

Declaration of conformity pursuant to Article 161 of the German Stock Corporation Act (Aktengesetz – AktG)

A.S. Création Tapeten AG issued the last declaration of conformity on January 29, 2020. The revised recommendations of the Government Commission on the German Corporate Governance Code as amended on December 16, 2019 were published in the official section of the Federal Gazette on March 20, 2020.

The Managing Board and the Supervisory Board of A.S. Création Tapeten AG declare,

1. for the period from January 29, 2020 to March 20, 2020, that the recommendations of the Government Commission on the German Corporate Governance Code as amended on February 7, 2017 (“Code 2017”) were complied with, save for the following exceptions:
 - Pursuant to number 4.2.3 of the Code 2017, the variable component of the Managing Board compensation shall have a multiple-year assessment basis that shall have essentially forward-looking characteristics. Moreover, early disbursements of multi-year variable compensation components shall not be permitted. At A.S. Création Tapeten AG, the variable component of the Managing Board compensation is based on the weighted average earnings after taxes of the past three fiscal years, which means that, if a loss is posted for a fiscal year, this negative amount is taken into account in determining the assessment basis. Each Managing Board member receives a percentage of this assessment basis. This variable, performance-based compensation component is disbursed in the following year, namely at the end of the month in which the consolidated financial statements are submitted to the shareholders. The Annual General Meeting of Shareholders of A.S. Création Tapeten AG approved this compensation system for the Managing Board on April 28, 2016, i.e. before the Code 2017 came into force. The variable Managing Board compensation implemented by the company is not consistent with the wording of the recommendation of the Code 2017, as the defined multi-year assessment basis does not have essentially forward-looking characteristics.
 - Pursuant to number 5.4.1 of the Code 2017 the Supervisory Board shall specify concrete objectives regarding its composition which take into account, among other things, an age limit for the members of the Supervisory Board and a regular limit of length of membership as well as diversity. The Supervisory Board of A.S. Création Tapeten AG is convinced that the proposals for the election of Supervisory Board members should be based exclusively on the functional and personal suitability of the candidates. As this

suitability does not depend on formal criteria such as age and the length of membership, the Supervisory Board does not comply with this recommendation of the Code.

and

2. for the period commencing March 20, 2020, that the recommendations of the Government Commission on the German Corporate Governance Code as amended on December 16, 2019 (“Code 2019”) have been and will continue to be complied with, save for the following exceptions:
 - Recommendation A.2 of the Code 2019 requires the main features of the compliance management system to be disclosed. As the last corporate governance statement was issued on March 19, 2020, i.e. prior to the publication of the Code 2019, it does contain such a disclosure. The Managing Board and the Supervisory Board intend to implement this recommendation of the Code 2019 in the next corporate governance statement, which is expected to be issued in March 2021.
 - Pursuant to recommendation B.2 of the Code 2019, the Supervisory Board shall, together with the Managing Board, ensure that there is long-term succession planning and describe the approach in the corporate governance statement. The Supervisory Board of A.S. Création Tapeten AG is convinced that long-term succession planning for the Managing Board members is an internal and confidential matter, especially if there are potential candidates in the company who may still need to develop their personality or leadership skills. If the approach to long-term succession planning is published, there is a risk that conclusions may be drawn at a very early stage of the process about those persons who, according to the Managing Board and the Supervisory Board, should be considered for succession. This is why the Supervisory Board of A.S. Création Tapeten AG does not comply with this recommendation of the Code 2019.
 - Pursuant to recommendation B.5 of the Code 2019, the age limit for members of the Managing Board shall be disclosed in the corporate governance statement. The last corporate governance statement was issued on March 19, 2020, i.e. prior to the publication of the Code 2019, and does not contain such a disclosure. The Managing Board and the Supervisory Board intend to implement this recommendation of the Code 2019 in the next corporate governance statement, which is expected to be issued in March 2021.

- Pursuant to recommendation C.1 of the Code 2019, the names of the independent Supervisory Board members representing shareholders shall be published in the corporate governance statement. As the last corporate governance statement was issued on March 19, 2020, i.e. prior to the publication of the Code 2019, it does not contain such information. The Managing Board and the Supervisory Board intend to implement this recommendation of the Code 2019 in the next corporate governance statement, which is expected to be issued in March 2021.
- Pursuant to recommendation C.2 of the Code 2019, an age limit shall be specified for members of the Supervisory Board. The Supervisory Board of A.S. Création Tapeten AG is convinced that the proposals for the election of Supervisory Board members should be based exclusively on the functional and personal suitability of the candidates. As the latter does not depend on age, the Supervisory Board does not comply with this recommendation of the Code 2019.
- Pursuant to recommendation C.14 of the Code 2019, a detailed curriculum vitae of each Supervisory Board member shall be published on the company's website. The Supervisory Board of A.S. Création Tapeten AG is convinced that the brief curricula vitae of the Supervisory Board members published on the company's website provide a sufficient basis for the presentation of the Supervisory Board members. This means that the Supervisory Board does not fully comply with this recommendation of the Code 2019.
- Pursuant to recommendation D.1 of the Code 2019, the rules of procedure of the Supervisory Board shall be published on the company's website. The rules of procedure of the Supervisory Board are a document that solely serves the internal organisation of the Supervisory Board. As the report of the Supervisory Board and the corporate governance statement include detailed information on the work of the Supervisory Board and its committees, we see no added value and, hence, no justified interest of the investors in such publication. This is why the Supervisory Board does not comply with this recommendation of the Code 2019.
- Pursuant to recommendation D.11 of the Code 2019, the Audit Committee shall conduct an evaluation of the quality of the annual audit on a regular basis. To date, the Audit Committee of A.S. Création Tapeten AG has regularly reviewed the quality of the annual audit in discussions and talks with the Managing Board and the auditor. There is, however, no formalised evaluation process. This means that the Supervisory Board does not fully comply with this recommendation of the Code 2019. The Audit Committee

intends to implement a formalised process with objectively assessable indicators starting with the evaluation of the 2020 annual audit.

- Recommendations G.1 to G.16 of the Code 2019 contain detailed recommendations regarding the remuneration of the Managing Board. In this respect, the Code 2019 differs very clearly from previous versions. The system of Managing Board remuneration set out in the current Managing Board contracts and approved by the Annual General Meeting of Shareholders on April 28, 2016 was developed before the Code 2019 came into force. This is why the current remuneration system for the Managing Board does not comply with all recommendations of the Code 2019. For example, the current remuneration system does not provide for target total remuneration (recommendations G.1 and G.2) and does not distinguish between short-term and long-term targets (recommendations G.6 and G.7). Moreover, the company has no share-based variable remuneration components (recommendation G.10). While the employment contracts of the Managing Board members provide for the variable remuneration components to be adjusted in the event of a material change in the economic or legal framework conditions, they do not provide for the variable remuneration to be reclaimed (recommendation G.11).

Gummersbach, January 26, 2021

A.S. Création Tapeten AG

On behalf of the Supervisory Board

On behalf of the Managing Board

Jochen Müller

Daniel Barth

Chairman of the Supervisory Board

Chairman of the Managing Board