

Declaration of corporate management 2020

The Board of Management and Supervisory Board of Leifheit AG issue this declaration of corporate management for the 2020 financial year. Pursuant to sections 289f / 315d of the German commercial code (HGB) it includes the declaration of conformity regarding the German corporate governance code (Deutscher Corporate Governance Kodex, DCGK), information about our relevant corporate management practices and a description of the work methods of the Board of Management and the Supervisory Board, as well as the composition and work methods of their committees, information on the defined targets according to the German law on the equal participation of women and men in management positions and the description of the diversity concept. In the declaration of corporate management, the Board of Management and the Supervisory Board also report on corporate governance at Leifheit. The declaration of corporate management does not form part of the combined management report for the financial year 2020.

Declaration of conformity pursuant to section 161 of the German stock corporation act (AktG)

The Board of Management and the Supervisory Board of a listed German stock corporation are obliged under section 161 of the German stock corporation act (AktG) to declare at least once a year whether the German corporate governance code (DCGK) has been and is being complied with or which recommendations of the code have not been or are not being applied and why not. Based on consultations, the Board of Management and the Supervisory Board last issued the following declaration of compliance in December 2020, which is permanently available on our website in addition to the declarations of conformity from previous years:

The Board of Management and the Supervisory Board of Leifheit AG issue the following declaration of compliance pursuant to section 161 of the German stock corporation act (AktG) regarding to the recommendations of the "Government Commission on the German Corporate Governance Code" and will ensure that it is published on the Leifheit AG website. The following declaration refers to the recommendations of the German corporate governance code (DCGK) as amended on 16 December 2019 and published in the Federal Gazette on 20 March 2020. Furthermore, the deviations are listed that relate to the previously valid code of 7 February 2017 (Code 2017) until 19 March 2020.

The Board of Management and the Supervisory Board of Leifheit AG declare that the recommendations of the code – except for those listed below – are being complied with and were previously complied with in the past.

The following recommendation is currently and will be deviated from:

Claw-back clause for variable Board of Management remuneration components (Recommendation G.11)

The code recommends in G.11 that variable remuneration may be withheld or reclaimed in justified cases.

As a precautionary measure, a deviation is declared from this recommendation, which probably also concerns the system for the remuneration of Board of Management members. The legal admissibility of so-called claw-back clauses, which are referred to in Recommendation G.11, has still not been conclusively clarified and, in particular, has not yet been decided by the highest courts. The Supervisory Board has therefore decided not to include a claw-back clause in the Board of Management service contracts and in the remuneration system.

The following recommendations have been deviated from in the past:

Availability of the rules of procedure for the Supervisory Board (Recommendation D.1)

The code recommends in D.1 that the Supervisory Board should make its rules of procedure available on the website.

This new recommendation was not complied with insofar as the rules of procedure of the Supervisory Board were not accessible on the website until August 2020. In future, this recommendation will be complied with.

Composition of the Board of Management (Code 2017, 4.2.1)

The 2017 code recommended in 4.2.1 that the Board of Management should have a chairperson or spokesperson. A comparable recommendation is lacking in the current code.

This recommendation was not complied with in 2019 in that the Board of Management of Leifheit AG has not had a chairperson or spokesperson since 15 October 2018 until Henner Rinsche took office as CEO on 1 June 2019.

Formation of a Nominating Committee (Recommendation D.5 / Code 2017, 5.3.3)

The code recommends in D.5 (Code 2017, 5.3.3) that the Supervisory Board should establish a Nominating Committee which nominates suitable candidates to the Supervisory Board for its proposals to the Annual General Meeting for the election of Supervisory Board members.

A deviation from this recommendation was declared in 2019 as a precautionary measure. The Nominating Committee of Leifheit AG became inquorate in the first quarter of 2019 due to the departure of several members and was therefore unable to nominate suitable candidates to the Supervisory Board for the Supervisory Board elections due to take place at the 2019 Annual General Meeting. As a result, the Supervisory Board approved its proposal for the election of Supervisory Board candidates in April 2019 without a prior recommendation from the Nominating Committee. In future, this recommendation will be complied with again.

Proposed resolutions of the Supervisory Board to the Annual General Meeting for the election of Supervisory Board members (Recommendation C.1 / Code 2017, 5.4.1)

The code recommends in C.1 (Code 2017, 5.4.1) that proposals put forward by the Supervisory Board to the Annual General Meeting are to consider the specific objectives designated by the Supervisory Board for its composition while at the same time aim to complete the competence profile for the body as a whole.

This recommendation was partially not complied with in 2019. The diversity concept/competence profile adopted by the Supervisory Board for the composition of the Supervisory Board provided, among other things, for the "appropriate representation of both genders" and referred to a target figure for the proportion of women on the Supervisory Board, according to which the Supervisory Board should include at least one woman. The Supervisory Board included the aforementioned objectives in its considerations when adopting the proposed resolutions for the 2019 Annual General Meeting, but ultimately decided, after overall consideration of all relevant aspects, to propose only male candidates for election at the Annual General Meeting. In future, this recommendation will be complied with again.

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Performance-related remuneration for members of the Supervisory Board (Recommendation G.18 / Code 2017, 5.4.6)

Code 2017 recommended in 5.4.6 that a performance-related remuneration entitlement for Supervisory Board members should be geared towards sustainable corporate development.

As a precautionary measure, a partial deviation from this recommendation was declared in 2019, as it could not be ruled out whether the new version of art. 12 of the articles of incorporation chosen by the Annual General Meeting in 2019 is based on the assessment of performance-related remuneration in the sense of the 2017 Code and is geared towards sustainable corporate development. The Board of Management and the Supervisory Board are of the opinion that the linking of performance-related remuneration to the net result for the period per share adequately reflects the responsibility of the Supervisory Board for the sustainable development of the company. Furthermore, due to the long-term variable remuneration for the Supervisory Board, there is an additional incentive for members of the Supervisory Board to focus their exercise of office on the long-term, successful development of the company. The comparable recommendation in the current code (G.18) provides for a focus on the long-term development of the company, so there is no longer any deviation.

Significant corporate management practices

Sustainable economic, ecological and social action is an indispensable element of Leifheit's corporate culture. This also includes integrity in dealing with employees, business partners, shareholders and the public, which is expressed through exemplary behaviour. Accordingly, Leifheit's business practices are based on integrity, honesty, fairness and compliance with the law and internal policies. The main corporate management practices are publicly accessible on our website at unternehmensfuehrung.leifheit-group.com.

To us, trusting cooperation between the Board of Management and the Supervisory Board, efficient internal and external control mechanisms, and a high level of transparency in corporate communications are matters of central importance. This way, we hope to secure the confidence of investors, customers, employees and the public at large in our company in the long term.

We give corporate governance a high priority and are guided by the recommendations of the DCGK. The code represents key statutory regulations for the management and monitoring of German listed companies and contains internationally and nationally recognised standards for good and responsible corporate governance.

Organisation and leadership structure

Leifheit AG is a publicly listed stock corporation with registered offices in Germany. German law, the regulations of stock corporations and financial markets and the articles of incorporation of Leifheit AG in particular, besides the DCGK, provide the framework for structuring corporate governance.

The business activities of the Leifheit Group are organised in the segments Household, Wellbeing and Private Label. Leifheit AG is responsible for the strategic management of the Group. The Group operates according to a multi-dimensional management structure of operating businesses and corporate functions. Details are to be found in the "Foundations of the Group" section of the annual financial report.

Vision and strategy

For over 60 years, we have been helping to make everyday life at home more easy and convenient by way of our products. That is our mission. Through it all, our focus is always on the needs of consumers. We have outstanding products that offer a high degree of consumer benefit and excellent quality with superb reviews – many of them regularly win top scores in tests conducted by respected institutes. At the same time, we are already well positioned in many European markets thanks to our two high-profile brands, Leifheit and Soehnle. And we have motivated employees who are making a crucial contribution to the development of our company through their tremendous commitment. We aim to do a systematic and consistent job of building on our existing strengths – excellent products, strong brands and outstanding employees – to ensure sustained profitable growth going forward while also creating added value for consumers. For us, this means: Scaling up Success. As part of this approach, we are addressing four strategic areas of action:

1. Exciting consumers
2. Expanding distribution
3. Increasing profitability
4. Shaping culture

Further information on this is to be found in the "Foundations of the Group" section of the annual financial report.

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Compliance

Our compliance management system (CMS) includes basic guidelines and measures aimed at ensuring behaviour in line with the regulations at the company. It should assist our employees in observing the binding laws and regulations that apply to their work, along with recognised standards, recommendations and our own guidelines. Its principles and standards of conduct have been in place for years and are part of the day-to-day business routine.

We take guidance in particular from the DCGK as well as in-house guidelines such as the Leifheit competency model, the Leifheit Code of Conduct, the Antitrust Code of Compliance, insider guidelines and our requirements for our suppliers.

Behaviour in line with the regulations is both a key basic principle for Leifheit and the goal of commercially responsible conduct. The Board of Management and the management team of Leifheit are committed to compliance as a leadership duty. Operational responsibility (Compliance Officer) lies with the HR/Legal/IP division. Compliance risks are recorded in the scope of the risk management system.

On our website [Unternehmensfuehrung.leifheit-group.com](https://www.leifheit-group.com) as well as in the Leifheit Group's sustainability report, further information is available.

Control and risk management

Dealing with risks in a responsible manner is part of corporate governance at Leifheit. A fundamental requirement of professional corporate governance is the continuous and systematic management of business risks. By means of this process, it is possible to identify risks at an early stage, when they can be assessed and controlled by taking appropriate measures. The Board of Management reports regularly to the Supervisory Board on current developments regarding material risks. The Audit Committee regularly deals with monitoring of the accounting process, as well as the effectiveness of the internal control, risk management and internal audit systems. The committee also deals with the annual audit of the financial statements and the independence of the auditors.

Transparency and external reporting

We aim to provide the capital market with information about all relevant developments and events at our company in a comprehensive, prompt and transparent manner. We are guided in the process by the provisions of the German stock corporation act (AktG) and capital market law, the recommendations of the DCGK and the more far-reaching transparency standards of the German stock exchange for the Prime Standard segment, where the shares of Leifheit AG are traded.

We release information on the strategy, the situation of the Group, all major business changes, business development and the financial position and results of operations of our company regularly and in a timely manner in the quarterly statements, the half-yearly financial report and in detail in the annual financial report.

The Board of Management is in direct contact with analysts, investors and members of the press through analyst conferences and regular participation in capital market conferences, as well as one-on-one meetings. For further details of our capital market activities, please refer to "The Leifheit share" section of our annual financial report.

On our website www.leifheit-group.com we publish all key information related to our shares, the strategy and the key financial figures of the Leifheit Group, as well as the financial calendar, financial reports, quarterly statements, press releases, ad-hoc notices and presentations.

Notifications of securities transactions by the Board of Management and Supervisory Board pursuant to art. 19 of the Market Abuse Regulation (EU) No. 596/2014 are also published on the website.

The website also contains the articles of incorporation, the rules of procedure of the Supervisory Board, further information on corporate management and all declarations of conformity. Opportunities to contact the company are also available for people who wish to ask questions or make comments.

As a listed company, Leifheit AG prepared its consolidated financial statements in accordance with the International Financial Reporting Standards (IFRS), as adopted by the European Union, and the additional requirements of commercial law in accordance with section 315e Para. 1 HGB. They also serve as the basis for the half-yearly financial report. The separate financial statements of Leifheit AG, which are the deciding factor for the payment of the dividend, are prepared in accordance with the provisions of the HGB and the AktG. The management report of Leifheit AG and the consolidated management report are combined in accordance with section 315 para. 5 and section 298 para. 2 HGB.

It was agreed with the auditors that the Chairman of the Supervisory Board will be informed immediately of any grounds for disqualification or partiality arising during the audit, unless such grounds are eliminated immediately. The auditor must also report without delay on all findings and events that it acquires knowledge of during the performance of the audit that have a direct bearing on the work of the Supervisory Board. This also applies in the event that it ascertains facts which show that the declaration of conformity with the DCGK issued by the Board of Management and the Supervisory Board pursuant to section 161 AktG is inconsistent.

The Annual General Meeting on 30 September 2020 accepted the proposal of the Supervisory Board in line with the recommendations of the Audit Committee and selected KPMG AG Wirtschaftsprüfungsgesellschaft, Frankfurt/Main, as the auditor for financial year 2020. KPMG has been the auditor of the financial statements and consolidated financial statements of Leifheit AG since financial year 2016. The signatory auditors are Sebastian Hergarten (since financial year 2017) and Sven Eifert (since financial year 2019). The statutory provisions and rotation obligations under sections 319 and 319a HGB have been complied with.

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Other essential corporate principles

In addition to compliance with the law, the Board of Management and managers also pay close attention to issues such as equality, non-discrimination, cooperation with employee representatives, occupational health and safety, environmental and climate protection as well as data protection and information security. Further information on this is available in the Leifheit Group's sustainability report. Leifheit regularly reviews compliance with the recommendations of the DCGK. All previously issued declarations of conformity are publicly accessible on the company's website at corporate-governance.leifheit-group.com.

Shareholders and the Annual General Meeting

The shareholders of Leifheit AG exercise their rights at the Annual General Meeting of the company, which, according to the articles of incorporation, is chaired by the Chairman of the Supervisory Board. The Annual General Meeting is held once a year. Each share represents one voting right. The invitation to the Annual General Meeting with the forthcoming agenda and an explanation of the conditions for participation are published in accordance with the legal regulations and the articles of incorporation.

Shareholders can either exercise their voting rights at the Annual General Meeting themselves, via a proxy of their choice or via a proxy of the company who is bound by instructions. Shareholders also have the option of casting their votes – without authorising a representative – by postal ballot. Voting instructions can be issued by post, email or through an AGM portal. Employees manning our Annual General Meeting hotline are available to answer questions about registration, proxy voting and postal voting.

All documents and information related to the Annual General Meeting are available on our website agm.leifheit-group.com, which contains links to the online service and the live transmission of the public portion of the meeting as well. We also publish attendance figures and the voting results on the website immediately following the Annual General Meeting.

At the Annual General Meeting in September 2020, which was held virtually in the reporting year, shareholders and their representatives were able to follow the entire event in the form of a live stream via an AGM portal on the internet and, among other things, exercise their voting rights before and during the Annual General Meeting. Even though measures to protect everyone's health and safety made it impossible to arrange the usual face-to-face contact with the company, the Board of Management fully responded to the questions submitted in advance during the live stream.

Further information on corporate governance

The main features of the remuneration system for the Board of Management, and the Supervisory Board are described in detail in the remuneration report. It is part of the audited combined management report of the Leifheit AG and the Group.

Working methods of the Board of Management and the Supervisory Board

The Board of Management and the Supervisory Board work closely together to the benefit of the company. Intense, continuous dialogue between the two bodies forms the basis of efficient corporate management. The common goal is to ensure the continued existence of the company and its sustainable value creation. In accordance with the legal requirements for a German stock corporation, Leifheit AG has a dual management system featuring a separation of personnel between the management and supervisory bodies. The management organ is the Board of Management, which is supervised and counselled by the Supervisory Board regarding the management of the company.

The Board of Management and the Supervisory Board of Leifheit AG communicate openly with each other in a spirit of close cooperation. Transactions and decisions that are of fundamental importance to the company are coordinated closely between the Board of Management and the Supervisory Board. The Supervisory Board's rights to reserve approval are regulated by the articles of incorporation of Leifheit AG and in the rules of procedure for the Board of Management.

By virtue of systematic internal control and risk management, risks are identified early, assessed and monitored. The Board of Management reports existing risks and their development to the Supervisory Board at regular intervals.

Considering the statutory requirements, Leifheit has taken out directors and officers liability insurance (known as D&O insurance) with an appropriate deductible for the members of the Board of Management and the Supervisory Board in accordance with section 93 para. 2 sentence 3 AktG.

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Long-term succession planning for the Board of Management

The Supervisory Board is responsible for the appointment, reappointment and dismissal of Board of Management members, the assessment of their performance and long-term succession planning for the Board of Management, as well as for the conclusion, amendment and termination of Board of Management contracts. These matters are prepared by the Personnel Committee of the Supervisory Board and are dealt with and decided on by the Supervisory Board. In the year under review, the Personnel Committee and the Supervisory Board considered succession planning for the Board of Management and discussed this with the Board of Management. When selecting and filling Board of Management positions, the Supervisory Board ensures that the composition of the Board of Management reflects the best possible options for the company and is guided by the diversity concept.

Governance and management by the Board of Management

The Board of Management of Leifheit AG consists of one or more members. As at 31 December 2020, the Board of Management consisted of two members.

No member of the Board of Management holds Supervisory Board mandates in listed companies outside the Group or in supervisory bodies of companies outside the Group that impose comparable requirements. In financial year 2020, there were no reportable relationships or transactions with members of the Board of Management. Furthermore, no conflicts of interest of Board of Management members arose that would have to be disclosed to the Supervisory Board without delay. The specified age limit for members of the Board of Management is the statutory retirement age.

The Board of Management manages the company on its own responsibility, determines the strategic direction of the company, coordinates this with the Supervisory Board and ensures its implementation. In addition, it determines the corporate goals and shapes corporate policy as well as Group organisation. Furthermore, it ensures the appropriate risk management, compliance with legal provisions and internal company guidelines as well as measures geared towards the company's risk situation

Members of the Board of Management

Person	Board membership/function	Appointed until	Responsible for	Mandates/memberships outside the Group ^{1,2}
Igor Iraeta Munduate Born 1974 Nationality: Spanish Place of residence: Bonn, Germany	Member (COO) since 1 Nov 2018	31 Oct 2022	Production, Logistics, Procurement, Development, Quality Management	None
Henner Rinsche Born 1970 Nationality: German Place of residence: Frankfurt/Main, Germany	Member and CEO since 1 June 2019, CFO since 1 Apr 2020	31 May 2022	Marketing, Sales, Birambeau and Herby divisions, HR, Legal/IP and since 1 Apr 2020 Finance, Controlling, Audit, Business Processes/IT, Investor Relations, ESG issues	None
Ivo Huhmann (resigned) Born 1969 Nationality: German Place of residence: Wiesbaden, Germany	Member from 1 Apr 2017 (CFO from 25 May 2017) until 31 Mar 2020	–	Finance, Controlling, Audit, Business Processes/IT, Investor Relations, ESG issues	None

¹ Memberships in other Supervisory Boards required by law according to section 125 para. 1 sentence 5 AktG.

² Memberships in comparable domestic and foreign governing bodies of enterprises according to section 125 para. 1 sentence 5 AktG.

(compliance management system). It is tied to the interests of the company and is geared towards the goal of achieving a sustainable increase in company value. The Board of Management seeks to achieve diversity when filling management positions in the company.

The work of the Board of Management is further defined by the Board of Management's rules of procedure, which also regulate those matters reserved for the Board of Management as a whole, the allocation of responsibilities and other decision-making modalities. The Board of Management adopts resolutions at regular meetings. Pursuant to the articles of incorporation of Leifheit AG, those decisions to be made by the Board of Management that are of particular importance and require the approval of the Supervisory Board are laid down in the rules of procedure of the Board of Management.

The responsibility for overall management is shared by all members of the Board of Management. They work together as colleagues and keep each other informed about important measures and processes within their departments. The individual members of the Board of Management manage the departments assigned to them through the Board of Management resolutions on their own responsibility, without prejudice to the overall responsibility of all Board of Management members.

The Board of Management receives detailed reports on the current business development at management team meetings and meetings with managers of the subsidiaries and branches. It prepares the annual financial statements of Leifheit AG as well as the quarterly and annual financial statements of the Group and convenes the Annual General Meeting.

The Board of Management informs the Supervisory Board regularly, promptly and comprehensively in written and verbal form about the events and measures relevant to the company regarding business development, the net assets, financial situation and results of operations, planning and target achievement, the risk situation and risk management. This also includes informing the Supervisory Board if the course of business deviates from planning.

The Board of Management also regularly attends meetings of the Supervisory Board. It reports in writing and verbally on the individual agenda items and draft resolutions and is available to answer questions. The orientation of strategy and its implementation is discussed annually in at least one plenary session of the Supervisory Board. The results of medium-term planning, operational planning and the budget for the upcoming business year are discussed in this committee in the second half of each year. Furthermore, the Supervisory Board also meets regularly without the Board of Management.

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Supervision of management by the Supervisory Board

In accordance with the German stock corporation act and the German one-third participation act (Drittelbeteiligungsgesetz) in conjunction with the articles of incorporation of Leifheit AG, the Supervisory Board is composed of four shareholder representatives and two employee representatives.

Independence of the shareholder representatives

In its assessments of independence, the shareholder representatives on the Supervisory Board reviewed the indicators set out in the current version of the DCGK and deem all shareholder representatives on the Supervisory Board – Dr Günter Blaschke, Georg Hesse, Karsten Schmidt and Dr Claus-O. Zacharias – to be independent.

According to Recommendation C.7 section 2 DCGK, when assessing the independence of its members drawn from the company and the Board of Management, the shareholder side should in particular consider whether the Supervisory Board member has been a member of the Supervisory Board for more than 12 years. Karsten Schmidt has been a member and Deputy Chair of the Supervisory Board of Leifheit AG since 29 May 2019. He was previously a member from 15 January 2007 to 31 January 2018. His total term of office is therefore more than 12 years, with an interruption. Mr Schmidt is deemed to be independent. The shareholder representatives are of the opinion that no conclusion can be arrived at regarding the independence of the respective member based solely on the duration of their membership of the Supervisory Board. In his work as a member of the Supervisory Board, Mr Schmidt has never given any reason to doubt that he always fulfilled his duties on the Supervisory Board in a dutiful and proper manner and that he was objective. The other shareholder representatives on the Supervisory Board therefore trust entirely in his independence. Moreover, neither Mr Schmidt himself nor a close family member has ever been a member of the Board of Management of Leifheit AG, nor are they currently. Furthermore, there are no business relations between Mr Schmidt and Leifheit AG or any company dependent on Leifheit AG.

Considering the legal requirements as well as the recommendations of the DCGK, the Supervisory Board has adopted a diversity concept/competence profile for the composition of the

Members of the Supervisory Board

The acting members of the Supervisory Board are appointed for the period until the end of the Annual General Meeting, which resolves on the approval of the actions of the Supervisory Board for financial year 2023.

Person	Supervisory Board membership/function	Mandates/memberships outside the Group
Joachim Barnert ¹ Born 1968 Nationality: German Head of Maintenance at Leifheit AG, Nassau/Lahn, Germany, Zuzenhausen site	Member since 29 May 2019	None
Dr Günter Blaschke Born 1949 Nationality: German Pensioner	Member since 1 Apr 2019, Chairman since 2 Apr 2019,	WashTec AG, Augsburg, Germany, Chairman of the Supervisory Board ²
Georg Hesse Born 1972 Nationality: German Chairman of the Board of Management (CEO) of HolidayCheck Group AG, Munich, Germany, until 30 Apr 2020	Member since 30 May 2018	None
Karsten Schmidt Born 1956 Nationality: German Independent consultant, Penzberg, Germany	Member and Deputy Chairman since 29 May 2019	None
Thomas Standke ¹ Born 1968 Nationality: German Toolmaker at Leifheit AG, Nassau/Lahn, Germany	Member since 27 May 2004	None
Dr Claus-O. Zacharias Born 1954 Nationality: German Independent consultant, Düsseldorf, Germany	Member since 29 May 2019	Severin Elektrogeräte GmbH, Sundern, Germany, Member of the Advisory Board ³

¹ Employee representative.

² Memberships in other Supervisory Boards required by law according to section 125 para. 1 sentence 5 AktG.

³ Memberships in comparable domestic and foreign governing bodies of enterprises according to section 125 para. 1 sentence 5 AktG.

Supervisory Board which specifies concrete objectives. Members of the Supervisory Board may not be older than 70 years at the time of their appointment by the Annual General Meeting.

No consultancy agreements or other agreements for contractual performance existed between members of the Supervisory Board and the company in the reporting period. What is more, the members of our Supervisory Board do not perform any board functions or advisory tasks for competitors of the company. Furthermore, they have no business or personal relationship with Leifheit AG or its Board of Management that could constitute a material and not merely temporary conflict of interest.

Each member of the Supervisory Board is obliged to disclose conflicts of interest to the Supervisory Board without delay. In its report to the Annual General Meeting, the Supervisory Board provides information on the occurrence of conflicts of interest.

The rules of procedure for the Supervisory Board regulate its duties and responsibilities as well as the procedure for meetings and resolutions. It is publicly accessible on our website. The activities of the Supervisory Board and its committees, including individualised information on meeting attendance, are also presented in the report of the Supervisory Board.

The Supervisory Board monitors and advises the Board of Management in the management of the company. It is directly involved in decisions that are of fundamental importance to the company. The Supervisory Board is informed regularly, promptly and comprehensively by the Board of Management about the business development, the planning and the risk situation of the company, including compliance, and it coordinates the corporate strategy and its implementation with the Board of Management. The Board of Management also submits the annual financial statements of Leifheit AG and the Leifheit Group to the Supervisory Board for approval, considering the auditor's reports. Certain transactions and measures implemented by the Board of Management of particular importance require the prior approval of the Supervisory Board.

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Self-assessment of the effectiveness of the Supervisory Board

The Supervisory Board regularly conducts a self-assessment of the effectiveness of the Supervisory Board and its committees. Such a self-assessment was carried out in spring 2020. In addition to the work of the plenary session, this also covered the work of the committees. It was carried out by means of a self-evaluation based on a detailed questionnaire, which was discussed and decided on by the Board at its meeting in December 2019. Based on the questionnaire, the following matters were evaluated in connection with the Supervisory Board:

- Composition, remuneration and resources,
- Organisation and working methods,
- Board of Management matters,
- Annual and interim financial statements as well as the audit of the financial statements,
- Establishment, composition and functioning of the existing committees,
- Committee work in the Supervisory Board regarding the preparation of meeting topics and information by the Board of Management.

Furthermore, the work done by the established committees was evaluated by the respective committee members.

The questionnaire was completed individually by each Supervisory Board member and evaluated in the Board of Management office. The results of the evaluation were presented and discussed in detail at the Supervisory Board meeting on 24 March 2020. The evaluation showed that the Supervisory Board collaborates efficiently and effectively. Suggestions put forward by Supervisory Board members are considered for future work. There was no external consultant support in carrying out the self-assessment.

Composition and functioning of committees

The Board of Management has not formed any committees.

The Supervisory Board has set up five committees to perform its duties and to support focused discussion of the issues, thereby effectively supporting the work done by the plenary session.

As a member of the Supervisory Board with expertise in the areas of accounting/auditing pursuant to section 100 para. 5 AktG, Dr Zacharias is also chair of the Audit Committee. The Nominating Committee is chaired by Dr Blaschke, the Personnel Committee by Mr Hesse, the Sales/Marketing Committee by Dr Blaschke and the Product Range/Innovation Committee by Mr Schmidt.

The committees are tasked with preparing topics and resolutions for presentation to the Supervisory Board. The rules of procedure of the Supervisory Board also regulate the responsibilities of the Audit Committee, Personnel Committee and Nominating Committee. Information regarding the activities of the committees in the financial year is set out in the report of the Supervisory Board.

The duties and responsibilities of the committees comply with the requirements of the DCGK. The respective committee chairs regularly report to the Supervisory Board on the work being done by the committees.

Supervisory Board committees

Committee	Members	
Audit Committee (AC) The Audit Committee prepares the negotiations and resolutions of the Supervisory Board on the approval of the annual financial statements and the consolidated financial statements as well as the adoption of the proposal to the Annual General Meeting for the election of the auditor. It also deals with issues relating to accounting, the effectiveness of the internal control system, risk management, the internal audit system, compliance and assessing the quality of the audit of the financial statements.	Dr Günter Blaschke Dr Claus-O. Zacharias	Member since 2 Apr 2019 Member and Chairman since 29 May 2019
Nominating Committee The Nominating Committee prepares the resolutions of the Supervisory Board on election proposals to the Annual General Meeting for the election of Supervisory Board members (shareholder representatives).	Dr Günter Blaschke Karsten Schmidt Dr Claus-O. Zacharias	Member and Chairman since 29 May 2019 Member since 29 May 2019 Member since 29 May 2019
Personnel Committee The Personnel Committee examines all employment contracts for the members of the Board of Management, including remuneration and the remuneration system.	Dr Günter Blaschke Georg Hesse Karsten Schmidt	Member since 29 May 2019 Member since 30 May 2018, Chairman since 29 May 2019 Member since 29 May 2019
Sales/Marketing Committee The Sales/Marketing Committee deals with the sales and marketing strategy.	Joachim Barnert Dr Günter Blaschke Georg Hesse Karsten Schmidt	Member since 29 May 2019 Member and Chairman since 29 May 2019 Member since 29 May 2019 Member since 29 May 2019
Product Range/Innovation Committee The Product Range/Innovation Committee deals with the product range and innovation strategy and the product pipeline.	Dr Günter Blaschke Karsten Schmidt Thomas Standke	Member since 29 May 2019 Member and Chairman since 29 May 2019 Member since 29 May 2019

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Targets for equal participation of women and men in leadership positions in the private and public sectors

Leifheit last updated its targets for the proportion of women on the Supervisory Board, Board of Management and upper management level established in accordance with section 111 para. 5 and section 76 para. 4 AktG in May 2017.

The Supervisory Board decided that the target for the quota of women on the Supervisory Board should be 16 percent (1 woman) and for the Board of Management 33 percent (1 woman) – in each case with an implementation deadline of 23 May 2022. The target figure for the Supervisory Board and the target figure for the Board of Management had not yet been reached as of 31 December 2020, as the decision was made to propose and select male candidates at the time of each new appointment after considering all the relevant aspects.

The Board of Management has decided to limit the obligation for the two management levels below the Board of Management to one level below the Board of Management due to the flat hierarchy. The target for the proportion of women is set at 14.29 percent – with an implementation deadline of 14 May 2022. As of 31 December 2020, the target was exceeded at 26.7 percent.

Diversity concept/competence profile and goals for the composition of the Board of Management and Supervisory Board

The Supervisory Board has adopted diversity concepts for the composition of the Board of Management as well as the Supervisory Board, which also considered the DCGK recommendations.

Diversity concept for the composition of the Board of Management

Considering which personalities best fit the Board of Management as a body, the Supervisory Board pays attention to diversity. As a decision-making aspect, the Supervisory Board understands diversity to mean, in particular, profiles and professional/private backgrounds that differ and that complement each other, also including the international arena, and the appropriate representation of both genders whenever possible. The Supervisory Board decides which individual should fill a specific Board of Management position in the interests of the company and in consideration of all the circumstances of the case in question.

In making its decision, the Supervisory Board considers the following aspects in particular:

1. The members of the Board of Management are to have longstanding management experience.
2. At least one member is to have international management experience.
3. At least one member of the Board of Management is to have a technical training.
4. As a whole, the Board of Management is to reflect long-standing experience in the fields of development, production, sales, marketing, finance and personnel management.
5. The Supervisory Board has set a target for the proportion of women on the Board of Management.
6. The Supervisory Board has set a standard age limit for members of the Board of Management in accordance with the DCGK recommendation. It is based on the statutory retirement age.

Except for the proportion of women, all criteria were met by 31 December 2020.

Declaration of corporate management 2020

Diversity concept for the composition of the Supervisory Board

The Nominating Committee proposes suitable candidates to the Supervisory Board for its election proposals to the Annual General Meeting as shareholder representatives on the Supervisory Board, considering the objectives and competences stated below. The Supervisory Board decides which individual should fill a specific Supervisory Board position in the interests of the company and in consideration of all the circumstances of the case in question.

One key concern of good corporate governance is to ensure that the responsible corporate bodies are staffed appropriately to suit the company. Considering the legal requirements as well as the recommendations of the DCGK, the Supervisory Board adopted targets for the composition, competence profile and diversity concept of the Supervisory Board in September 2017. These were adjusted regarding the age limit in August 2019. Based on the revised and recast DCGK as amended on 16 December 2019, they were extended in August 2020 and the following version was adopted:

1. The Supervisory Board is to be composed in such a way that its members as a whole have the knowledge and competences required for the proper performance of its duties and sufficient time. The Supervisory Board takes particular care to ensure profiles and professional/private backgrounds that differ and that complement each other, also including the international arena and the appropriate representation of both genders where possible.
2. The Supervisory Board has set a target for the proportion of women on the Supervisory Board.
3. Every member of the Supervisory Board fulfils the legal and statutory requirements for membership of the Supervisory Board (in particular section 100 para. 1 to 4 AktG).
4. A Supervisory Board member who is not a member of the management board of a listed company may not hold more than a total of five Supervisory Board mandates at other listed companies or comparable functions, with one office of Supervisory Board chair counting double. A Supervisory Board member who is a member of the management board of a listed company may not hold more than two Supervisory Board mandates in other listed companies or comparable functions and may not chair the Supervisory Board of another listed company (C.4 and C.5 DCGK).
5. Each member of the Supervisory Board is to disclose potential conflicts of interest without delay.
6. In accordance with Recommendation C.6 DCGK, the Supervisory Board should have at least two independent members – considering the ownership structure.
7. In accordance with Recommendation C.7 DCGK, the Supervisory Board should have at least three members who are independent of the company and the Board of Management.
8. If the company has a controlling shareholder, the Supervisory Board is to include at least one shareholder representative who is independent of the controlling shareholder, in accordance with Recommendation C.9 DCGK.
9. The Supervisory Board is to include at least one member with expertise in the fields of accounting or auditing (section 100 para. 5 AktG).
10. The Supervisory Board should include at least one member with expertise in the field of the consumer goods industry or a branded goods company, also in an international environment.
11. To represent as diverse a spectrum of life experience as possible, there should be a difference of at least 10 years between the age of the youngest and the oldest Supervisory Board member. At the time of their appointment by the Annual General Meeting, Supervisory Board members should not be over 70 years of age.
12. Membership of the Supervisory Board is to be limited to 25 years.
13. The chair of the Supervisory Board, the chair of the Audit Committee and the chair of the committee dealing with Board of Management remuneration (Personnel Committee) are to be independent of the company and the Board of Management. The chair of the Audit Committee should also be independent of the controlling shareholder (C.10 DCGK).
14. The Supervisory Board may not include more than two former members of the Board of Management (C.11 DCGK).
15. Members of the Supervisory Board may not exercise any corporate function or advisory tasks for significant competitors of the company and may not have a personal relationship with a significant competitor (C.12 DCGK).

As of 31 December 2020, the goals of this diversity concept had all been met except for the proportion of women. All incumbent shareholder representatives on the Supervisory Board are considered independent of the company and the Board of Management.

Notice: In the event of any discrepancies between this English translation of the declaration of corporate management and the German version, the German version shall take precedence.