Report of the Managing Board to the Annual Shareholders' Meeting on Agenda Item 8 in accordance with Sects. 71 (1) no. 8 and 186 (4) sentence 2 AktG

In addition to the options for purchasing own shares stipulated in Agenda Item 7, the Company shall also be given the option of purchasing own shares by means of specific equity derivatives. The aim of this is not to increase the total volume of shares which may be purchased, but only to open up further options for purchasing own shares. The Company's options for flexibly structuring the purchase of own shares are expanded through these additional alternatives.

In certain circumstances, it may be advantageous for the Company to purchase call options, sell put options, or purchase own shares via a combination of call and put options or forward purchases instead of acquiring own shares directly. Each such alternative is limited from the outset to a maximum of altogether 5% of the issued share capital existing at the time of the resolution by the Annual Shareholders' Meeting or – if lower – at the time the authorisation is exercised. The term of the options must be selected in such a way as to ensure that, when exercising the options, the shares cannot be purchased after 11 May 2020. This ensures that the Company cannot purchase own shares after expiry of the authorisation to purchase own shares which is valid until 11 May 2020 unless a new authorisation has been issued. Furthermore, the term of the equity derivatives cannot exceed 18 months in each case. This ensures that obligations under individual options transactions and forward purchases are appropriately limited in time.

If the Company purchases a call option, it will receive, in return for payment of an option premium, the right to purchase from the seller (writer) of the option within a specified period or at a specified date a pre-defined number of shares of the Company at a pre-agreed price (strike price). The exercise of the call option makes economic sense for the Company when the market price of the Company's shares is above the strike price and the Company then acquires the shares from the writer at the lower strike price. The same applies if by exercising the option, a block of shares is acquired which could only have been acquired otherwise at higher cost.

Through the use of call options, the Company's liquidity situation is also eased as it is under no obligation to pay the purchase price agreed for the shares until the Company exercises its call option. These aspects may in individual cases justify that the Company uses call options for a planned purchase of own shares. The option premium is to be determined on market terms which means that – taking into account the strike price, the term of the option and the volatility of the Company's shares, among other factors – it must substantially reflect the value of the call option. When exercising a call option, from the Company's perspective, the consideration paid for the acquisition of the share is increased by the market value of the option. The Company could realise such value if the option is not exercised. It constitutes a cash-equivalent benefit which thus, in case of the exercise of the option, increases the purchase price as a cost item. It also reflects the market value of what was originally paid as option premium and thus has to be taken into account as part of the share purchase price.

By entering into put options, the Company grants the respective holder of a put option the right to sell shares in the Company to the Company within a specified period or at a specific date at a price fixed in the put option (strike price). As consideration for this obligation to purchase own shares under the put option, the Company receives an option premium to be determined based on market terms which means that – taking into account the strike price, the term of the option and the volatility of the Company's shares, among other factors – it must substantially reflect the value of the put option. Exercising the put option only makes economic sense for the holder of the put option in the event that the share price at the time the put option is exercised is lower than the strike price as, in this instance, the holder can sell the share at the strike price to the Company which is higher than the achievable market price. At the same time, the Company may buy protection in the market against too high a risk arising from the development of the share price. The use of put options for the repurchase of shares offers the Company the advantage that the strike price is already fixed when the option transaction is concluded, while the cash outflow does not occur until the exercise date. From the point of view of the Company, the consideration payable for the acquisition of the shares is reduced by the market value of the option premium. Although the Company cannot purchase own shares in this way if the holder of the put option does not exercise the option because the share price is higher than the strike price on the exercise date or during the exercise period, it ultimately and without further consideration retains the option premium received.

In case options are used, the consideration payable by the Company for the shares is the respective strike price (in each case excluding incidental acquisition costs but taking into account the market value of the option). The strike price can be higher or lower than the stock exchange price of the share of the Company at the date of entering into the option transaction and on the date of the acquisition of the shares by way of exercising the option.

The purchase price per share payable when a put option is exercised or a forward purchase falls due must not be more than 10% above or below, as applicable, the arithmetic mean of the closing auction prices of the Company's no-par value shares in the Xetra trading system (or a comparable successor system) on the Frankfurt Stock Exchange during the last three stock exchange trading days before the relevant option transaction or forward purchase is agreed, in each case excluding incidental acquisition costs but taking into account the premium received for the option. A call option can only be exercised if the purchase price payable is not more than 10% above or below, as applicable, the arithmetic mean of the closing auction prices of the Company's no-par value shares in the Xetra trading system (or a comparable successor system) on the Frankfurt Stock Exchange during the last three stock exchange trading days before the purchase of the shares, in each case excluding incidental acquisition costs but taking into account the premium paid for the option. The Company may also enter into equity derivatives under which shares are delivered at a discount to a weighted average price.

The obligation to agree options and other equity derivatives only with one or several credit institution(s) or equivalent enterprises and to ensure that options and other equity derivatives are only satisfied with shares acquired in accordance with the principle of equal treatment of shareholders prevents disadvantages to shareholders in the event of purchases of own shares using equity derivatives.

To comply with the principle of equal treatment required under Sect. 71 (1) no. 8 AktG, it is sufficient if shares are purchased on the stock exchange at the stock exchange price for a share of the Company prevailing at the time of purchase. Since the price for the option (option price) is determined on market terms, shareholders not participating in the option transactions are not subject to any value-related disadvantage. On the other hand, the option of agreeing equity derivatives enables the Company to exploit market opportunities as soon as they arise and enter into corresponding equity derivatives. Any potential rights of shareholders to agree such equity derivatives with the Company are excluded, as are any potential shareholder tender rights. This exclusion is necessary to permit the use of equity derivatives in connection with the repurchase of own shares and to achieve the associated advantages for the Company. Agreeing corresponding equity derivatives with all shareholders would not be feasible.

Therefore, after weighing the interests of the shareholders and the interests of the Company, the Managing Board considers the authorisation to withhold or limit potential shareholder rights to agree equity derivatives with the Company and potential shareholder tender rights to be generally justified on account of the advantages arising for the Company from the use of equity derivatives.

With regard to the use of the Company's own shares purchased using equity derivatives, this does not differ from the options of use proposed under Agenda Item 7. Regarding the reasons for excluding shareholder subscription rights in connection with the use of the shares, reference is therefore made to the report by the Managing Board on Agenda Item 7.

As of the date of convocation of the Annual Shareholders' Meeting, the reports of the Managing Board on Agenda Items 7 and 8 to be rendered to the Annual Shareholders' Meeting pursuant to Sect. 71 (1) no. 8 in conjunction with Sect. 186 (4) sentence 2 AktG (the complete wording of which is set forth above) are available for inspection by the shareholders at the offices of HUGO BOSS AG, Dieselstr. 12, 72555 Metzingen as well as during the Annual Shareholders' Meeting itself, and are also available on the Internet via http://group.hugoboss.com/, link to Investor Relations/Annual Shareholders' Meeting.