

Explanation of the basic features of the compensation system of the Board of Management (in accordance with section 4.2.3 of the recommendations of the “Government Commission German Corporate Governance Code”)

The Personnel Committee of the Supervisory Board is responsible for setting compensation for the Board of Management of LEIFHEIT AG. The structure of the system of remuneration is reviewed regularly for appropriateness. The Board of Management’s remuneration comprises fixed and variable components.

The fixed salary is based on the area of responsibility and individual performance of the specific member of the Board of Management. The variable component is based on the EBIT or EBT of the LEIFHEIT Group. Two Board of Management contracts provide for a limit to the variable component. As a result, no limit is agreed for extraordinary and unforeseeable developments. There are no stock options as part of the variable component; one Board of Management contract also includes a stock-based long-term incentive component.

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