

## DECLARATION OF CONFORMITY

The Executive Board and Supervisory Board traditionally work together closely for the welfare of the company. As such, we are able to comply with all recommendations of the German Corporate Governance Code.

### **2010: Declaration of Conformity according to § 161 of the German Stock Corporation Act (AktG)**

The following statement valid for the period from November 11, 2009 until July 2, 2010 refers to the recommendations of the Code in its version from June 18, 2009, which was published on August 5, 2009 in the electronic German Federal Gazette.

The statement since July 3, 2010 refers to the recommendations of the Code in its version from May 26, 2010, which was published on July 2, 2010 in the electronic German Federal Gazette (Edition 2010).

The Executive Board and Supervisory Board of LUDWIG BECK am Rathauseck – Textilhaus Feldmeier Aktiengesellschaft declare in accordance with Section 161 AktG that they currently and in the future will continue to conform to the recommendations of the “Government Commission for the German Corporate Governance Code“, which was made public by the German Ministry of Justice in the official part of the electronic German Federal Gazette with the following exceptions:

1. In the past, liability insurance (D & O) for the Supervisory Board contained no deductible as referred to in Code section 3.8, since the company is not of the opinion that commitment and responsibility of the members of the Supervisory Board in the fulfillment of their tasks could be improved by agreeing any deductible. The liability insurance (D & O) for the Supervisory Board and the Executive Board was terminated for the end of the calendar year 2009. Hence, the aforementioned recommendation is no longer relevant to the company.
2. 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 reflects best the equitable, reliable and close cooperation of the two members of the Executive Board.
3. The Supervisory Board does not aim for an appropriate consideration of women when appointing the Executive Board (Code section 5.1.2 par. 1, 2010 version). The Supervisory Board is of the opinion that only professional qualification, skills and

expertise, not gender, of a male or female candidate should be the decisive criteria for election to the Executive Board of LUDWIG BECK am Rathauseck – Textilhaus Feldmeier Aktiengesellschaft.

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 made in a plenary sitting of the manageable six-member body.

5 . When specifying concrete objectives regarding its composition according to Code section 5.4.1 par. 2 sentence 1 (Code version of 2010), the Supervisory Board will not stipulate an appropriate degree of female representation. (Code section 5.4.1 par. 2 sentence 1, 2010 version). Only professional qualification, skills and expertise or comparable criteria, not gender, shall be considered for the composition of the Supervisory Board.

6. Half-year and any quarterly financial reports were not discussed with the Management Board by the Supervisory Board or its Audit Committee prior to publication (Code Clause 7.1.2 sentence 2). Supervisory Board and Management Board are regularly in contact on the basis of a monthly reporting system. Therefore, an additional discussion prior to publication is dispensable.

Munich, November 23, 2010