

Agenda item 6

Additional information on the compensation system for Managing Board members



Key principles of future compensation system

Guiding principles of the compensation system for the Managing Board of HUGO BOSS AG



Incentives to realize the vision of “being the most desirable fashion and lifestyle brand in the premium sector”



Comprehensible compensation system corresponding to the highest transparency standards



Promotion of long-term sustainably successful business development



Inclusion of ESG targets in the compensation of the Managing Board



Compensation of the Managing Board members in line with their performance and contributions toward promoting the business



Taking into account the compensation and employment conditions of employees and ensuring the consistency of compensation within HUGO BOSS Group

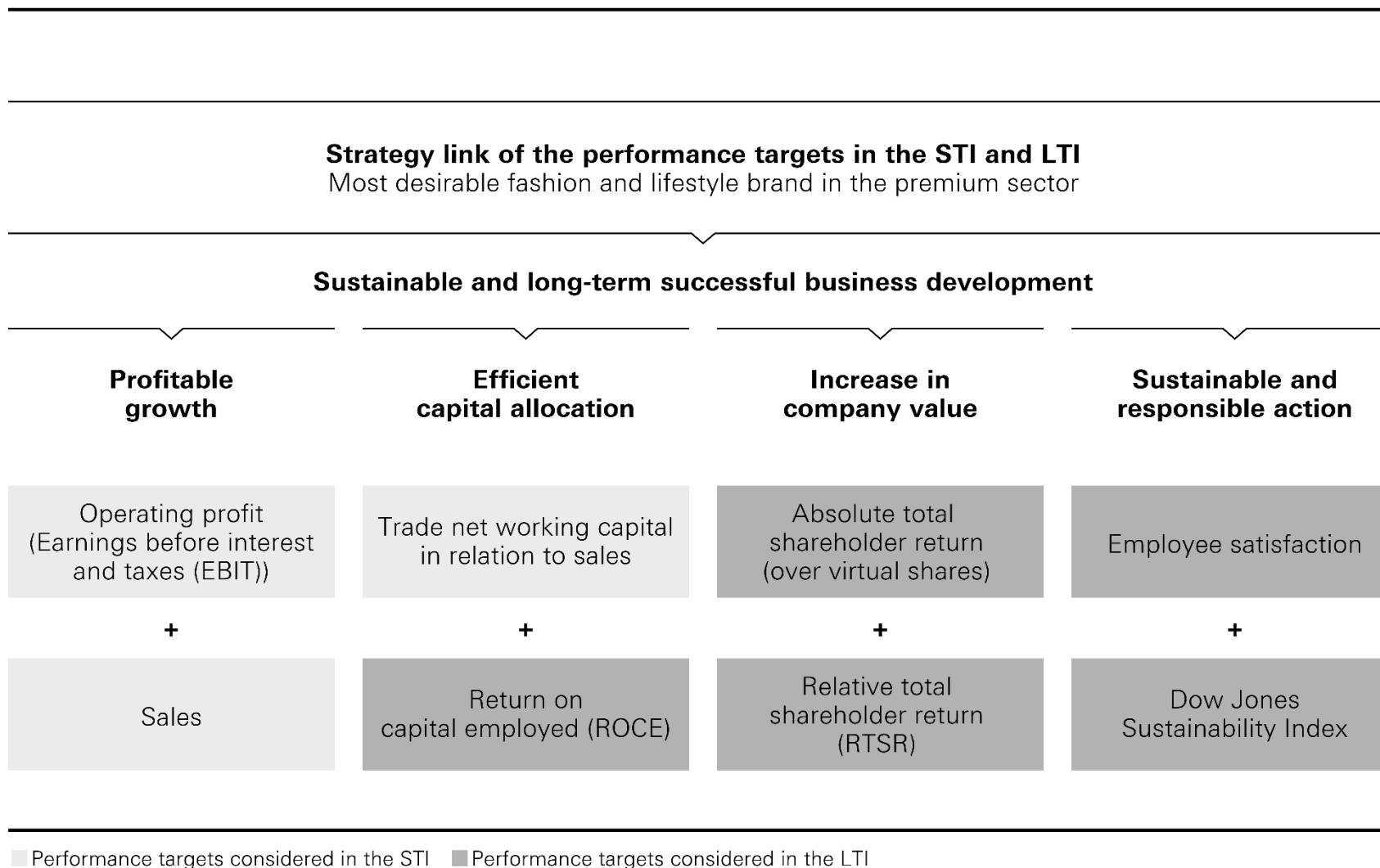


Consideration of regulatory requirements, the interests of our shareholders and stakeholders as well as national best practices

Main changes compared to previous compensation system

<p>Long-term incentive (LTI)</p>	<ul style="list-style-type: none"> ▪ Replacement of the MSCI World Textiles, Apparel & Luxury Goods Index with a peer group of relevant competitors in the premium apparel segment (see p. 8) for measuring the Relative Total Shareholder Return (RTSR)
<p>Share Ownership Guidelines</p>	<ul style="list-style-type: none"> ▪ New Share Ownership Guidelines (SOG) to further align the interests of the Managing Board with shareholders <ul style="list-style-type: none"> ○ 200% of annual gross base salary for the CEO ○ 100% of annual gross base salary for ordinary Managing Board members
<p>No extraordinary compensation</p>	<ul style="list-style-type: none"> ▪ Removal of the extraordinary compensation for exceptional performance ▪ Extraordinary compensation can only be made in the following concrete and exceptional situations: <ul style="list-style-type: none"> ○ One-time payment as a compensation for lost variable payments from the former employer ○ Compensation for additional interim duties
<p>Additional changes</p>	<ul style="list-style-type: none"> ▪ Implementation of Malus and Clawback clause to all variable compensation elements (STI and LTI) ▪ Compliance clawback for violating material duties and performance clawback for false consolidated financial statement <ul style="list-style-type: none"> ▪ Definition of a maximum compensation in accordance with section 87a AktG for all members of the Managing Board <ul style="list-style-type: none"> ○ EUR 11,000,000 for the CEO ○ EUR 5,500,000 for ordinary Managing Board members

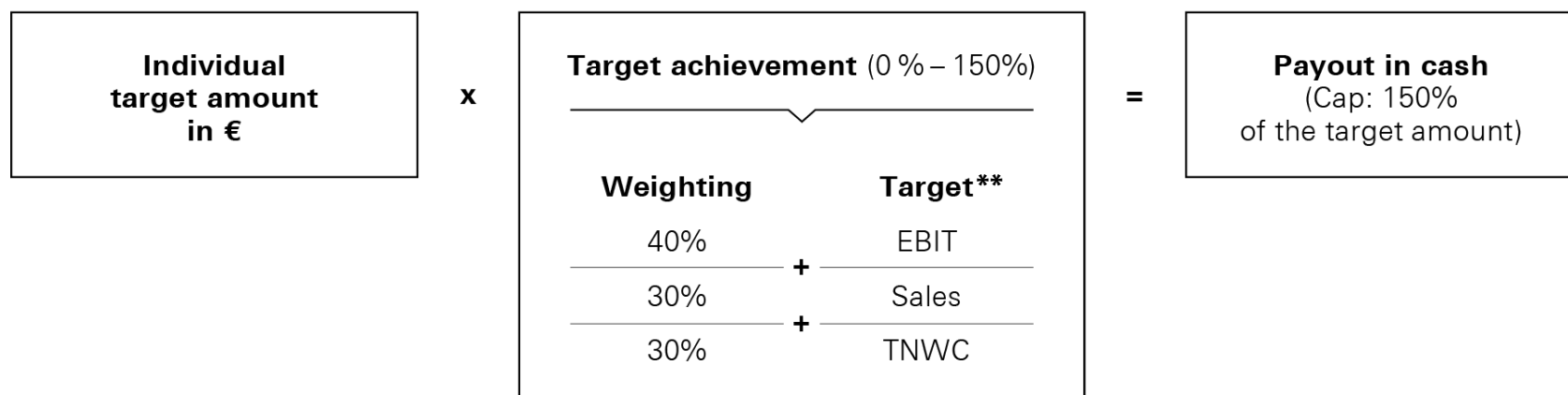
Compensation system reflects corporate strategy



Key elements of short-term variable compensation (STI)

- The STI is designed as a **target bonus system** with a **term of one year** and **three financial targets** as well as an **individual weighting**.
- The target achievement and thus the **maximum payout** of the STI is **capped at 150%** of the target amount.

Short-term variable compensation (STI) – Target bonus system *

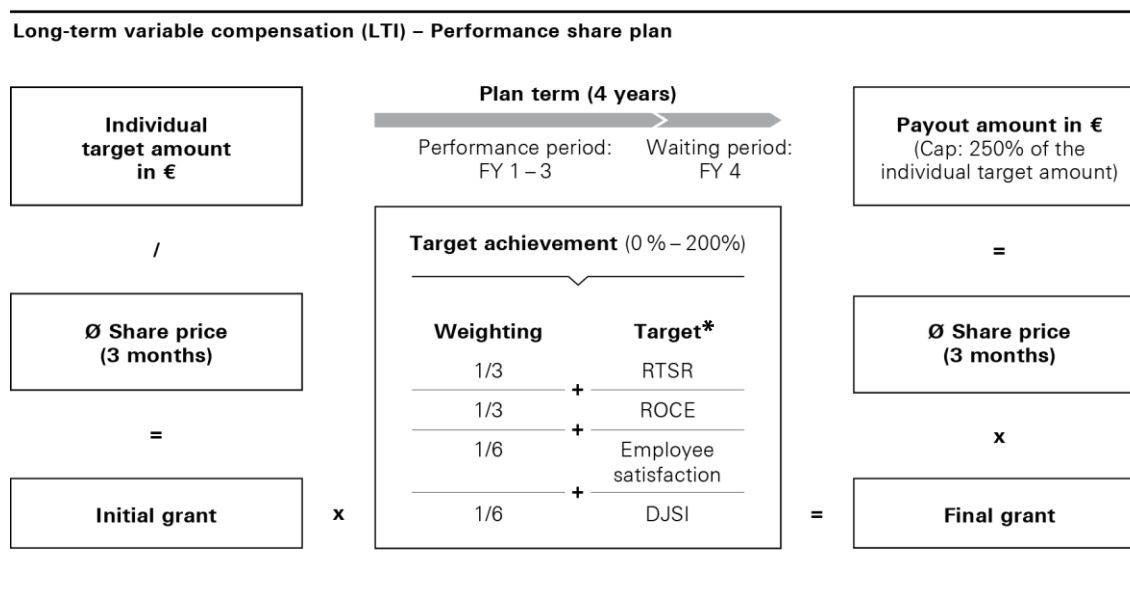


* The values reported in the consolidated financial statements are used for both EBIT and sales. However, sales are set at the amount that would have resulted if the assumed exchange rates underlying the budget for the fiscal year had been applied for the entire fiscal year.

** EBIT: Earnings before interest and taxes, TNWC: Trade net working capital as percentage of sales

Long-term variable compensation (LTI) includes ESG criteria

- The LTI is designed as a **performance share plan** with a **duration of four years** including a **performance period** of three years and an additional **holding period** of one year.
- **2/3 based on financial criteria** (RTSR, ROCE) and **1/3 based on ESG criteria** (Employee Satisfaction, Dow Jones Sustainability Index).

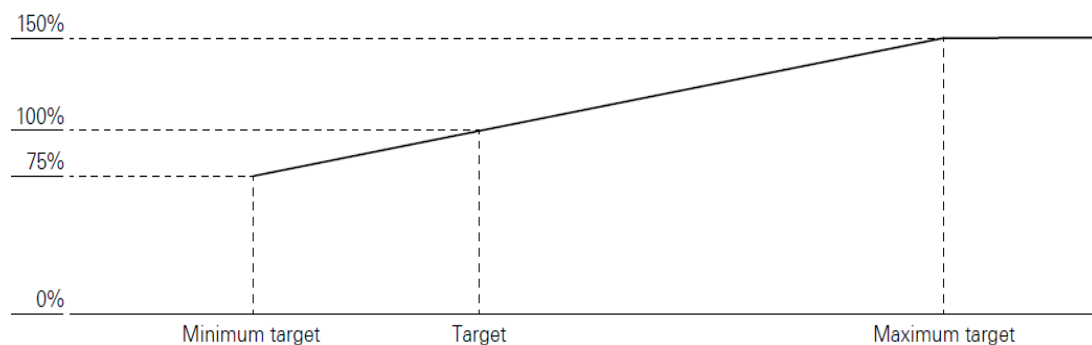


* RTSR: Relative total shareholder return, ROCE: Return on capital employed, DJSI: Dow Jones Sustainability Index.

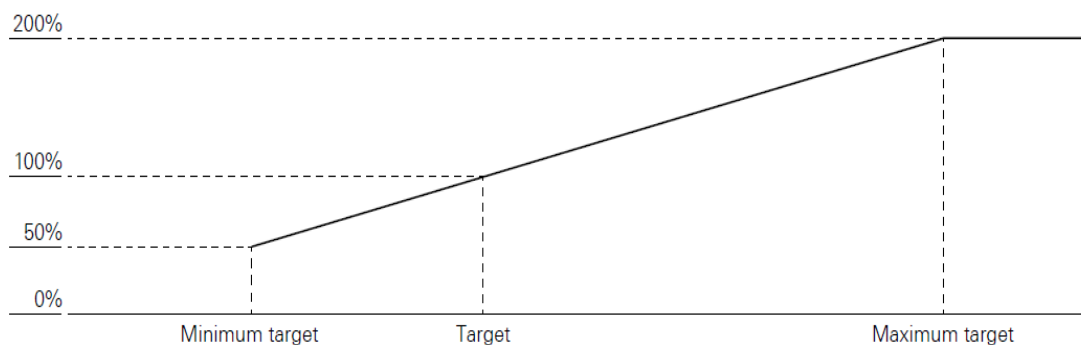
Pay for performance approach embedded in LTI and STI

- For all KPIs of the **STI** and the respective KPIs of the **LTI** (ROCE, Employee Satisfaction, and DJSI), the Supervisory Board sets an **ambitious target** as well as a **minimum target** and a **maximum target** for each fiscal year.
- The financial target setting is based on **mid-term financial planning** and aligned with **capital market communications**.
- A **transparent disclosure** of the target value, **minimum target**, **maximum target** and **target achievements** for each fiscal year is included in the Compensation Report.

Performance targets STI - Target achievement



Performance targets LTI - Target achievement



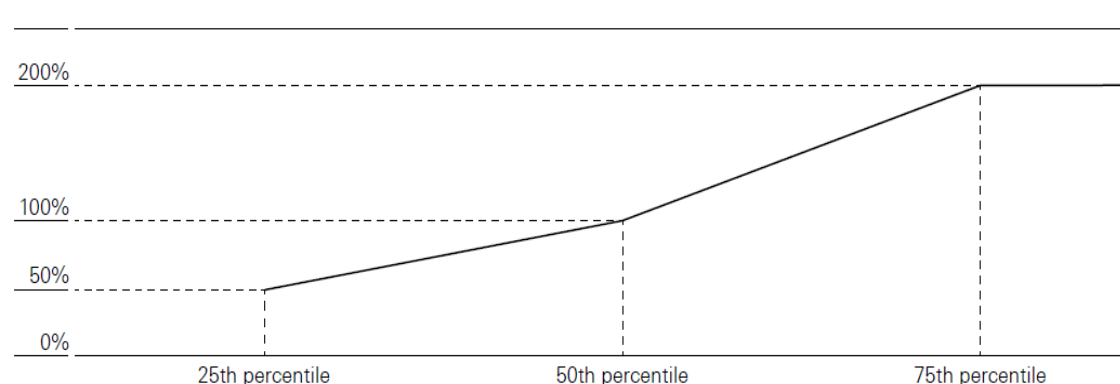
Clearly defined peer group and target achievement for RTSR

- **The new peer group for the RTSR** is composed of eleven competitors in the **premium apparel segment** reflecting the overall positioning of HUGO BOSS.
- The target achievement is determined by the **percentile rank** of HUGO BOSS **within the peer group** based on the **share price performance**.
- The RTSR and the resulting percentile ranks of HUGO BOSS are **measured for each year of the performance period**.

Relative TSR – Peer group

Burberry Group plc	Moncler S.p.A.
Capri Holdings Ltd.	PVH Corp.
G-III Apparel Group	Ralph Lauren Corp.
Guess Inc.	SMCP Group
Levi Strauss & Co.	Tapestry Inc.
VF Corp.	

RTSR – Target achievement



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