

LOEWE.

Corporate governance declaration in accordance with the German Accounting Law Modernization Act (BilMoG)

At Loewe, the management and control of the Company are obligated to safeguard the continued existence of the Company and its sustained creation of value in harmony with the principles of the social market economy.

Conscientious and transparent management

Loewe is an independent company with a clear brand strategy that has become well established as a premium brand in Europe in recent years. We inspire our customers with products that are characterized by timeless elegance, exclusive individuality, sensible technology and easy operation. The corporate bodies of Loewe AG also pursue the same high standards and sense an obligation to conscientious, transparent and sustained creation of value in managing the company. This is documented in particular by compliance with the corporate governance principles with only one exception.

Declaration of Conformity

Pursuant to Section 161 of the German Stock Corporation Act, the Executive Board and Supervisory Board of an exchange-listed company must declare once a year that the recommendations of the "Government Commission on the German Corporate Governance Code" published by the Federal Ministry of Justice in the official section of the electronic Federal Gazette have been and are being complied with or which of the Code's recommendations have not been or are not being applied.

Our principles continue to conform to the recommendations of the Code with one exception. On November 26, 2010, the Executive Board and Supervisory Board issued their declaration of conformity. The following declaration of conformity was made permanently available to the shareholders at the proper time on the Company's web pages at www.loewe.de under Investor Relations:

"The Executive Board and Supervisory Board of Loewe AG hereby issue the following declaration of conformity in accordance with Section 161 of the German Stock Corporation Act regarding the recommendations of the Government Commission of the German Corporate Governance Code:

1. Loewe AG will continue to comply with the recommendations of the German Corporate Governance Code as amended on Wednesday, May 26, 2010, published in the electronic Federal Gazette on Friday, July 02, 2010, with the following exception:

In concluding or renewing Executive Board contracts with members of the Executive Board currently in office, no severance payment cap will be agreed for the protection of established rights and for the prevention of unequal treatment of members of the Executive Board (subsection 4.2.3 (4) sentence 1 of the Code).

2. Loewe AG has complied with the recommendations of the German Corporate Governance Code as amended on Thursday, June 18, 2009, published in the electronic Federal Gazette on Wednesday, August 05, 2009 since its last declaration of conformity of

Friday, November 27, 2009 except for the recommendation set forth in sub-section 4.2.3 (4) sentence 1 (severance payment cap in concluding Executive Board contracts).”

Executive Board and Supervisory Board procedures

Loewe AG is a company incorporated under German law on which the German Corporate Governance Code is also based. One principle of German stock corporation law is the bipartite management and control structure comprising the Executive Board and the Supervisory Board, each of which is endowed with independent areas of competence. The cooperation of the Executive Board and Supervisory Board of Loewe AG in managing and supervising the Company is based on a close and trusting relationship.

The Executive Board

The Executive Board of Loewe AG comprises three members. As a governing body, they jointly conduct the Company's business. They are obliged to act in the enterprise's best interests and undertake to increase the sustainable value of the enterprise. The Executive Board has issued its own rules of procedure which have been approved by the Supervisory Board. The respective duties and responsibilities of the Executive Board are set down in the Executive Organization Chart. The Executive Board informs the Supervisory Board regularly, promptly and comprehensively concerning the development of business, the earnings and financial position, the human resources situation as well as corporate planning, capital expenditure projects and risk management.

Remuneration of the Executive Board

The Supervisory Board determines the remuneration of the Executive Board of Loewe AG and the remuneration structure and reviews it on a regular basis. The remuneration system was most recently explained by the Supervisory Board in its meeting on March 18, 2010 and was adopted together with the significant remuneration components. In compliance with the German Corporate Governance Code, the remuneration system is set up in such a way that both the responsibilities and the personal performance of the members of the Executive Board, the performance of the Full Executive Board as well as the Company's economic position, business success and outlook for the future are taken into consideration.

The remuneration of the Executive Board is made up of fixed and variable, performance-related components as well as the pension commitment. The variable remuneration is oriented to the Company's long-term operating and strategic objectives. The members of the Executive Board are simultaneously managing directors of Loewe Opta GmbH; however, they receive no separate remuneration for this activity. All relevant information is disclosed individualized in detail on page 129 of the Notes to the Annual Report.

The remuneration of the Executive Board of Loewe AG for fiscal year 2010 totaled EUR 1,933,954 (previous year: EUR 1,971,360) and is broken down as follows:

EUR thous ands	Non- performance related	Performan ce related	Severance payments	Total	Pensions
2010	913	376	645	1,934	192
2009	921	1,050	0	1,971	182

According to the Executive Organization Chart, the responsibilities of the Executive Board are as follows:

Oliver Seidl (Chairman, Finance and Services) Finance and Accounting Controlling Human Resources Information Technology Quality Project Management Press and PR Investor Relations Internal Audit Strategic Corporate Planning	Gerhard Schaas (Technology) Development Production and Disposition Purchasing and Logistics Patents Sponsorship Projects	Manfred Fitzgerald (Marketing/Sales) (as of 2/1/2011) Marketing Sales Customer Services Product Design
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The deductible in insurance policies for liability arising from professional negligence prescribed since August 2009 based on the German Act on the Appropriateness of Executive Board Remuneration (VorstAG) is included in the contracts for all members of the Executive Board. An age limit of 65 years applies to the Executive Board. Employment contracts for the members of the Executive Board have a remaining life of somewhat more than three years. The contract with Mr. Seidl will expire on July 31, 2014; the contract with Mr. Schaas will expire on April 30, 2014; and the contract with Mr. Fitzgerald will expire on January 31, 2014.

A severance cap for the case of early termination is currently not provided in the existing Executive Board contracts in the interest of protecting existing rights.

The Supervisory Board

The Supervisory Board of Loewe AG comprises six persons. It advises and supervises the Executive Board in its management of the Loewe Group. The Supervisory Board is regularly informed and is involved in all decisions of central importance to the further development of the Company. The primary themes included in particular the Company's strategic realignment in the context of the "Fast Forward" future strategy program, the 2009 financial statements, the general development of business in 2010 and the budget for fiscal year 2011.

In compliance with the recommendations of the German Corporate Governance Code, the representatives of the shareholders were elected individually in the last election to the Supervisory Board on May 16, 2006. Under the Articles of incorporation, replacements for two departing members of the Supervisory Board were elected by the Annual Shareholders' Meeting on June 9, 2008. The nominations for the election of members of the Supervisory Board take into account the knowledge, capabilities and professional experience necessary for performance of the responsibilities as well as independence and diversity in the Board's composition. Members of the Supervisory Board may not hold offices in other companies that are in competition with the Company. Moreover, they may not be a member of the executive board or staff of any company whose own supervisory board includes one of the Company's Executive Board members. The term of office of the Supervisory Board is five years; the current term of office for all members of the Supervisory Board will end as of the Annual Shareholders' Meeting in 2011.

Remuneration of the Supervisory Board of Loewe AG

In conformity with sub-section 5.4.6. of the German Corporate Governance Code, Loewe reports the compensation of the Supervisory Board individually and sub-divided according to components. In accordance with a resolution of the Shareholders' Meeting of June 5, 2009, the remuneration of the Supervisory Board was set down in the Articles of Incorporation of Loewe AG. It is made up of fixed and variable remuneration components. Each member of the Supervisory Board of Loewe AG receives a fixed annual remuneration of EUR 15,000. The variable bonus is performance-related and depends on net income. Each member of the Supervisory Board receives an additional EUR 15,000 if Group earnings per share reach EUR 2.20. If earnings are lower or higher, the variable component is reduced or increased proportionally. This fixed and variable remuneration is doubled for the Chairman of the Supervisory Board, and the Deputy Chairman receives one and one-half times that amount. The total remuneration of the Supervisory Board for fiscal 2010 came to EUR 122.982 (2009: EUR 154,482). See page 128 of the Notes to the Consolidated Financial Statements for detailed information on the individual remuneration of the Supervisory Board. The members of the Supervisory Board performed no consulting and mediation services or other services during the year under review. For that reason, no remuneration was granted in excess of the aforementioned components.

Directors & officers insurance also exists for the Supervisory Board. An appropriate deductible — geared to the Supervisory Board incentive compensation — has been stipulated.

Supervisory Board Committees

In accordance with its rules of procedure, the Supervisory Board has constituted from among its members a personnel committee, an audit committee and a nominating committee, each having three members. In its constituting meeting on June 9, 2008, the Supervisory Board elected Dr. Rainer Hecker as Chairman of the Supervisory Board and refilled the three existing committees.

- Members of the Personnel Committee are Dr. Rainer Hecker, Dr. Mark Wössner and Dr. Michael Witzel. The committee addresses the personnel matters of the members of the Executive Board. Dr. Rainer Hecker was appointed chairman of the committee.
- The Audit Committee is made up of Dr. Axel Berger, Dr. Rainer Hecker and Dr. Sönke Mehrgardt. It primarily addresses matters of accounting, risk management and compliance, the necessary independence of the auditor, the appointment of the auditor, the determination of the main focuses of the audit and the fee agreement. Dr. Axel Berger, who in his capacity as Vice-President of the German Finance Reporting Enforcement Panel, Berlin, has special knowledge and experience in the application of accounting principles and internal control procedures, was appointed chairman of the committee. Dr. Axel Berger is independent and is not a former executive board member of the Company.
- Members of the Nominating Committee are Dr. Rainer Hecker, Dr. Axel Berger and Dr. Mark Wössner. The committee proposes suitable candidates to the Supervisory Board for its nominations to the Annual Shareholders' Meeting. Dr. Rainer Hecker was appointed chairman of the committee.

Avoidance of conflicts of interest

Both the members of the Executive Board and the members of the Supervisory Board are bound by the best interests of the enterprise Loewe and may not pursue personal interests in their decisions. Members may not, in connection with their work, demand or accept from third parties payments or other advantages for themselves or for any other person or grant third parties unlawful advantages. The members of the Executive Board shall disclose such transactions or sideline activities to the Supervisory Board without delay and they require the approval of the Supervisory Board. The Supervisory Board shall inform the Annual Shareholders' Meeting of any conflicts of interest which have occurred together with their treatment. No such conflicts of interests have occurred with members of the Executive Board or the Supervisory Board in the period under review.

Directors' dealings

Pursuant to Section 15a of the German Securities Trading Act, members of the Executive Board and of the Supervisory Board as well as persons in close association with them must disclose the purchase and the sale of the company's shares if the value of the transactions equals or exceeds EUR 5,000 in a calendar year. The Executive Board did not enter into any reportable transactions in fiscal year 2010.

Generally, Loewe promptly reports the details concerning these transactions and displays them permanently at www.loewe.de under Investor Relations. It also properly informs the German Federal Financial Supervisory Authority (BaFin).

Shareholdings of the Executive Board and Supervisory Board

As of the record date December 31, 2010, the Executive Board held 79,300 Loewe shares (previous year: 158,458 shares). No options have been granted. One member of the Supervisory Board directly holds 550,000 Loewe shares (previous year: 550,000).

Compliance at Loewe

For Loewe, sustainable economic, ecological and social action is an indispensable element of the corporate culture. To meet the standards of our premium brand, we must exhibit perfect ethical conduct in our interaction with customers, suppliers, colleagues and other persons. Our actions must not encroach on personal dignity and privacy. This behavior of course includes compliance with laws, regulations and guidelines as well as obligations. As a means to improve compliance standards, Loewe drew up its own code of conduct in fiscal year 2009 and communicated it throughout the Company. Compliance with the code is not only a management responsibility but is instead something to be lived by all employees. Based on the fundamental value of integrity, all requirements for the conduct of employees are described in detail in the Loewe code. In addition to compliance with all relevant laws, relations with business partners, the avoidance of conflicts of interest, the handling of information and insider rules as well as compliance with environmental protection and safety provisions are of particular importance for us.

Transparent and fair reporting

Following the expectation of transparent and fair corporate communications, we regularly and promptly inform our shareholders and financial analysts, shareholder associations, media and the interested public about the Company's position and significant business changes in German and English. In doing this, we comply with the rules defined in the German Corporate Governance Code. During the fiscal year, we provide information to the public in the six months' financial report and by means of the corresponding interim reports for the first and third quarters. Furthermore, Loewe also announces its information in press conferences and analysts' conferences, and all company reports can be retrieved from the web pages www.loewe.de. Following the principle of fair disclosure, we treat all shareholders and target groups equally. Concomitant with regular reporting, we use ad hoc notifications to provide information promptly concerning circumstances that are not public knowledge that, if disclosed, would be capable of influencing the Loewe share price considerably.

Responsible handling of risks

For years, Loewe has had systematic risk management which is reviewed by the auditor. Loewe identifies, evaluates and documents existing individual risks systematically by clearly defining risk areas. At the same time, the system models their impacts on the Company's financial position and performance. The risk management system is an integral component of Loewe's entire planning, controlling, and reporting process. A transparent reporting system makes it possible to identify discrepancies in key performance indicators at an early stage. This provides Loewe's management the ability to identify risks early, control them and initiate measures for their prompt elimination. See the section "Opportunities and risks of future development" starting on page 66 for further details.

Further information on corporate governance at Loewe

Additional information concerning the cooperation of the Supervisory Board and Executive Board, the activity of the Supervisory Board and its three committees (personnel, audit and nominating committees) as well as the accounting and audit can be found in the Report of the Supervisory Board. Extensive information concerning offices held by the members of the Supervisory Board and Executive Board of Loewe AG can be found on page 127 et seq. of the Notes to the Consolidated Financial Statements in the section Corporate Boards and Offices Held.

Kronach, March 24, 2011

Loewe AG
The Executive Board