is not complied with. The remuneration system adopted by the Supervisory Board on 24 March 2021 does not provide for such a peer group comparison. The reason for this is that there is currently not a sufficient number of listed companies based in Germany that are comparable with LUDWIG BECK in terms of size and sector. The Supervisory Board therefore takes the view that determining and disclosing a representative peer group is currently not possible. Nevertheless, the Supervisory Board checks that the remuneration of the Executive Board is appropriate and customary by comparing it with non-listed companies in the fashion industry in the broader sense.
4. According to recommendations G.10 sentences 1 and 2 of the Code, the variable remuneration amounts of Executive Board members should be invested predominantly in company shares or granted as share-based remuneration. The Executive Board member should only be able to access the long-term variable remuneration amounts after a period of four years. The remuneration system deviates from these recommendations. The Supervisory Board does not consider the share price to be the key indicator of a remuneration system geared towards

- promoting the business strategy and long-term development of the company. Instead, the Supervisory Board considers the financial and non-financial performance criteria defined in the remuneration system for measuring variable remuneration and paying out all variable remuneration components in cash to be more appropriate. The payments amounts of the long-term variable remuneration (LTI) are paid out to the members of the Executive Board for their free disposal after expiry of a three-year period. The Supervisory Board considers this period to be standard market practice and appropriate.
5. The current service contract of the Chairman of the Executive Board, Christian Greiner, had already been concluded on 15 September 2020 with effect from 1 January 2021 and is therefore essentially still based on the old remuneration system which has since been replaced by the remuneration system resolved by the Supervisory Board on 24 March 2021. The service contract therefore does not fully comply with the recommendations of the Code. As such, in addition to recommendations G.3 sentence 1 and G.10 sentences 1 and 2 (see 3. and 4. above in this respect), recommendation G.2 of the Code (definition of a specific target total remuneration) is not complied with. There is also no provision for the performance criteria for the variable remuneration components, which should be geared mainly towards strategic goals, to be set for the forthcoming financial year in each case (G.7 sentence 1 of the Code). With regard to a part of the variable remuneration, the recommendation in G.9 of the Code 2020 is also not fully complied with. The new service contract of the Chairman of the Executive Board, Christian Greiner, effective as of 1 January 2024, also deviates from the aforementioned recommendations of the Code.

Munich, 12 September 2023

Former declarations of compliance of LUDWIG BECK which are no longer current are available at: (<https://kaufhaus.ludwigbeck.de/en/company/investor-relations/corporate-governance/declaration-of-compliance>).

IV. Information on group management practices

In the course of its business in sales markets, LUDWIG BECK is exposed to a wide variety of risks as are involved in any business operation. These may affect assets, finances and earnings. The company has established modern controlling instruments in order to detect, monitor and communicate risks. These instruments ensure that decision-makers regularly

receive information about the development of such risks in time to launch suitable counter-measures, with the aim of steadily and sustainably increasing the value of the business. Responsibilities are clearly defined within the organisation. The instruments are subject to ongoing optimisation in order to sufficiently accommodate structural changes.

Further information on risk management at LUDWIG BECK is available at <https://kaufhaus.ludwigbeck.de/en/company/investor-relations/corporate-governance/further-information>).

V. Diversity concept

LUDWIG BECK does not pursue a diversity concept within the meaning of sections 289f (2) no. 6, 315d German Commercial Code (*HGB*). Diversity aspects are already taken into account with respect to the composition of the Supervisory Board through the competence profile drawn up by the Supervisory Board for the entire Supervisory Board, the specific targets for the composition of the Supervisory Board and the targets set for the proportion of women on the Supervisory Board. The Supervisory Board takes the view that there is therefore no need for a diversity concept for the composition of the Supervisory Board that goes beyond this.

The same applies to the composition of the Executive Board and the management of the subsidiaries. The Supervisory Board takes the view that the composition of the Executive Board has proven itself. There are therefore no plans to expand the Executive Board or make any personnel changes. Against this background, LUDWIG BECK does not currently pursue a diversity concept for the composition of the Executive Board of LUDWIG BECK AG and the managements of the subsidiaries.

Active, committed action within the framework of an efficient organisation that reacts quickly and flexibly to changes in the market is the basis for business success and at the same time what the employees expect. The company wants to be a sustainably attractive investment for shareholders. Trust in the reliability and performance of LUDWIG BECK is an indispensable prerequisite for business success and long-term competitiveness. LUDWIG BECK's customers are at the centre of its long-term work which is based on trust. A high degree of personal initiative and a willingness to embrace change as well as the commitment and expertise of employees are essential prerequisites for the company's success. Managers act as role models. They give employees their attention, set high standards, provide impulses and convey trust. In the framework of cooperation, individuality is respected and diversity of opinion is encouraged. Decisions are

implemented consistently and in a target-based manner.

This takes place in an atmosphere characterised by mutual acceptance and appreciation. The best proof that this role model culture is thriving is the extraordinary loyalty of the employees. The fact that most of its employees have been with the company for a long time confirms LUDWIG BECK's endeavours to continue to pursue a personnel policy of challenge and encouragement. Because without satisfied and loyal employees, there are no satisfied and loyal customers.

VI. Remuneration report and remuneration system

The remuneration system for the members of the Executive Board pursuant to section 87a (1) German Stock Corporation Act (*AktG*), which was resolved by the Supervisory Board on 24 March 2021 and approved by the Annual General Meeting on 17 May 2021 under agenda item 5, and the remuneration system with the information pursuant to sections 113 (3) sentence 3 and 87a (1) sentence 2 German Stock Corporation Act (*AktG*) as well as the remuneration of the members of the Supervisory Board regulated in section 12a of the company's Articles of Association, which were confirmed by the Annual General Meeting on 17 May 2021 under agenda item 6, are available at <https://kaufhaus.ludwigbeck.de/en/company/investor-relations/corporate-governance/further-information>. The remuneration report 2023 and the auditor's opinion attached to this in accordance with section 162 (3) sentence 3 German Stock Corporation Act (*AktG*) are publicly available at the same internet address.

Munich, March 2024

LUDWIG BECK AG

Executive Board

signed Christian Greiner (Chairman)

signed Jens Schott

Supervisory Board

signed Dr Bruno Sälzer (Chairman)

signed Sandra Pabst (Deputy Chairwoman)

signed Clarissa Käfer

signed Sebastian Hejnal

signed Michael Eckhoff

signed Martin Paustian