

REMUNERATION REPORT

DEAR SHARE- HOLDERS

2019 was once more a very successful year for Dufrey. Our growth has been accelerating and with CHF 8,848.6 million of turnover reached a new record level. The adoption of IFRS 16, which became effective as of January 1, 2019, has affected the way we account for our concession and lease agreements, as we have already indicated in our 2018 Annual Report. You will find further explanations and reference to this change in the accounting rules in this Remuneration Report and in the letter of the CFO on page 110, as well as in the consolidated financial statements Note 2.4 on page 137, respectively.

Shareholder interaction and dialogue

Dufrey engages with shareholders, analysts and investors on a regular basis to better understand their expectations, needs and concerns as part of the Company's strategy with regards to stakeholder dialogue and ESG engagement. Feedback is taken into consideration when evolving the Company strategy as well as corporate governance and remuneration matters. In this context, in 2019, management and the investor relations team had 870 contacts with shareholders and investors combining personal meetings, calls and emails. Discussions with analysts, potential investors and shareholders primarily involved questions and explanations of the Company strategy and clarifications on the IFRS 16 implementation. Shareholder feedback on remuneration practices was generally positive and were not a topic raised often. Related questions and remarks were taken into consideration by the Board of Directors and the Remuneration Committee.

The Company recently conducted investor perception studies - mandated to an external third party - to receive additional insights of shareholder expectations. The most recent perception studies were done in September 2018 and June/July 2019. For a more comprehensive overview of Dufrey's stakeholder ecosystem

please refer to the ESG report section on page 78 of this Annual Report.

Remuneration Committee

The Remuneration Committee, whose members were re-elected at the General Meeting of Shareholders on May 9, 2019, consists of Claire Chiang, Jorge Born and myself, all of us being non-executive and independent members of the Board of Directors.

Our Committee reviews the remuneration system, including the bonus scheme and long-term incentive plan (Performance Share Unit plan) on an annual basis to ensure alignment with shareholders' interests and best practices, and to provide fair and transparent management compensation.

In fiscal year 2019, the Remuneration Committee held six meetings, with attendance ratio of 100%.

Results of Shareholders' Meeting on May 9, 2019

Our Shareholders' Meeting approved the Board of Directors' proposal for the maximum aggregate amount of compensation for the Board of CHF 8.5 million from the AGM 2019 to the AGM 2020 with a majority of 89.8%. The proposal for the maximum aggregate amount of compensation for the Global Executive Committee of CHF 42.53 million for the fiscal year 2020 was accepted with a majority of 71.16%. Our Remuneration Report 2018 was approved by the Shareholders' Meeting in a consultative, non-binding vote by 89.01% of the votes represented.

This year's Remuneration Report 2019 will again be submitted to a consultative vote at our Shareholders' Meeting on May 7, 2020.

Changes in 2019 regarding compensation

The following changes regarding compensation were applied in fiscal year 2019:

Board of Directors:

- The Shareholders' Meeting approved an amendment of section 22 para. 2 of the Articles of Incorporation regarding the compensation of the Board of Directors (allowing compensation also in shares) by 99.25%. The bonus of the Chairman, which is based on the Adjusted EPS for 2019, will be paid in cash.
- The new position of Lead Independent Director was established in July 2019.
- In addition and as part of the Company's ESG initiatives, one Board member was given responsibility to oversee Dufry's ESG initiatives.

Global Executive Committee:

- Short-term incentive: Due to the implementation of IFRS 16, with EBITDA no longer being reported in the income statement, and the implementation of the Business Operating Model being completed by the end of 2018, the measures regarding financial performance relevant for the annual bonus have been adjusted. The relevant metrics for 2019 were 40% Organic Growth, 20% Adjusted Operating Profit and 40% Equity Free Cash Flow (2018: 50% EBITDA, 25% Business Operating Model Efficiency, 25% Free Cash Flow). The alignment of the short-term incentive KPIs is in line with the current Company strategy and the operational focus of the management team.
- Long-term incentive: Also as a result of the IFRS 16 implementation, the formerly used Normalized Cash EPS has been replaced with Adjusted EPS as metric for the calculation of the targets and achievement ratios of the Performance Share Unit (PSU) plan. The targets and achievement ratios of the PSU plan remain as challenging as before.

For further details on these changes please refer to the respective sections in this Remuneration Report.

On behalf of the Remuneration Committee and the entire Board of Directors, I would like to thank you, our shareholders, for your contributions and continued trust in Dufry.

Yours sincerely,



Lynda Tyler-Cagni
Chairwoman of the Remuneration Committee

INTRODUCTION

The continuous success of Dufrey is dependent on its ability to attract, motivate and retain outstanding individuals. Dufrey's aim is to provide appropriate and competitive remuneration to its employees and to support their development in a high performance environment.

This Remuneration Report provides information on the remuneration system and compensation paid to the members of the Board of Directors and the Global Executive Committee for fiscal year 2019. The Report is prepared in accordance with Articles 13–17 of the Ordinance against excessive Compensation (OaeC) and item 5 of the Annex to the Corporate Governance Directive (DCG) of the SIX Swiss Exchange, governing disclosure of remuneration systems and compensation paid to members of the Board of Directors and the Global Executive Committee.

The Remuneration Report will be presented to the General Meeting of Shareholders on May 7, 2020, for a consultative vote.

GOVERNANCE

Based on Dufrey's Articles of Incorporation and in line with the OaeC, the Board of Directors has the overall responsibility for defining the personnel and remuneration policy used for the entire Group, as well as the general terms and conditions of employment for members of the Global Executive Committee. It approves the individual compensation of the members of the Board of Directors and the Global Executive Committee. As an exception, the individual compensation of the Chief Executive Officer for the Division North America – the separately listed Hudson Ltd. – is approved directly by the Board of Directors of Hudson Ltd. In 2019, the Hudson Board of Directors included Juan Carlos Torres Carretero as Chairman, Julián Díaz González as Vice-Chairman, Heekyung Jo Min as Member (January to October) and Andrés Holzer Neumann as Member (since December 18, 2019). The total size of the Hudson Board was 9 Directors in fiscal year 2019.

Since January 1, 2015, the General Meeting of Shareholders has to approve the proposal of the Board of Directors in relation to the maximum aggregate amounts of compensation of the Board of Directors for the period until the next Ordinary General Meeting of Shareholders and of the Global Executive Committee for the following fiscal year. The vote at the Ordinary General Meeting of Shareholders has binding effect for these

maximum aggregate amounts of compensation. Thereafter, the approval of the individual compensation to the members of the Board of Directors and of the Global Executive Committee (within the limits approved by the General Meeting of Shareholders) is with the Board of Directors (for the CEO of Hudson Ltd. with the Board of Directors of Hudson Ltd.).

The Remuneration Committee, which consists of three non-executive independent members of the Board of Directors, supports the Board of Directors in fulfilling all remuneration related duties. The General Meeting of Shareholders held on May 9, 2019, re-elected Ms. Lynda Tyler-Cagni, Ms. Claire Chiang and Mr. Jorge Born (all individually elected) as members of the Remuneration Committee for a term of office until completion of the next Ordinary General Meeting of Shareholders in 2020. Lynda Tyler-Cagni has been appointed as Chairwoman of the Remuneration Committee.

COMPENSATION COMPARISONS

During the course of 2019, the Board of Directors of Dufrey consulted PricewaterhouseCoopers AG (PwC) for its annual review on the structure and level of executive compensation arrangements, including both short- and long-term components. As part of this annual review process, the Company conducted a benchmark analysis on compensation levels for members of the Global Executive Committee using third party compensation survey data and disclosed information from various companies. The peer group for compensation benchmarking has been selected considering Swiss listed companies and also factoring in geographic spread, demographic size of employee base and complexity of the industry. The Company continually reviews the approach to market benchmarks to ensure they remain relevant. The list of companies in 2019 included ABB, Adecco, Barry Callebout, Clariant, Ems-Chemie, Geberit, Georg Fischer, Lafarge Holcim, Lindt, Lonza, Nestlé, Novartis, Richemont, Roche, Sika, Sonova, Straumann, Swatch and Swisscom. Other divisions of PwC provided services as Tax and HR Advisors for other internal projects.

ADJUSTMENTS TO THE REMUNERATION SYSTEM IN 2019 DUE TO THE IMPLEMENTATION OF THE NEW FINANCIAL REPORTING STANDARD IFRS 16

As already mentioned in the Annual Report 2018, Dufrey Group adopted the new International Financial Reporting Standard IFRS 16, effective as of January 1, 2019. IFRS 16 is the new standard on lease accounting and affects the accounting of conces-

COMMITTEES AND COMMITTEE MEMBERSHIPS AS OF DECEMBER 31, 2019

MEMBER OF THE BOARD OF DIRECTORS	REMUNERATION COMMITTEE	AUDIT COMMITTEE	NOMINATION COMMITTEE
Juan Carlos Torres Carretero, Chairman	-	-	-
Heekyung Jo Min, Lead Independent Director ¹	-	Committee Member	-
Jorge Born, Director ²	Committee Member	Committee Chairman	Committee Chairman
Claire Chiang, Director	Committee Member	-	Committee Member
Julián Díaz González, Director / Group CEO	-	-	-
Andrés Holzer Neumann, Director	-	-	-
Luis Maroto Camino, Director	-	Committee Member	-
Steven Tadler, Director	-	Committee Member	Committee Member
Lynda Tyler-Cagni, Director	Committee Chairwoman	-	Committee Member

¹ Dufrey's Board of Directors unanimously resolved to formally establish the position of Lead Independent Director as of July 25, 2019. Heekyung Jo Min was appointed by the Board of Directors to this new position.

² Jorge Born acted as Vice-Chairman of the Board of Directors as of October 30, 2018 until July 25, 2019. The position of Vice-Chairman was replaced by the Lead Independent Director Position mentioned above.

For further details regarding the responsibilities of the Remuneration Committee and the meetings held in fiscal year 2019, please refer to section 3.5 Internal

Organizational Structure of the Corporate Governance Report.

sion agreements, rent agreements for office and warehouse buildings and other lease arrangements. As Dufrey has hundreds of concession agreements and lease agreements, the introduction of IFRS 16 impacted a number of items in the balance sheet, the statement of income and the cash flow statement.

For further explanation of IFRS 16 please also refer to Note 2.4, which also includes reference to various other notes in the consolidated financial statements.

The adoption of IFRS 16 had certain consequences on Dufrey's remuneration system for fiscal year 2019:

- Under IFRS 16, EBITDA is no longer reported in the income statement.
- In the short-term incentive (annual bonus) for the Global Executive Committee, Dufrey has replaced the previous key performance indicators EBITDA, Business Operating Model Efficiency and Free Cash Flow, which were used in financial year 2018, with Organic Growth, Adjusted Operating Profit and Equity Free Cash Flow for the financial year 2019¹. The weightings of these key performance indicators relevant for 2019 were set at 40% Organic Growth, 20% Adjusted Operating Profit and 40% Equity Free Cash Flow. This change was done to

¹ For a glossary of key performance indicators and other performance measures please see page 270 of this Annual Report.

reflect both the impacts caused by the implementation of IFRS 16 as well as the alignment of the STI-KPIs with the current Company strategy and operational focus of the management team.

- In the share-based incentive (PSU), the formerly used Normalized Cash EPS (earnings per share adjusted for amortization of acquisitions, normalized over a 3-year period) for the calculation of the targets and achievement ratios of the PSU plans has been replaced with Adjusted EPS for the financial year 2019. This earnings per share metric is derived from "Adjusted Net Profit", which reflects Net Profit attributable to Equity Holders of the parent + amortization of concession rights + impairment of concession rights + interest on lease obligations + transaction expenses - income tax on these lines - minority interest on these lines. This adjustment is of technical nature due to IFRS 16; the challenge to reach the targets has remained unchanged.
- For the Performance Share Units (PSU) granted to the members of the Global Executive Committee during fiscal year 2019, the target value of the Cumulative Adjusted EPS was set at CHF 23.82, representing a budgeted Adjusted EPS of CHF 7.67 for the year 2019 and a 3.5% annual growth in 2020 and 2021. This annual growth rate is considered to be challenging in the Company's view and is in line with the target top line growth rate of 3-4% for the Group.
- For the Performance Share Units (PSU) granted in the years 2017 and 2018 with their initial targets

POSITION / RESPONSIBILITY	ANNUAL FEE 2019 IN THOUSANDS OF CHF	ANNUAL FEE 2018 IN THOUSANDS OF CHF
Chairman	2,010.5	2,010.5
Lead Independent Director ¹	100.0	-
Vice-Chairman ¹	-	350.0
Member of the Board of Directors ²	250.0	250.0
Member responsible for the oversight on Dufrey's ESG initiatives ¹	100.0	-
Member of the Remuneration Committee	50.0	50.0
Member of the Audit Committee	50.0	50.0
Member of the Nomination Committee	50.0	50.0

¹ The new Lead Independent Director position was introduced in July 2019, and replaced the former Vice-Chairman position. The fees mentioned for the position of Lead Independent Director and Responsible on ESG initiatives are in addition to the usual fee as member of the Board of Directors.

² The Group CEO does not receive additional compensation as a Board member.

set as nominal amounts expressed in Swiss Francs at CHF 29.23 for the 2018 grant and CHF 25.97 for the 2017 grant, the Board of Directors decided for the calculation of the payout ratio to use the previous Cash EPS for fiscal year 2017 and 2018, and the Adjusted EPS for fiscal year 2019. The alignment to the new metric Adjusted EPS results in a deviation from the previous mechanic incorporating Cash EPS. The new target for the 2018 Award amounts to CHF 24.27 and for the 2017 Award to CHF 24.98.

- For the CEO Division North America (Hudson Ltd.), who is a member of the Global Executive Committee since January 18, 2019, the key performance indicators for the short-term incentive are based on Hudson Ltd. targets and results. The Hudson long-term incentive plan includes Restricted Share Units (RSU) and Performance Share Units (PSU). For further details see section "Performance targets for the Hudson 2019 LTI plan" on page 265 of this Annual Report.

REMUNERATION OF THE MEMBERS OF THE BOARD OF DIRECTORS

REMUNERATION SYSTEM

The remuneration of the members of the Board of Directors is set to attract and retain highly qualified individuals to serve on the Board of Directors. The Board of Directors determines the amount of remuneration of its members, taking into account their responsibilities, experience and the time they invest in their activity as members of the Board of Directors.

The total compensation of the members of the Board of Directors, except for the Group Chief Executive Officer who does not receive any compensation in rela-

tion to his position as member of the Board, included the following elements in fiscal year 2019:

- Fixed fee in cash as members of the Board of Directors and members of Board Committees;
- For one member the fixed fee for her responsibilities to oversee Dufrey's ESG initiatives
- For one member the fixed fee in cash as member of the Board of Directors of Hudson Ltd. (listed subsidiary) for the period January to October 2019
- Mandatory social security contributions.

In addition, the Chairman of the Board of Directors, who is intensely involved with the Company's management and is therefore considered an executive Chairman, may also receive a performance bonus. The 2019 bonus was based on the budgeted Adjusted EPS for the year under review, which for fiscal year 2019 was a target of CHF 7.67 based on the new calculation of Adjusted EPS due to the adoption of IFRS 16 (2018: bonus based on growth of reported Cash EPS for 2018). The bonus has a minimum threshold of 75% of the target that must be achieved otherwise no bonus will be paid and a maximum threshold of 130% of the target. The bonus for fiscal year 2019 is capped at 130% of the target bonus. The amount of the target bonus for fiscal year 2019 was set at 100% of the Chairman's board fee (2018: target bonus was also set at 100% of Chairman's board fee; with the cap at 150%). Since fiscal year 2019, the Chairman's bonus can be paid either in cash or in an equivalent number of shares allocated to him or as a mix between the two compensation instruments. The Board of Directors decided that the bonus for the Chairman for fiscal year 2019 will be paid in cash (2018: bonus also paid in cash).

With the exception of the variable compensation of the Chairman and of the Group CEO (each in their capacity as Chairman and Group Chief Executive Officer),

COMPENSATION OF THE BOARD OF DIRECTORS (AUDITED)

NAME, FUNCTION IN THOUSANDS OF CHF	2019			2018		
	REMUNERATION	POST- EMPLOYMENT BENEFITS ¹⁰	TOTAL	REMUNERATION	POST- EMPLOYMENT BENEFITS ¹⁰	TOTAL
Juan Carlos Torres Carretero, Chairman ^{1,5}	3,845.4	196.1	4,041.5	4,773.4	243.0	5,016.4
Heekyung Jo Min, Independent Lead Director ^{2,5}	497.9	-	497.9	499.7	-	499.7
Jorge Born, Director ³	400.0	23.4	423.4	383.1	22.4	405.5
Claire Chiang, Director	321.7	15.6	337.3	300.0	14.5	314.5
Julián Díaz González, Director and CEO ^{4,5}	-	-	-	-	-	-
Andrés Holzer Neumann, Director ³	400.0	19.6	419.6	400.0	19.6	419.6
Luis Maroto Camino, Director ⁶	182.8	10.8	193.6	-	-	-
Steven Tadler, Director ⁷	321.7	-	321.7	198.3	-	198.3
Lynda Tyler-Cagni, Director ⁷	308.5	18.2	326.7	198.3	11.7	210.0
Subtotal for active members as at Dec 31	6,278.0	283.7	6,561.7	6,752.8	311.2	7,064.0
Xavier Bouton, Director ⁸	-	-	-	119.6	5.8	125.4
George Koutsolioutsos, Director ⁹	-	-	-	119.4	7.1	126.5
Joaquín Moya-Angeler Cabrera, Director ^{5,8}	-	-	-	186.2	5.8	192.0
Total	6,278.0	283.7	6,561.7	7,178.0	329.9	7,507.9

¹ The remuneration for Mr. Torres Carretero includes Board fee of CHF 2.01 million and bonus of CHF 1.83 million (2018: CHF 2.01 million Board fee and CHF 2.76 million bonus).

² Ms. Heekyung Jo Min was appointed as Lead Independent Director on July 25, 2019. In addition, she is responsible for the oversight of Dufrey's ESG initiatives. The fees for these two responsibilities started to get paid as of November 2019.

³ Mr. Holzer Neumann was Vice-Chairman and Chairman of the Nomination Committee until October 30, 2018. Mr. Born assumed these duties as of October 31, 2018 and until July 25, 2019. The position of Vice-Chairman was replaced by the new Lead Independent Director position. In 2019, Mr. Holzer Neumann received an additional fee of CHF 0.15 million as compensation for the significant additional time spent on further developing the Company's retail concepts and new activities.

⁴ Mr. Díaz González (Group CEO) does not receive any additional compensation as Board member.

⁵ In fiscal year 2019, the following Dufrey Board members also served as members of the Board of Directors of Hudson Ltd.: Juan Carlos Torres Carretero, Julián Díaz González, Heekyung Jo Min (Jan - Oct) and Andrés Holzer Neumann (as of Dec 18, 2019). Heekyung Jo Min received a Board fee of USD 0.17 million in 2019 for the period Jan - Oct (2018: USD 0.20 million for period Jan - Dec) for her services as member of the Board of Hudson Ltd. In 2018, Mr. Moya-Angeler Cabrera received a Board fee of USD 0.07 million (Jan - Apr) for the services as members of the Board of Hudson Ltd. Juan Carlos Torres Carretero and Julián Díaz González did not receive additional fees for their services as Hudson Board members in fiscal year 2019 or in fiscal year 2018.

⁶ Director since AGM on May 9, 2019.

⁷ Director since AGM on May 3, 2018.

⁸ Director until AGM on May 3, 2018.

⁹ Resigned from the Board of Directors on June 22, 2018.

¹⁰ Amount includes mandatory employer social security contributions.

the compensation of the members of the Board of Directors is not tied to particular targets.

Extraordinary assignments or work which a member of the Board of Directors performs for the Company outside of his/her activity as a Board member can be specifically remunerated and has to be approved by the Board of Directors. Mr. Andrés Holzer Neumann received an additional fee of TCHF 150 as compensation for the significant additional time spent on further developing the Company's retail concepts and new activities (2018: no extraordinary assignments). In addition, the members of the Board of Directors are reimbursed all reasonable cash expenses incurred by them in the discharge of their duties.

The Remuneration Committee discusses the annual compensation (board fees, committee fees, target bonus for Chairman) in separate meetings. The Chairman and the Group CEO usually participate as guests in these meetings without any voting rights. They leave the room, when their own compensation is discussed by the Remuneration Committee. The Remuneration Committee then makes proposals in relation to the compensation of each Board member to the entire Board of Directors. Thereafter, the Board of Directors decides collectively on the compensation of its members once per year, with all Board members being present during such meeting (Group CEO compensation reviewed and decided separately as described in the section "Remuneration of the members of the Global Executive Committee").

CHANGES IN THE REMUNERATION SYSTEM IN 2019 – BOARD OF DIRECTORS

- In July 2019, the Board of Directors established the position of Lead Independent Director as a new position, replacing the Vice-Chairman position. The Board of Directors has set the annual fee for this new position at TCHF 100 (this fee started to get paid as of November 2019).
- Reflecting the importance of ESG initiatives and reporting, the Board of Directors appointed Heekyung Jo Min as the Board member responsible to have the oversight on Dufrey's ESG initiatives. The Board of Directors has set the annual fee for this position at TCHF 100 (this fee started to get paid as of November 2019). During 2019, Ms. Min's involvement included, among other topics, the evolution of our Corporate Governance and advice on Dufrey's overall ESG strategy and focus areas.
- Jorge Born, Vice-Chairman as of October 31, 2018 until July 25, 2019, received TCHF 250 as a Board member and a total of TCHF 150 for his membership in three different committees. He received no specific Vice-Chairman remuneration for this period.
- The other Board fees remained unchanged in fiscal year 2019 compared with 2018.
- Certain members of Dufrey AG's Board of Directors are also members of the Board of Directors of Hudson Ltd., Dufrey's subsidiary which has been separately listed on the New York Stock Exchange as of February 1, 2018. The compensation of the Board of Directors as shown in the table on page 257 includes such remuneration. In fiscal year 2019, Heekyung Jo Min was the only member that received additional compensation for her services in the Board of Directors at Hudson Ltd. for the period January to October 2019 that she still served as Board member of Hudson Ltd. (2018: Heekyung Jo Min and Joaquin Moya-Angeler Cabrera received additional compensation as members of the Board of Directors of Hudson Ltd.).
- Messrs. Juan Carlos Torres, Julián Díaz González and Andrés Holzer Neumann who are also members of the Board of Directors of Hudson Ltd. as of December 31, 2019, received no compensation for their Board memberships at Hudson in 2019 or 2018.

SUMMARY OF REMUNERATION IN FISCAL YEARS 2019 AND 2018

For 2019, the members of the Board of Directors (except the Chairman and the Group CEO) received a Board membership fee of TCHF 250 in cash and an additional TCHF 50 in cash for each membership in a Board Committee. The level of these Board fees remained unchanged for the last five years, i.e. since the Ordinary General Meeting of Shareholders in April 2015. For the new responsibilities of Lead Independent Director and for the oversight on Dufrey's ESG initiatives, the Board of Directors set those fees at TCHF 100 each, as explained above.

The Board fee for the Chairman position was last increased in 2017 and remained unchanged in fiscal year 2018 and 2019. The Chairman of the Board of Directors will receive a bonus of TCHF 1,834.9 for fiscal year 2019, to be paid in cash (2018: bonus in cash of TCHF 2,763.0). The bonus amounts to 91% of the Chairman's board fee (2018: 137% of board fee). For further details please refer to the remuneration table on page 257.

On December 31, 2019, the Board of Directors comprised 9 members (December 31, 2018: 8 Board members). For fiscal years 2019 and 2018, covering the period between January 1 and December 31, the remuneration for the members of the Board of Directors is shown in the remuneration table on page 257.

The remuneration difference compared with the previous year is mainly due to the changes in the total number of Board members and the composition of the Board of Directors and of its Committees, different length of time periods of Board compensation for services on the Board of Directors of Hudson Ltd. (if any) as well as the different amount of bonus for the Chairman.

OTHER COMPENSATION, LOANS OR GUARANTEES (AUDITED)

For the years 2019 and 2018, no other compensation (other than mentioned in the table on page 257) was paid directly or indirectly to current or former members of the Board of Directors, or to their related parties.

IN THOUSANDS OF CHF	BOARD COMPENSATION FOR FISCAL YEAR 2019 AS REPORTED	LESS BOARD COMPENSATION TO BE ACCRUED FOR THE PERIOD JANUARY 1, 2019 TO THE AGM ON MAY 9, 2019 (4 MONTHS)	PLUS BOARD COMPENSATION TO BE ACCRUED FOR THE PERIOD JANUARY 1, 2020 TO THE AGM ON MAY 7, 2020 (4 MONTHS)	TOTAL BOARD COMPENSATION FOR THE PERIOD FROM AGM 2019 TO AGM 2020	TOTAL MAXIMUM AMOUNT AS APPROVED BY SHAREHOLDERS AT THE AGM 2019 FOR PERIOD OF AGM 2019 TO AGM 2020	COMPEN- SATION RATIO
Total Board of Directors	6,561.7	(1,462.5)	1,637.8	6,737.0	8,500.0	79.3%

There are also no loans or guarantees received or provided to these Board members, nor to their related parties.

RECONCILIATION BETWEEN REPORTED BOARD COMPENSATION FOR FISCAL YEAR 2019 AND THE AMOUNT APPROVED BY THE SHAREHOLDERS AT THE AGM 2019 UNTIL THE AGM 2020

The Ordinary General Meeting of Shareholders held on May 9, 2019 approved a maximum aggregate amount of compensation of the Board of Directors for the term of office from the AGM 2019 to the AGM 2020 of CHF 8.5 million (CHF 8.7 million from AGM 2018 to AGM 2019). The table on page 258 shows the reconciliation between the reported Board compensation for fiscal year 2019 and the amount approved by the shareholders at the AGM 2019.

REMUNERATION OF THE MEMBERS OF THE GLOBAL EXECUTIVE COMMITTEE

10 MEMBERS OF THE GLOBAL EXECUTIVE COMMITTEE IN 2019 VS. 7 MEMBERS IN 2018

On January 18, 2019, Dufrey announced a new, simplified organization to drive market agility with full customer focus, generate additional efficiencies and drive organic growth. The Global Executive Committee, which consisted of seven members as of December 31, 2018, was increased by the three positions of the CEOs for the Divisions Asia Pacific and Middle East, Central and South America as well as North America. Furthermore, the former CFO Andreas Schneider left the Company on May 31, 2019 and was replaced by the new CFO Yves Gerster as of April 1, 2019.

At year-end 2019, the Global Executive Committee consisted of ten members. These members are the Group Chief Executive Officer, Chief Financial Officer, Deputy Group Chief Executive Officer, Global Chief Corporate Officer, Group General Counsel, Chief Executive Officer Europe, Africa and Strategy, Chief Executive Officer Division Asia Pacific and Middle East, Chief Executive Officer Division Central and South America, Chief Executive Officer Division North America, and the Chief Marketing and Digital Innovation Officer.

REMUNERATION COMPONENTS

	INSTRUMENT	PURPOSE	INFLUENCED BY
Basic salary	<ul style="list-style-type: none"> - Basic compensation - Paid in cash on monthly basis 	<ul style="list-style-type: none"> - To attract and retain management 	<ul style="list-style-type: none"> - Position - Competitive market environment - Experience of the person
Bonus ¹	<ul style="list-style-type: none"> - Annual bonus - Usually paid in cash 	<ul style="list-style-type: none"> - Pay for performance 	<ul style="list-style-type: none"> - Achievement of financial results of the Group and of specific Divisions (for the Divisional CEOs)
Share-based incentives PSU ^{1,2}	<ul style="list-style-type: none"> - Performance Share Units (PSU) if any, vesting conditional on performance 	<ul style="list-style-type: none"> - Rewarding long-term performance - Aligning compensation to shareholder interests 	<ul style="list-style-type: none"> - PSU Award 2019: Cumulative Adjusted EPS in CHF over 3 years (2019, 2020 and 2021) - PSU Award 2018: Cumulation of Cash EPS in CHF for 2018 and Adjusted EPS in CHF for the years 2019 and 2020 - PSU Award 2017: Cumulation of Cash EPS in CHF for the years 2017 and 2018 and Adjusted EPS in CHF for 2019
Other indirect benefits, post-employment benefits	<ul style="list-style-type: none"> - Allowances in kind - Social pension and insurance prerequisites 	<ul style="list-style-type: none"> - To attract and retain management 	<ul style="list-style-type: none"> - Market practice and position - Legal requirements of social benefits

¹ For the CEO Division North America (Hudson Ltd.) based on targets of Hudson Ltd.

² The share-based incentive scheme of Hudson includes Restricted Share Units (RSU) and Performance Share Units (PSU).

PERFORMANCE OBJECTIVES FOR BONUS ¹

FISCAL YEAR 2019	FISCAL YEAR 2018
OBJECTIVES FOR THE GLOBAL EXECUTIVE COMMITTEE ²	OBJECTIVES FOR THE GLOBAL EXECUTIVE COMMITTEE
40 % Organic Growth	50 % EBITDA
20 % Adjusted Operating Profit	25 % Business Operating Model Efficiency
40 % Equity Free Cash Flow	25 % Free Cash Flow

¹ For a glossary of the key performance indicators and other performance measures please refer to page 270 of this Annual Report.

² For the Division CEOs the metrics Organic Growth and Adjusted Operating Profit are based on the results of their Divisions (for the other GEC members on Dufry Group results). The objective Equity Free Cash Flow is based on Dufry Group level. For the CEO Division North America, the objectives are based on Hudson results only, with objectives being 40 % Organic Growth, 35 % Adjusted EBITDA and 25 % Adjusted EPS of Hudson.

REMUNERATION SYSTEM

Dufry aims to provide internationally competitive compensation to the members of its Global Executive Committee (GEC) that reflects the experience and the area of responsibility of each individual member. The members of the Global Executive Committee receive compensation packages which consist of a fixed basic salary in cash, social benefits, allowances in kind, a performance related bonus and share-based incentive plans.

The CEO of the Division North America, Hudson Ltd., which is separately listed on the New York Stock Exchange, is a member of the Global Executive Committee, but participates in terms of his compensation packages (including the performance related bonus and long-term incentive plans) in a separate remuneration system and incentive plan for members of the Hudson Ltd. management. All other members of the Global Executive Committee participate in the Dufry remuneration system and incentive plans.

BASIC SALARY

The annual basic salary is the fixed compensation reflecting the scope and key areas of responsibilities of the position, the skills required to perform the role and the experience and competencies of the individual person. The basic salary is reviewed annually.

Salary increases for members of the Global Executive Committee are generally done in line with increases for the broader workforce. In case of promotions, typically a more substantial salary increase may be warranted. Nevertheless, a newly promoted GEC member would get a base salary at the lower end of the expected range with a view to get above-average increases alongside his growing experience and with a view to get between the median and the upper half of the target range within 3-5 years. Also, higher salary increases may be warranted when there is an increase in responsibilities.

ANNUAL BONUS

The annual bonus is defined once per year and is based on a bonus target expressed as a percentage of the annual basic salary. The target bonus corresponds to the bonus award at 100% achievement of the pre-defined objectives. Each member of the Global Executive Committee has its own bonus. In the event that an executive reaches the objectives in full, the bonus pay-out will correspond to the targeted level. If one or more objectives are not reached, the bonus will be reduced. The bonus pay-out can be between a minimum of zero and the maximum capped amount of 130% of the target bonus for all members of the Global Executive Committee, including the Group CEO.

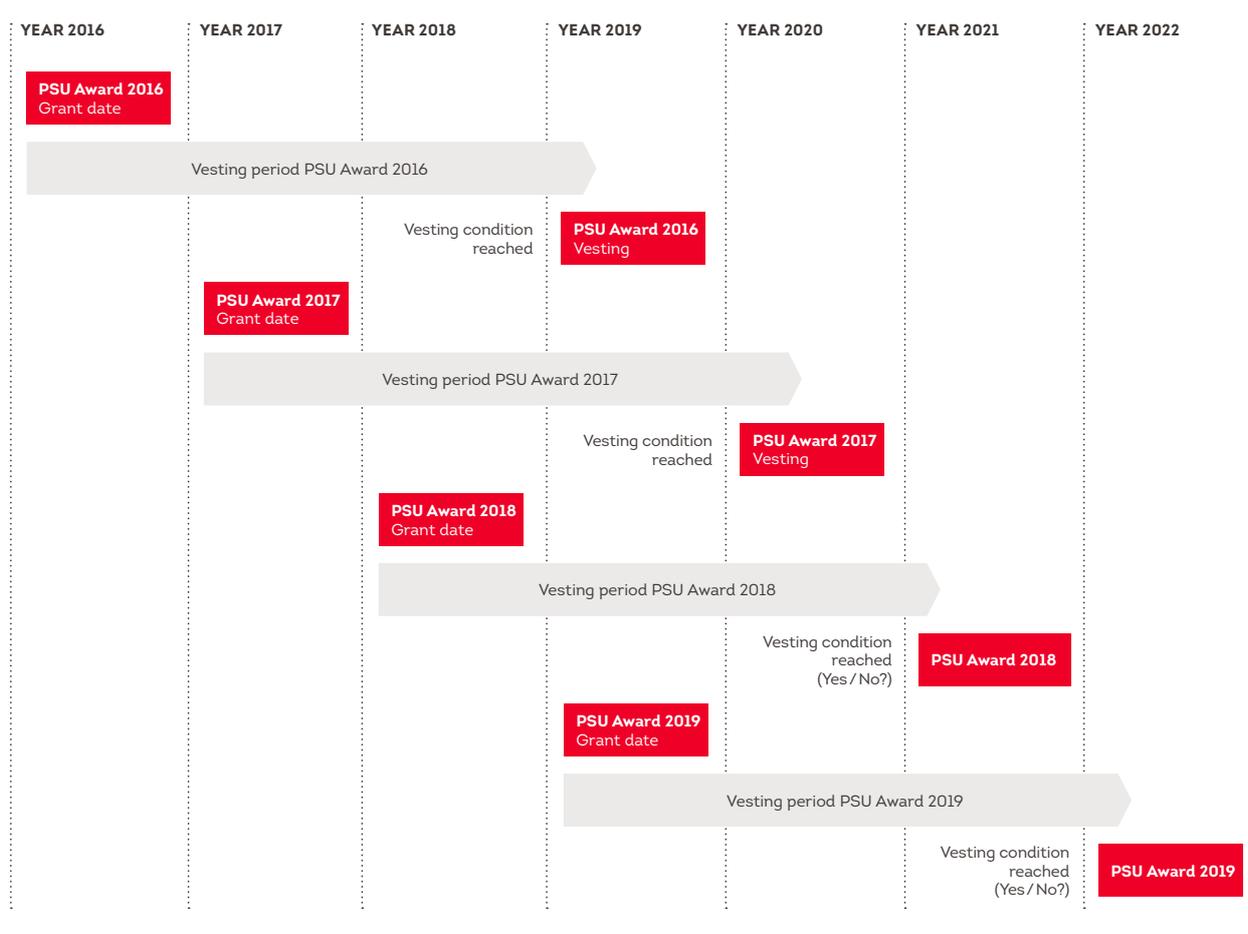
The targets for the annual bonus are set to be stretching but achievable and focus on key operational metrics and metrics related to key strategic initiatives. The Remuneration Committee considers the financial targets for the annual bonus to be commercially sensitive and that it would be detrimental to disclose details.

The annual bonus is usually paid out in cash in the second quarter of the following year. As an exception, the Board of Directors (upon proposal by the Remuneration Committee) decided in 2016 that the bonus for fiscal year 2015 shall be settled 50% in cash and 50% in rights to receive shares, which finally vested if the GEC member was still employed on January 1, 2019. The shares that were used to settle the 2015 bonus payment had no dilutive effect, as they were sourced exclusively from treasury shares. The bonus pay-outs for the following fiscal years, including 2019, are in cash.

RANGE OF BONUS COMPONENTS

IN % OF BASIC SALARY	2019	2018	2017
Global Executive Committee	26 - 97%	37 - 97%	41 - 217%

TIMING OF THE PSU PLANS



For fiscal year 2019, the target bonus amounted to 110% of the basic salary for the Group CEO and to between 50% and 105% of the basic salary for the other members of the Global Executive Committee (fiscal year 2018: 100% for the Group CEO and between 38% and 100% for the other members of the Group Executive Committee). Considering the market review of total compensation for the members of the Global Executive Committee for the 2019 business year, some further alignment and harmonisation of the variable compensation was required to align both with the external market for similar roles and also with internal peer groups. This resulted in a narrowing of the range to between 50% and 105% in 2019. The strategy of the compensation review was to balance the weighting between base salary and the variable compensation component.

The bonus is mainly related to measures regarding financial performance: in 2019, the relevant weightings

for the members of the Global Executive Committee were 40% Organic Growth (Like-for-like growth + Net new concessions), 20% Adjusted Operating Profit (Operating profit + amortization of concession rights + impairment of concession rights + transaction expenses) and 40% Equity Free Cash Flow (Free Cash Flow - Interest paid - Cash Flow related to minorities +/- Other financing items) of the Dufry Group results. For the Division CEOs it was 40% Organic Growth and 20% Adjusted Operating Profit of their respective Division and 40% Equity Free Cash Flow of Dufry Group. For the CEO Division North America, the objectives are based on Hudson results only, with objectives being 40% Organic Growth, 35% Adjusted EBITDA and 25% Adjusted EPS. In the previous year 2018, the weightings for all members of the Global Executive Committee were 50% EBITDA, 25% Business Operating Model Efficiency and 25% Free Cash Flow.

DUFYR AG PSU VESTING

DUFYR AG PSU GRANTS 2019		DUFYR AG PSU GRANTS 2018	
METRIC	PSU VESTING	METRIC	PSU VESTING
EPS basis	Based on Cumulative Adjusted EPS (three-year period 2019 - 2021)	EPS basis	Based on Cumulation of Cash EPS (for 2018) and Adjusted EPS (for years 2019 and 2020)
< minimum threshold (50 % of target)	No vesting	< minimum threshold (50 % of target)	No vesting
at target	100 % vesting (1 share per PSU)	at target	100 % vesting (1 share per PSU)
≥ maximum threshold (150 % of target)	Maximum vesting (2 shares per PSU)	≥ maximum threshold (150 % of target)	Maximum vesting (2 shares per PSU)
Between minimum threshold and maximum threshold	Linear calculation (between 0 and maximum 2 shares per PSU)	Between minimum threshold and maximum threshold	Linear calculation (between 0 and maximum 2 shares per PSU)

The bonus accrued as part of the compensation for the members of the Group Executive Committee represented in 2019 between 26% and 97% of their basic salary and amounted to CHF 4.63 million in the aggregate (2018: between 37% and 97% of their basic salary and an amount of CHF 4.97 million in the aggregate). The achievement ratio regarding the Group results' targets of the three elements Organic Growth, Adjusted Operating Profit and Equity Free Cash Flow combined was 53% for fiscal year 2019 (2018: achievement ratio 97% for the elements EBITDA, Business Model Operating Efficiency and Free Cash Flow). The achievement levels for each of the components were between 56% and 96% of target for metrics at Group level (Group Organic Growth, Group Adjusted Operating Profit and Group Equity Free Cash Flow) in 2019. The threshold limits are 75% and 130% for each metric.

The bonus compensation for the members of the Global Executive Committee, other than the bonuses for the Group CEO and for the CEO Division North America, is approved by Dufry's Remuneration Committee in coordination with the Group CEO. The Group CEO's bonus is determined based on achieved targets and proposed by the Remuneration Committee and decided by the Board of Directors once per year. The Remuneration Committee as well as the Board of Directors review the compensation of the members of the Global Executive Committee on a yearly basis. The bonus for the CEO Division North America is approved by Hudson's Remuneration Committee in consultation with the Group CEO who is also Vice-Chairman of the Board of Directors at Hudson Ltd.

SHARE-BASED INCENTIVES (PSU)

In 2013, Dufry introduced a Performance Share Unit (PSU) plan for the members of the Global Executive Committee. The purpose of the plan is to provide the members of the Global Executive Committee (and since fiscal year 2015 also selected members of the Senior Management team) with an incentive to make significant and extraordinary contributions to the long-term performance and growth of Dufry Group, enhancing the value of the shares for the benefit of the shareholders of the Company. The share-based incentive is also increasing the ability of Dufry Group to attract and retain persons of exceptional skills.

Since its separate listing on the New York Stock Exchange, Dufry's subsidiary Hudson Ltd. has its own long-term incentive (LTI) plan for members of the management of Hudson Ltd. Details of Hudson's LTI plan awards are available in Note 25.2 of the consolidated financial statements in this Annual Report. The LTI plan awards granted by Hudson are directly vesting into Hudson shares and are therefore not part of the Dufry AG PSU plan. The CEO Division North America (Hudson Ltd.) is participating in the Hudson LTI plan which consists of Restricted Share Units (RSU) and Performance Share Units (PSU), instead of the Dufry AG PSU plan. He is the only member of the Global Executive Committee that does not participate in the Dufry AG PSU plan.

From an economic point of view, Dufry's PSU and also Hudson's RSU and PSU are stock options with an exercise price of nil. However, they are expected to have no dilutive effect, as the shares for share-based incentives historically have been sourced from treasury

COMPENSATION OF THE MEMBERS OF THE GLOBAL EXECUTIVE COMMITTEE (AUDITED)

REMUNERATION COMPONENT IN THOUSANDS OF CHF	2019		2018	
	GEC (10 members)	CEO ¹	GEC (7 members)	CEO ¹
Basic salary	8,759.8	1,924.0	6,661.8	1,832.4
Bonus	4,627.7	1,121.2	4,966.0	1,775.6
Post-employment benefits ²	1,775.5	571.5	1,610.1	593.3
Other indirect benefits	373.3	23.1	330.9	23.1
Share-based payments accrued (3 years vesting period) ³	5,704.2	1,180.2	5,405.3	1,635.2
Total compensation accrued	21,240.5	4,820.0	18,974.1	5,859.6
Total compensation pay-out	27,038.7	7,281.2	20,021.6	6,611.5
Number of performance share units awarded (in thousands) ³	126.8	12.1	55.6	16.8

¹ The Group CEO is the highest paid member.

² Amount includes employer social security contributions and pension contributions.

³ For valuation details of the Dufrey performance share units see Note 25.1 of the consolidated financial statements. The accrued values in the table reflect the different valuations of the PSU in the different reporting years. PSU are calculated at target. Fiscal year 2019 also includes the Hudson RSU and PSU granted to the CEO Division North America (for valuation details of these RSU and PSU see Note 25.2 of the consolidated financial statements).

shares held by the Company (or by Hudson in case of the Hudson RSU/PSU).

Details of the Performance Share Units (PSU)

The number of PSU allocated to each member of the Global Executive Committee in any given year takes into account the basic salary as well as the prevailing share price and assumes that the target will be achieved, i.e. that one share vests for each PSU. The accrued value of the PSU represented about 61% of the basic salary for the Group CEO and between 41% and 92% of the basic salary for the other members of the Global Executive Committee (2018: 89% for the Group CEO and between 74% and 92% for the other members of the Global Executive Committee). The PSU awards will only vest in the third year of the award period and are linked to specific performance criteria (see below). Once PSU are vesting, the shares will become immediately unrestricted and available to the plan participants. The structure of the PSU is identical in the case of the Hudson PSU, however with different performance metrics for Hudson.

Vesting conditions of the PSU are:

- The participant's ongoing contractual relationship on the vesting date; and
- The achievement of the performance target as described below.

Performance targets for the Dufrey 2019 and 2018 PSU grants

2019 grant: The number of shares allocated for each PSU directly depends on the Company's Cumulative Adjusted EPS as a nominal amount in Swiss Francs of the three-year period preceding the vesting. The Target Cumulative Adjusted EPS (period 2019-2021) has been set at CHF 23.82, based on the 2019 budgeted Adjusted EPS (of CHF 7.67) and applying a growth rate of 3.5% per annum. This annual growth rate is considered to be challenging in the Company's view and is in line with the current target top line growth rate of 3-4% for the Group. The percentage of the applied growth rate for the PSU plan of the next year is subject to potential change from year to year by the Remuneration Committee.

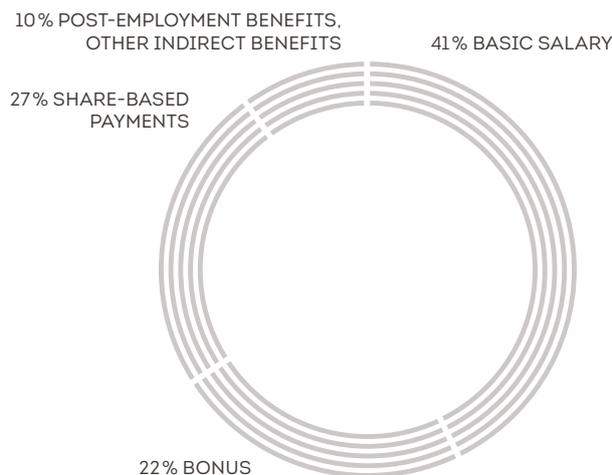
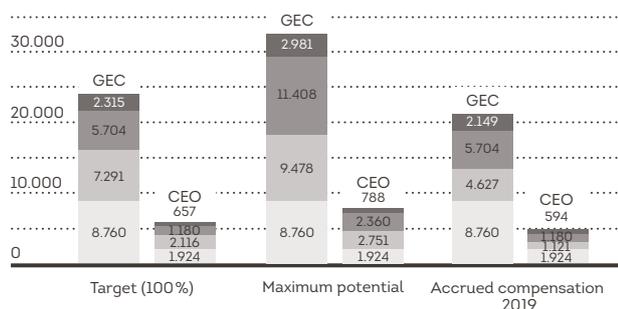
2018 grant: With the implementation of IFRS 16 and the previously used Normalized Cash EPS metric no longer being continued as of January 1, 2019, the 2018 grant has been amended as follows: For the calculation of the cumulative achievement, the number of shares allocated for each PSU depends on a cumulation (period 2018 - 2020) of the formerly used Cash EPS for the year 2018 and the Adjusted EPS for the years 2019 and 2020.

Depending on the Cumulative Adjusted EPS (for 2018 plan: combination of Cash EPS for 2018 and Adjusted EPS for 2019 and 2020) achieved, each PSU will convert according to the following grid:

REMUNERATION STRUCTURE GROUP EXECUTIVE COMMITTEE IN 2019 (TEN MEMBERS)

BASIC SALARY
 BONUS
 SHARE-BASED PAYMENTS
 POST-EMPLOYMENT BENEFITS, OTHER INDIRECT BENEFITS

IN THOUSANDS OF CHF



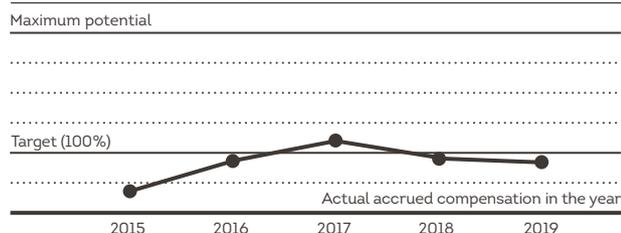
- Minimum threshold of 50% of target must be achieved; otherwise the PSU shall not vest and will become nil and void. The participant will not be allocated any shares from the PSU.
- For a Cumulative Adjusted EPS at target, the participant shall be allocated one share for every PSU that has vested.
- For a Cumulative Adjusted EPS of 150% of target or above, which represents the maximum threshold, the participant shall be allocated two shares for every PSU that has vested.
- For a Cumulative Adjusted EPS higher than the minimum threshold but lower than the maximum threshold, the number of shares allocated from vested PSU is calculated on a linear basis.
- The maximum number of shares allocated is capped at two shares per vested PSU.

granted, in the aggregate, 50,134 PSU (2018: 55,612 PSU to seven members of the Global Executive Committee). Out of this amount, 12,122 PSU were granted to the Group CEO (2018: 16,823 PSU). The total number of shares that can be allocated to these nine members of the Global Executive Committee would amount to the following: At target, 50,134 shares for the PSU Award 2019, 61,060 shares for the PSU Award 2018 and 55,275 shares for the PSU Award 2017, which will vest in 2020. At maximum (i.e. at 2 shares per vested PSU from the 2019 and 2018 grants) it would amount to 100,268 shares for the PSU Award 2019, 122,120 shares for the PSU Award 2018 and 55,275 shares for the PSU Award 2017.

In 2019, nine members of the Global Executive Committee (excluding the CEO Division North America who participates in the Hudson LTI plan) have been

Overall, the number of persons qualified to receive PSU awards includes (since fiscal year 2015) not only the members of the Global Executive Committee, but also further selected members of the Senior Management team of Dufrey (about 26 senior managers). In addition to the PSU awarded to the members of the Global Executive Committee, this further group of Senior Managers received in aggregate 31,200 PSU from the Award 2019 (2018: about 60 managers and 68,486 PSU from the Award 2018; in 2017: about 80 managers and 74,905 PSU from the PSU Award 2017, which will vest in 2020). The conditions of the Dufrey PSU plans are identical for all plan participants (whether members of the Global Executive Committee or Senior Managers). The total number of shares that can be allocated to the Senior Management team members would amount to the following: At target, 31,200 shares for the PSU Award 2019, 68,486 shares for the PSU Award 2018 and 74,905 shares for the PSU Award 2017, which will vest in 2020. At maximum,

GEC REMUNERATION (ACCRUED) IN PERIODS 2015-2019



YE 2015: 7 GEC members; YE 2016/2017: 12 GEC members; YE 2018: 7 GEC members; YE 2019: 10 GEC members.

62,400 shares for the PSU Award 2019, 136,972 shares for the PSU Award 2018 and 74,905 shares for the PSU Award 2017.

For the PSU plan 2015 that vested in May 2018, 92.6% of the target number of shares were allocated to the plan participants. For the PSU plan 2016 that vested in May 2019, 104.0% of the target number of shares were allocated to the plan participants.

The total number of shares that can be allocated to all participants of the Dufrey PSU Awards 2019 and 2018, the vested and allocated 130,180 shares from the PSU Award 2017 and the vested rights to receive shares from the 2015 bonus (which was split into 50% cash and 50% in rights to receive shares, equivalent to 82,536 shares in total, and which vested on January 1, 2019) would amount to the following: At target 423,596 shares, representing a total of 0.84% of the outstanding shares as at December 31, 2019. At maximum (i.e. at 2 shares per vested PSU from the PSU Awards 2019 and 2018) 634,476 shares, representing a total of 1.25% of the outstanding shares as at December 31, 2019. Historically, Dufrey has always sourced its share-based compensation from treasury shares, so that no dilutive effect is expected from the PSU.

For a description of the performance targets of the PSU Awards 2016 and 2017 (with vesting in 2019 and 2020, respectively), please refer to the details in the Remuneration Report 2017 on page 243 of the Annual Report 2017. Please note that as a result of the implementation of IFRS 16, for the PSU Award 2017, the relevant metric for the year 2019 was also Adjusted EPS (i.e. the shares allocated for each PSU 2017 depended on a cumulation (period 2017 – 2019) of the formerly used Cash EPS for the years 2017 and 2018, and the Adjusted EPS for the year 2019). The new cumulative target for this combined metric amounted to CHF 24.98.

Link to the Annual Report 2017:
www.dufrey.com/en/investors/ir-reports-presentations-and-publications
page section "Presentation of results and other publications – select Financial Reports"

The Dufrey PSU plans have been approved by the Remuneration Committee and the Board of Directors. The Remuneration Committee reviews achievement of the respective performance target at a specific vesting date, upon proposal of the Group CEO, who as plan administrator will analyze and adjust potential exceptional and non-recurring events to normalize Adjusted EPS in relation to the PSU plan. The Group

CEO acts as Plan Administrator and therefore proposes the amount of each specific grant to each individual plan participant, which is reviewed by the Remuneration Committee. The grants made to the Group CEO are decided by the Remuneration Committee.

Performance targets for the Hudson 2019 LTI plan

The CEO Division North America (Hudson Ltd.) is the only member of the Global Executive Committee who participates in the Hudson long-term incentive plans. As he was appointed to the Global Executive Committee as of January 18, 2019, the following description of the Hudson LTI plan refers only to the fiscal year 2019 grant.

Hudson has a long-term incentive plan (LTIP) that is split between 75% Performance Share Units (PSU) and 25% Restricted Share Units (RSU), both with a vesting period of three years. The number of shares allocated for each PSU depends on the following performance metrics of Hudson: Sales 2019 – 2021 (30% weighting), Adjusted EBITDA 2019 – 2021 (30% weighting) and Adjusted EPS 2019 – 2021 (40% weighting). The RSU vest on a service condition, i.e. the member of the Hudson management must have an ongoing contractual relationship on the vesting date.

The LTI plan awards granted by Hudson are directly vesting into Hudson shares and are therefore not part of the Dufrey PSU plan. Details of the Hudson LTI plan awards are available in the Notes to the consolidated financial statements (Note 25.2 Share-based payments) of this Annual Report. The table with the compensation of the members of the Global Executive Committee on page 263 also includes the accrued value of the Hudson RSU / PSU 2019 grants to the CEO Division North America (in "share-based payments accrued").

OTHER INDIRECT BENEFITS

The Company limits further benefits to a minimum. Fringe benefits such as health insurance, company car, or housing allowances have been granted to certain members of the Global Executive Committee. The total amounted to CHF 0.4 million in the aggregate in fiscal year 2019 (2018: CHF 0.3 million in aggregate for certain members of the Global Executive Committee).

CHANGES IN THE REMUNERATION SYSTEM IN 2019 – GLOBAL EXECUTIVE COMMITTEE

The Board of Directors, upon proposal by the Remuneration Committee, has decided on the following change to the remuneration system in fiscal year 2019:

- As under IFRS 16, EBITDA is no longer reported in the income statement and the implementation of the Business Operating Model was completed by the end of 2018, the measures regarding the financial performance relevant for the annual bonus have been adjusted. In 2019, the relevant metrics were 40% Organic Growth, 20% Adjusted Operating Profit and 40% Equity Free Cash Flow (see also explanation under section "Annual bonus – performance objectives" on page 260). In fiscal year 2018, the metric used for the short-term incentive was 50% EBITDA, 25% Business Operating Model (BOM) Efficiency and 25% Free Cash Flow. With the BOM completed by the end of 2018 and EBITDA no longer used as a metric in Dufrey's income statement due to IFRS 16, the change to focus on Organic Growth, Adjusted Operating Profit and Equity Free Cash Flow reflects the focus of the organization on these key issues.
- For the Performance Share Units (PSU) plans, the formerly used Cash EPS for the calculation of the targets and achievement ratios of the PSU plans has been replaced with Adjusted EPS for the year 2019 and onwards. For details regarding the individual grants see section "Details of the Performance Share Units (PSU)" on page 263 of this Annual Report.

COMPARISON AND COMPOSITION OF REMUNERATION OF THE GLOBAL EXECUTIVE COMMITTEE FOR FISCAL YEAR 2019

The charts on page 264 reflect the composition of the different remuneration components as well as the actual remuneration of the 10 members of the Global Executive Committee for fiscal year 2019. In the chart, this actual remuneration is also compared to the potential compensation if 100% of the target bonus was reached, and the maximum potential of compensation possible based on the capped bonus and the capped share-based compensation.

PAY-OUT COMPONENTS FOR FISCAL YEAR 2019

For fiscal year 2019, the achievement ratio in conjunction with the Group result targets for the three elements

Operating Growth, Adjusted Operating Profit and Equity Free Cash Flow combined was 53%. The pay-out of the bonus component for the Group CEO amounts to CHF 1.12 million, which represents 58% of the Group CEO's basic salary. The Dufrey PSU Award 2017 will vest in fiscal year 2020 at a ratio of 94.5%. This will lead to 130,180 shares being vested, of which 15,898 reflect the shares vested for the Group CEO.

The pay-out for the entire Global Executive Committee for fiscal year 2019 amounts to a total of CHF 27.04 million, of which CHF 7.28 million is the pay-out to the Group CEO.

SUMMARY OF REMUNERATION FOR FISCAL YEAR 2019

For fiscal year 2019, the remuneration of the Global Executive Committee includes the compensation of ten GEC members (former CFO until May 31, 2019, current CFO as of April 1, 2019; in 2018: seven Group Executive Committee members). The remuneration for fiscal years 2019 and 2018, mentioned in the table on page 263 covers the period between January 1 and December 31.

The remuneration difference compared with the previous year is mainly due to the change in the number of members of the current Global Executive Committee compared to the previous year (10 members in 2019 vs. 7 members in 2018), regular salary increases based on annual performance review, individual bonus payments based on achievement of yearly objectives set in advance, as well as the different values of the PSU awards.

RECONCILIATION BETWEEN REPORTED GLOBAL EXECUTIVE COMMITTEE COMPENSATION FOR FISCAL YEAR 2019 AND THE AMOUNT APPROVED BY THE SHAREHOLDERS AT THE AGM 2018 FOR FISCAL YEAR 2019

The Ordinary General Meeting of Shareholders held on May 3, 2018, approved a maximum aggregate amount of compensation for the members of the

COMPENSATION RATIO FOR REMUNERATION OF GLOBAL EXECUTIVE COMMITTEE (TEN MEMBERS) FOR 2019

IN THOUSANDS OF CHF	GEC COMPENSATION FOR FISCAL YEAR 2019 AS REPORTED	TOTAL MAXIMUM AMOUNT FOR GEC COMPENSATION AS APPROVED BY SHAREHOLDERS AT THE AGM 2018 FOR FISCAL YEAR 2019	COMPENSATION RATIO
Total Global Executive Committee	21,240.6	37,100.0	57.3%

Global Executive Committee for the fiscal year 2019 of CHF 37.1 million. The approved maximum aggregate amount reflects the maximum possible pay-out calculated for each compensation element and took into account the seven members of the Group Executive Committee in office at the time the proposal to the AGM 2018 was made. The actual compensation ratio (accrued compensation) for the 10 members of the Global Executive Committee compared with the amount approved by the General Meeting of Shareholders was 57.3%.

For fiscal year 2020, the Ordinary General Meeting of Shareholders held on May 9, 2019, approved a maximum aggregate amount of compensation for the members of the Global Executive Committee of CHF 42.53 million. The compensation ratio for 2020 will again be disclosed in the Remuneration Report 2020.

OTHER COMPENSATION, LOANS OR GUARANTEES (AUDITED)

For the years 2019 and 2018, no other compensation was paid directly or indirectly to current or former members of the Global Executive Committee, or to their related parties. There are also no loans or guarantees received or provided to the Global Executive Committee members, or to related parties.

CONTRACTS OF EMPLOYMENT TERMS

According to Article 23 of the Articles of Incorporation, employment and other agreements with the members of the Global Executive Committee may be concluded for a fixed term or for an indefinite term. Agreements for a fixed term may have a maximum duration of one year. Renewal is possible. Agreements for an indefinite term may have a notice period of maximum twelve months. The current contracts with the members of the Global Executive Committee contain termination periods of twelve months or less.

PARTICIPATIONS IN DUFREY AG

The following members of the Board of Directors or of the Global Executive Committee of Dufrey AG (including related parties) directly or indirectly hold shares or share options of the Company as at December 31, 2019. Members not listed in the tables do not hold any shares or options.

IN THOUSANDS	DECEMBER 31, 2019			DECEMBER 31, 2018		
	SHARES	FINANCIAL INSTRUMENTS ¹	PARTICIP.	SHARES	FINANCIAL INSTRUMENTS ¹	PARTICIP.
MEMBERS OF BOARD OF DIRECTORS						
J. C. Torres Carretero, Chairman	966.0	23.7	1.96 %	1,001.0	71.1 ¹	1.99 %
A. Holzer Neumann, Director	3,991.0	-	7.89 %	4,334.0	55.2 ¹	8.15 %
J. Born, Director (2018: Vice-Chairman)	22.0	-	0.04 %	22.0	30.9 ²	0.10 %
J. Díaz González, Director and Group CEO	233.0	17.5	0.50 %	230.0	35.1 ¹	0.49 %
S. Tadler, Director	13.0	-	0.03 %	-	-	-
H. Jo Min, Independent Lead Director (2018: Director)	0.5	-	0.00 %	0.5	-	0.00 %
Total Board of Directors	5,225.5	41.2	10.42 %	5,587.9	192.3	10.73 %
MEMBERS OF GLOBAL EXECUTIVE COMMITTEE						
J. Díaz González, Director and Group CEO	233.0	17.5	0.50 %	230.0	35.1 ¹	0.49 %
J. A. Gea, Deputy Group CEO	33.0	-	0.07 %	14.4	-	0.03 %
Y. Gerster, CFO	2.2	-	0.00 %	n/a	n/a	n/a
L. Marin, Global CCO	7.8	-	0.02 %	4.3	-	0.01 %
J. Gonzalez, Chief Marketing and Digital Innovation Officer	3.3	-	0.01 %	2.0	-	0.00 %
A. Belardini, Division CEO Asia Pacific and Middle East	18.7	-	0.04 %	n/a	n/a	n/a
R. Fordyce, Division CEO North America	3.6	-	0.01 %	n/a	n/a	n/a
R. Riedi, Division CEO Central and South America	1.1	-	0.00 %	n/a	n/a	n/a
E. Andrades, CEO Europe, Africa and Strategy	1.0	-	0.00 %	-	-	-
ADDITIONAL MEMBERS OF FORMER GROUP EXECUTIVE COMMITTEE (IN 2018)						
A. Schneiter, CFO	n/a	n/a	n/a	12.9	-	0.02 %
Total Global Executive Committee	303.7	17.5	0.64 %	263.6	35.1	0.55 %

¹ The detailed terms of the various financial instruments disclosed are as disclosed to the SIX Swiss Exchange and published on August 3, 2019, for the year 2019 and on December 28, 2018, for the year 2018.

² European Capped Calls on 30,940 shares of Dufrey AG. The transaction is divided into 5 tranches of 6,188 shares each, which expired on 29.07.2019, 30.07.2019, 31.07.2019, 04.08.2019, and 05.08.2019, respectively. Each tranche is automatically exercised, and the differences are to be cash settled. The strike price for each option is CHF 160, and the cap is CHF 260 per option.

In addition to the above, the shareholders' group consisting, among others, of different legal entities controlled by Andrés Holzer Neumann, Juan Carlos Torres, Julián Díaz González holds sale positions of 3.62% through options (1,829,190 voting rights) as of December 31, 2019 (as of December 31, 2018: sale positions of 5.09% through options (2,739,430 voting rights)).

The detailed terms of these financial instruments are as disclosed to the SIX Swiss Exchange and published on August 3, 2019 (for sale position as of December 31, 2018: publication of disclosure notice on December 28, 2018). Disclosure notices are available on the SIX Swiss Exchange website:

www.six-exchange-regulation.com/en/home/publications/significant-shareholders.html



To the General Meeting of
Dufry AG, Basel

Basel, 11 March 2020

Report of the statutory auditor on the remuneration report

We have audited the remuneration report of Dufry AG for the year ended 31 December 2019. The audit was limited to the information according to articles 14–16 of the Ordinance against Excessive Compensation in Stock Exchange Listed Companies (Ordinance) contained in the tables and sections labeled “audited” on pages 252 to 268 of the remuneration report.



Board of Directors' responsibility

The Board of Directors is responsible for the preparation and overall fair presentation of the remuneration report in accordance with Swiss law and the Ordinance. The Board of Directors is also responsible for designing the remuneration system and defining individual remuneration packages.



Auditor's responsibility

Our responsibility is to express an opinion on the remuneration report. We conducted our audit in accordance with Swiss Auditing Standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the remuneration report complies with Swiss law and articles 14–16 of the Ordinance.

An audit involves performing procedures to obtain audit evidence on the disclosures made in the remuneration report with regard to compensation, loans and credits in accordance with articles 14–16 of the Ordinance. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements in the remuneration report, whether due to fraud or error. This audit also includes evaluating the reasonableness of the methods applied to value components of remuneration, as well as assessing the overall presentation of the remuneration report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Opinion

In our opinion, the remuneration report for the year ended December 31, 2019 of Dufry AG complies with Swiss law and articles 14–16 of the Ordinance.

Ernst & Young Ltd

/s/ Jolanda Dolente

Jolanda Dolente
Licensed audit expert
(Auditor in charge)

/s/ Siro Bonetti

Siro Bonetti
Licensed audit expert