

**STATEMENT ON CORPORATE GOVERNANCE IN ACCORDANCE WITH SEC. 289f
AND SEC. 315d GERMAN COMMERCIAL CODE (HGB)**

The corporate governance of LUDWIG BECK AG, a public company listed on the German stock exchange, and of LUDWIG BECK Group (hereinafter collectively referred to as "LUDWIG BECK") is primarily governed by the German Stock Corporation Act (AktG), other legal provisions, and, in addition, the rules set forth in the German Corporate Governance Code in its current version (unless deviations have been explicitly set forth as evident from the declaration pursuant to section 161 Stock Corporation Act (AktG)).

I. Executive Board and Supervisory Board procedures

In accordance with the legal regulations, LUDWIG BECK AG is subject to the so-called "dual management system", which is characterized by a strict separation of personnel and delimitation of competencies between the Executive Board as the management body and the Supervisory Board as the monitoring body. The Executive Board and the Supervisory Board closely work together in the interests of the company.

1. Executive Board

As the management body, the Executive Board of LUDWIG BECK AG is committed to the company's interests. It determines the principles of corporate policy, the company's strategy, sets budgets, and allocates resources. The Executive Board prepares and publishes the quarterly statements, the semi-annual reports, and the annual financial statements for the group and the company. It is also responsible for the appointment of the most important positions in the company.

The Executive Board regularly, promptly, and comprehensively informs the Supervisory Board about all material aspects of planning, business development, the risk situation, and risk management. Deviations from the planned business performance are explained and justified in detail.

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) Mode of operation

The Executive Board performs its duties in accordance with the statutory provisions, the German Corporate Governance Code (unless deviations have been explicitly set forth as evident from the declaration pursuant to section 161 Stock Corporation Act (AktG)), the articles of association, its rules of procedure, and the respective employment contracts.

The principles of cooperation among the members of the Executive Board and with the Supervisory Board are set forth in particular in the rules of procedure for the Executive Board. The members of the Executive Board cooperate on a peer basis and keep each other constantly informed about their activities and material business developments. Mr Christian Greiner, Chairman of the Executive Board, is responsible for Human Resources, Purchasing, Sales, and Marketing. Mr Jens Schott, Member of the Executive Board, is responsible for Finance, IT, Logistics, and Administration. As a rule, the members of the Executive Board conduct the company's business together and coordinate management measures. Where prior coordination is not possible, the respective other member of the Executive Board is to be notified of the relevant management measure forthwith. Significant management measures require a consenting prior resolution of the Executive Board. Furthermore, the rules of procedure specify certain decisions and measures of the Executive Board that are subject to the prior approval of the Supervisory Board.

The Executive Board informs the Supervisory Board of all relevant aspects of strategy, planning, and business development, in a regular, timely, and comprehensive manner. These include, in particular, matters that are of considerable importance for the profitability or liquidity of the company and the group. In case of certain important measures, a report is submitted to the Supervisory Board in advance. The Supervisory Board may at any time request additional reports on the company's affairs, on its business and legal relationships with affiliated companies that may have a material effect on the company's position.

Each member of the Executive Board is generally entitled and, at the request of the Supervisory Board, obliged to attend the meetings of the Supervisory Board, unless personal matters of Executive Board members are dealt with, or the auditor is called in as an expert within the meaning of section 109 (1) sentence 3 Stock Corporation Act (AktG) at the respective meeting, or the Supervisory Board decides a meeting without the Executive Board. The Supervisory Board and the Executive Board work together on long-term succession planning for the Executive Board. In doing so, the Executive Board advises the Supervisory Board. When appointing the Executive Board, outstanding professional qualifications, many years of management experience, and previous performance of the candidates are of particular importance. In addition, the Supervisory Board ensures that the appointment of an Executive Board member does not go beyond the calendar year in which the Executive Board member reaches the age of 65.

Any conflicts of interest must be disclosed by the respective member of the Executive Board to the Chairman of the Supervisory Board and the Chairman of the Executive Board immediately and the other members of the Executive Board must be notified. In the

reporting year 2024, there were no conflicts of interest on the part of members of the Supervisory Board.

2. Supervisory Board

The Supervisory Board advises the Executive Board in the company's management and monitors its activities.

a) Composition of the Supervisory Board

In accordance with the One-Third Participation Act ("Drittbeteiligungsgesetz"), the Supervisory Board of LUDWIG BECK AG is composed of shareholder and employee representatives, whereby one third of the Supervisory Board members are recruited from the workforce. The Supervisory Board consists of six members and is composed as follows: Dr Bruno Sälzer (Chairman) since May 15, 2018, Sandra Pabst (Vice Chairwoman) since May 15, 2018, Clarissa Käfer since May 13, 2015, and Sebastian Hejnal since May 9, 2023, as shareholder representatives, and Michael Eckhoff since August 8, 2019, and Martin Paustian since May 9, 2023, as employee representatives. Dr Moritz Frhr. v. Hutten z. Stolzenberg was elected as a substitute member of the shareholder representatives on the Supervisory Board.

b) Mode of operation

The Supervisory Board performs its duties in compliance with the statutory provisions, the recommendations of the German Corporate Governance Code (unless deviations have been explicitly set forth as evident from the declaration according to section 161 Stock Corporation Act (AktG)), the articles of association, and its rules of procedure.

The articles of association and the Supervisory Board's rules of procedure regulate the internal organisation and the passage of resolutions within the Supervisory Board. The Supervisory Board elects a chairperson and a vice chairperson from among its midst. The chairperson coordinates the Supervisory Board's activities, chairs its meetings, and maintains regular contact with the Executive Board. The chairperson discusses strategy, business development, and risk management with the Executive Board. In addition, the chairperson is responsible for representing the Supervisory Board vis-à-vis third parties.

The Supervisory Board meets at least twice every half calendar year. The meetings of the Supervisory Board are convened by the chairperson of the Supervisory Board with two weeks' notice, which may be shortened in urgent cases. The agenda items are communicated with the convocation. The Supervisory Board forms a quorum if all members have been duly invited and at least two thirds of the members participate in the passing of

resolutions. Resolutions are passed with a simple majority of the votes cast, unless mandatory provisions of law or the articles of association stipulate otherwise. If any vote results in a tie, the chairperson's vote, or, in the absence of the chairperson, the vice chairperson's vote is decisive. Resolutions may also be passed outside the meetings by circulation procedure if determined by the chairperson in the individual case.

The Supervisory Board's main responsibilities include the appointment of the Executive Board as well as supervising and advising the Executive Board in the conduction of the company's business in compliance with the statutory provisions and the articles of association. The Supervisory Board is involved in all major decisions of fundamental importance to LUDWIG BECK AG and the group. According to the Executive Board's rules of procedure, certain management measures and transactions require the Supervisory Board's prior approval. The Supervisory Board members protect the confidentiality of the information disclosed to them in connection with the performance of their duties.

Supervisory Board members must immediately disclose to the chairperson of the Supervisory Board any potential conflicts of interest, particularly conflicts that may arise because of an advisory or executive function with customers, suppliers, creditors, or other business partners. In case of major conflicts of interest of a not only temporary nature, the member concerned should resign from the Board. In the reporting year, the members of the Supervisory Board of LUDWIG BECK AG were not involved in any conflicts of interest.

Clarissa Käfer and Sebastian Hejnal have in-depth expertise in accounting as defined by section 100 (5) Stock Corporation Akt (AktG). Clarissa Käfer also has professional expertise in the area of auditing. All members of the Supervisory Board are highly familiar with the sector the company operates in.

The Supervisory Board regularly assesses how effectively the Supervisory Board as a whole and its committees perform their duties. In the 2021 fiscal year, the Supervisory Board did not perform such a self-assessment. The next self-assessment of the Supervisory Board is scheduled for 2025.

c) Supervisory Board Committees

The principles of cooperation of the members of the Supervisory Board are outlined in the rules of procedure of the Supervisory Board in particular. Among others, these provide for the formation of committees. The Supervisory Board has two committees at present: the Audit Committee, and the Management and Personnel Committee.

aa) The Audit Committee

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

In the 2024 financial year, the Audit Committee was composed of the members Clarissa Käfer (Committee Chairwoman), Dr Bruno Sälzer, and Sebastian Hejnal. The Audit Committee met eight times during the financial year. The Committee Chairwoman held four additional meetings with the representatives of the auditor to discuss the audit of the annual financial statements. In addition, there were two further meetings with the auditors during the financial year to discuss the audit of the 2024 annual financial statements.

With Clarissa Käfer and Sebastian Hejnal, the Audit Committee included financial experts within the meaning of section 100 (5) Stock Corporation Act AktG, and all its members are familiar with the sector the company operates in.

bb) The Management and Personnel Committee

In the 2024 financial year, the Management and Personnel Committee was composed of the members Dr Bruno Sälzer (Chairman), Sandra Pabst, and Clarissa Käfer. In 2024, one meeting of the Management and Personnel Committee took place. The sole subject of this meeting was the extension of the contract of Jens Schott. All committee members attended the meeting.

In addition, there was a regular exchange between the members of the Management and Personnel Committee.

d) Further details

The Committee chairpersons regularly report to the Supervisory Board on the committees' work. Most committee members are independent. More detailed information on committee members and the specific work of the Supervisory Board and its committees can be found in the latest Supervisory Board report on page 9 et seq. of the Annual Report.

Given the recommendation in C.1 sentence 1 of the German Corporate Governance Code, the Supervisory Board has decided on specific targets for its composition and has developed a competence profile for the entire Board. The targets and the competence profile are available at the following link: <https://kaufhaus.ludwigbeck.de/en/company/investor-relations/corporate-governance/further-information>. The targets set by the Supervisory Board for its composition and the requirements of the competence profile are currently fulfilled. The Supervisory Board believes that the Supervisory Board should

include at least one to two independent shareholder representatives. The Supervisory Board currently includes two independent shareholder representatives, Dr Bruno Sälzer and Clarissa Käfer.

The status of the implementation of the defined targets and the competence profile is shown in the following qualification matrix:

	Dr Bruno Sälzer	Sandra Pabst	Clarissa Käfer	Sebastian Hejnal	Michael Eckhoff	Martin Paustian
At least one or two independent members of the Supervisory Board in accordance with C.1 sentence 6 CGCG	X		X			
At least one member with expertise in business administration	X	X	X	X	X	X
At least one member with expertise in the national retail sector	X	X	X		X	X
At least one member with expertise in accounting (section 100 (5) AktG)	X		X	X		
At least one member with expertise in sustainability issues that are relevant to the company	X		X	X		

	Dr Bruno Sälzer	Sandra Pabst	Clarissa Käfer	Sebastian Hejnal	Michael Eckhoff	Martin Paustian
At least one member with expertise in the auditing of financial statements (section 100 (5) AktG)			X			
No member older than 70 years	X	X	X	X	X	X
No member of the Supervisory Board should be subject to a conflict of interest that is likely to occur frequently or permanently	X	X	X	X	X	X

Concerning an age limit for members of the Supervisory Board, section 10 (3) sentence 4 of the articles of association stipulates that members of the Supervisory Board should not be older than 70 years. The term of office of a member of the Supervisory Board ends at the latest at the end of the General Meeting following the Supervisory Board member's 70th birthday. Deviations from the provisions above are possible if the General Meeting decides otherwise with a majority of two thirds of the votes cast in the election of one or more of the members to be elected by it.

II. Gender quota determination of target figures for the proportion of women in Supervisory Board, Executive Board, and leadership positions

Gender quota

With the "Act on Equal Participation of Women and Men in Leadership Positions in the Private and Public Sectors" of April 24, 2015, listed or co-determined companies were obliged to set targets for the proportion of women on the Executive Board, in the two management levels below the Executive Board, and on the Supervisory Board.

In order to comply with these legal requirements, the Supervisory Board and Executive Board of LUDWIG BECK AG made the following decisions:

a) Target figure for the Supervisory Board

For the period from July 1, 2022, the Supervisory Board has set a target of 33.33% for the proportion of women on the Supervisory Board. A deadline was set by June 30, 2027, to achieve the target. At the time the target was set, the proportion of women on the entire Supervisory Board was 33.33%, and 50% among the shareholder representatives.

b) Target figure for the Executive Board

For the period from July 1, 2022, the Supervisory Board set a target of 0% for the proportion of women on the Executive Board and a deadline for achieving it by June 30, 2027. At the time the target was set, the proportion of women on the Executive Board was 0%. The Supervisory Board continues to believe that an increase in the number of Executive Board members is not necessary. The Supervisory Board also sees no reason to make any changes to the Executive Board at this time. Against this background, the Supervisory Board does not consider it expedient to set a higher target for the proportion of women on the Executive Board and attaches importance to the fact that, in the future, only professional qualifications and expertise should be decisive for selection as a member of the company's Executive Board.

c) Target figure for the first and second management level below the Executive Board

At its meeting on May 24, 2022, the Executive Board set a target of 30% for the proportion of women in the first management level below the Management Board and a timeline of five years for achieving it. When the target was set, the proportion of women in the first management level below the Management Board was 40%.

At its meeting on May 24, 2022, the Executive Board set a target of 50% for the proportion of women in the second management level below the Executive Board and a timeline of five years for achieving it. When the target was set, the proportion of women in the second management level below the Executive Board was 70%.

III. Declaration of conformity pursuant to section 161 Stock Corporation Akt (AktG)

The term corporate governance stands for responsible corporate management and control, aimed at sustainable value creation. LUDWIG BECK is committed to these values and has been complying with the recommendations of the German Corporate Governance Code, first adopted in 2002, without significant restrictions since April 2003. Therefore, on September 14, 2021, the Executive Board and the Supervisory Board of LUDWIG BECK,

after due examination, submitted the following declaration of conformity in accordance with section 161 Stock Corporation Act (AktG):

Declaration of conformity 2024 to the German Corporate Governance Code in accordance with section 161 Stock Corporation Akt (AktG)

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

The Executive Board and the Supervisory Board of LUDWIG BECK am Rathauseck – Textilhaus Feldmeier Aktiengesellschaft declare in accordance with section 161 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 complied with and will be complied with in the future with the following exceptions:

1. The company refrains from describing the essential features of the entire internal control system and the risk management system in the management report and from presenting the appropriateness and effectiveness of these systems. Therefore, recommendation A.5 of the Code is not complied with. On the basis of a cost-benefit analysis, the Executive Board and Supervisory Board concluded that it would not be reasonable or proportionate for a company of the size of LUDWIG BECK am Rathauseck – Textilhaus Feldmeier Aktiengesellschaft to comply with recommendation A.5. For this reason, the recommendation will continue to be deviated from in the future.
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. The current system for the remuneration of members of the Executive Board in accordance with Section 87a AktG, which was approved by the Supervisory Board on March 24, 2021, does not fully comply with the recommendations of the Code. The company does not comply with recommendation G.3 sentence 1 of the Code, according to which the Supervisory Board shall use an appropriate peer group of other third-party entities, the composition of which it discloses, to assess the customary nature of the actual total remuneration of the Executive Board members compared to other companies. 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 an insufficient number of listed companies domiciled in

Germany that are comparable to LUDWIG BECK in terms of size and industry. Therefore, the determination and disclosure of a representative peer group is currently out of the question in the Supervisory Board's opinion. Nevertheless, the Supervisory Board ensures by comparison with non-listed companies in the fashion industry in the broader sense that the Executive Board's remuneration is appropriate and customary.

4. According to the 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 long-term variable amounts granted to the Executive Board member should only be accessible 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 relevant yardstick for a remuneration system to promote the company's business strategy and long-term development. Instead, the Supervisory Board believes that the financial and non-financial performance criteria set out in the remuneration system for assessing the variable remuneration and a cash payment of all variable remuneration components are more appropriate. The Executive Board members receive the amounts of the long-term variable remuneration (LTI) after a three-year period for their free disposal. The Supervisory Board considers this period to be customary and appropriate.
5. The employment contract of the Chairman of the Executive Board, Christian Greiner, which was valid until December 31, 2023, was essentially still based on the previous remuneration system for Executive Board members, which was replaced by the remuneration system adopted by the Supervisory Board on March 24, 2021. The employment contract in force until the end of 2023 therefore did not fully comply with the recommendations of the Code. In addition to recommendations G.3 sentence 1 and G.10 sentences 1 and 2 (see sections 3. and 4. above), recommendation G.2 of the Code (determination of a specific target total remuneration) was not complied with. Likewise, it was not intended that the performance criteria for the variable remuneration components, which are to be geared primarily to strategic goals, be set for the respective forthcoming financial year (G.7 sentence 1 of the Code). In addition, the recommendation in G.9 sentence 1 of the Code was not fully complied with regard to part of the variable remuneration. The new employment contract of CEO Christian Greiner, which is effective from January 1, 2024, also deviates from the aforementioned recommendations of the Code.

Munich, September 10, 2024

Previous, no longer up-to-date declarations of conformity by LUDWIG BECK can be found here: (<https://kaufhaus.ludwigbeck.de/en/company/investor-relations/corporate-governance/declaration-of-compliance>).

IV. Information on corporate governance practices

As part of its activities in the sales markets, LUDWIG BECK is exposed to a wide range of risks associated with entrepreneurial activity. These can affect the asset, financial, and earnings situation. The company has established modern controlling instruments for risk identification, risk monitoring, and risk communication. Their use ensures that decision-makers are regularly and promptly informed of any developments so that they can initiate appropriate countermeasures to constantly and sustainably increase the company's value. The respective responsibilities are defined within the organisation. The instruments are constantly being optimised to adequately reflect structural changes.

More information on risk management at LUDWIG BECK can be found here: (<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 meanings of sections 289f (2) No. 6, 315d Commercial Code (HGB). Diversity aspects in the composition of the Supervisory Board are already taken into account by the profile of skills and expertise developed by the Supervisory Board, the targets set for its composition and the targets defined for the proportion of women. The Supervisory Board therefore sees no additional need for a more extensive diversity concept.

The same applies to both the Executive Board and the management of the subsidiaries. In the view of the Supervisory Board, the composition of the Executive Board has proven successful. Therefore, neither a change in personnel nor an expansion is planned. Against this background, LUDWIG BECK is currently not pursuing a diversity concept for the composition of the Executive Board of LUDWIG BECK AG and the management of the subsidiaries.

An efficient organisation that reacts quickly and flexibly to market changes is fundamental to sustainable business success. At the same time, it is an illustration of the commitment and initiative of employees. LUDWIG BECK strives to be a permanently attractive investment for its shareholders. Trust in the reliability and performance of the company is an essential prerequisite for long-term competitiveness and business success.

LUDWIG BECK's customers are at the centre of a long-term, trust-based corporate strategy. A high degree of initiative, the willingness for change, and the commitment and competence of employees are essential prerequisites for the company's success. Managers are role models. They demonstrate respect for employees, set high standards, provide impulses and convey trust. In working together, individuality is respected, and a plurality of opinions is encouraged. Decisions are implemented consistently and in a targeted manner.

This mission statement characterises a corporate culture of appreciation and respect. The exceptionally long length of service of many employees is an impressive testament to this. This high loyalty encourages LUDWIG BECK to continue its approach of pursuing a personnel policy that combines both expectations of, and support for, employees. Because satisfied and loyal employees are the basis for satisfied and loyal customers.

VI. Remuneration report and remuneration system

At <https://kaufhaus.ludwigbeck.de/en/company/investor-relations/corporate-governance/further-information>, the system for the remuneration of the members of the Executive Board in accordance with section 87a (1) Stock Corporation Act (AktG), which was adopted by the Supervisory Board on March 24, 2021, and approved by the Annual General Meeting on May 17, 2021, under agenda item 5, as well as the remuneration system with the disclosures in accordance with sections 113 (3) sentence 3, section 87a (1) sentence 2 Stock Corporation Act (AktG), and the remuneration of the members of the Supervisory Board pursuant to section 12a of the articles of association of the company, which was approved by the Annual General Meeting on May 17, 2021, under agenda item 6, have been made available. At the same internet address, the remuneration report 2024 and the auditor's attached report are made publicly accessible in accordance with section 162 (3) sentence 3 Stock Corporation Act (AktG).



Munich, March 2025

LUDWIG BECK AG

The Executive Board

sgd. Christian Greiner (Chairman)

sgd. Jens Schott

The Supervisory Board

sgd. Dr. Bruno Sälzer (Chairman)

sgd. Sandra Pabst (Vice Chairwoman)

sgd. Clarissa Käfer

sgd. Sebastian Hejnal

sgd. Michael Eckhoff

sgd. Martin Paustian

Convenience Translation

(The text decisive for the statement on Corporate Governance of Ludwig Beck AG is the one written in the German language.)