

Invitation

to the Ordinary General Meeting of Shareholders of

Dufry AG

The **Ordinary General Meeting of Dufry AG will be held on Thursday, May 3, 2018** at 14.00 hrs (doors open at 13.00 hrs) at the VOLKSHAUS BASEL (Festsaal), Rebgasse 12-14, 4058 Basel, Switzerland.

Agenda

1. **Approval of the Consolidated Financial Statements and the Annual Financial Statements for 2017 and Advisory Vote on the Remuneration Report 2017**

1.1 Approval of the Consolidated Financial Statements and the Annual Financial Statements for 2017

The Board of Directors **proposes** that the consolidated financial statements and the annual financial statements for 2017 be approved.

1.2 Advisory Vote on the Remuneration Report 2017

The Board of Directors **proposes** that the remuneration report as shown in the annual report 2017 (pages 237 to 250) be approved on a non-binding consultative basis.

2. **Appropriation of Available Earnings and Distribution of a Cash Dividend out of Reserves from Capital Contribution**

	(in CHF 000)
Result carried forward:	90,637
Net earnings (loss) for the year:	(138)
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Available earnings at December 31, 2017:	90,499

The Board of Directors **proposes** that

- the available earnings be carried forward; and

- a dividend for the financial year 2017 from reserves from capital contribution of CHF 3.75 per registered share be distributed.

Calculated on the basis of the total number of 53,871,707 registered shares, the maximum amount proposed for distribution corresponds to CHF 202,018,901.25. No dividend will be paid with respect to treasury shares held by the Company and its subsidiaries.

If this proposal is approved, the dividend is expected to be paid on May 17, 2018. The last trading day with entitlement to receive a dividend will be May 14, 2018. The shares will trade ex-dividend as of May 15, 2018. The dividend from reserves from capital contribution will not be subject to Swiss withholding tax. Further, for Swiss resident individuals holding the shares as a private investment, the distribution will not be subject to income tax.

3. Discharge of the Board of Directors and the Persons Entrusted with Management

The Board of Directors **proposes** that the members of the Board of Directors and the persons entrusted with management be granted discharge for their activities in the financial year 2017.

4. Re-elections and Elections to the Board of Directors

4.1 Re-election of the Chairman

The Board of Directors **proposes** that Mr. Juan Carlos Torres Carretero be re-elected as member of the Board of Directors and as its Chairman for a term of office extending until completion of the next Ordinary General Meeting.

4.2 Re-election of Directors

The Board of Directors **proposes** that Mr. Andrés Holzer Neumann, Mr. Jorge Born, Ms. Claire Chiang, Mr. Julián Díaz González, Mr. George Koutsolioutsos, and Ms. Heekyung (Jo) Min be re-elected as members of the Board of Directors for a term of office extending until completion of the next Ordinary General Meeting. The nominees will be elected individually.

4.3 Election of New Directors

The Board of Directors **proposes** that Ms. Lynda Tyler-Cagni and Mr. Steven Tadler be elected as members of the Board of Directors for a term of office extending until completion of the next Ordinary General Meeting. The nominees will be elected individually.

Curriculum Vitae of Ms. Lynda Tyler-Cagni

Born 1956, British and Italian citizen. Lynda Tyler-Cagni holds a B.A. (Hons) in Languages, Economics & Politics from the University of Kingston, London. She is the founder and CEO of Tyler Cagni Consulting Ltd, a consulting company advising primarily in the fashion, retail and FMCG sectors. Ms. Tyler-Cagni also serves as a director of Atlantia SpA, an Italian listed global operator in the motorway and airport infrastructure sector. She previously served on the board of World Duty Free Group as a non-executive and independent member and chair of the HR & Remuneration Committee (until the acquisition by Dufry). She was also an advisor to the management board of Bonpoint, and held various management positions with Fast Retailing Group and Ermenegildo Zegna.

Curriculum Vitae of Mr. Steven Tadler

Born 1959, U.S. citizen. Steven Tadler holds a BS, with distinction, from the University of Virginia and an MBA from Harvard Business School. He is a Managing Partner and director of Advent International Corp, which he joined in 1985. Mr. Tadler also serves as a director of Bojangles', a restaurant operator and franchisor listed on the NASDAQ, and wTe Corporation. Previous board mandates include Dufry (2010 to 2013), Skillsoft (2010 to 2014) and Transunion (2012 to 2017).

5. Re-election and Elections to the Remuneration Committee

The Board of Directors **proposes** that Mr. Jorge Born be re-elected, and Ms. Claire Chiang and Ms. Lynda Tyler-Cagni be elected, as members of the Remuneration Committee for a term of office extending until completion of the next Ordinary General Meeting. The nominees will be elected individually.

6. Re-election of the Auditors

The Board of Directors **proposes** that Ernst & Young Ltd be re-elected as the Auditors for the financial year 2018.

7. Re-election of the Independent Voting Rights Representative

The Board of Directors **proposes** that Altenburger Ltd legal + tax, Seestrasse 39, 8700 Küsnacht-Zürich, be re-elected as the Independent Voting Rights Representative for a term of office extending until completion of the next Ordinary General Meeting.

8. Compensation of the Board of Directors and the Global Executive Committee

8.1 Approval of the Maximum Aggregate Amount of Compensation of the Board of Directors

The Board of Directors **proposes** to approve a maximum aggregate amount of compensation of the Board of Directors for the term of office from the 2018 Ordinary General Meeting to the 2019 Ordinary General Meeting of CHF 8.7 million.

Explanations:

The above proposal by the Board of Directors is based on the recommendation received from the Remuneration Committee, which had mandated PwC to carry out a compensation benchmarking for the Board of Directors, based on a group of 18 companies, which are comparable in size, geographic reach and market profile. Such benchmarking is conducted periodically to update and adjust compensation to current market trends. The remuneration system of the Board of Directors is explained in detail on pp. 238 et seq. of the annual report 2017.

Members of the Board of Directors receive a fixed compensation in cash (except for the CEO, who does not receive any compensation in relation to his position as a member of the Board). As executive Chairman, Mr. Torres Carretero receives a performance bonus. The proposed maximum aggregate amount of CHF 8.7 million for the compensation of the Board of Directors for the period until the next Ordinary General Meeting derives from the following components:

- *Board and committee fees, including the board membership fees, the fee of the executive Chairman and the committee membership fees for the members of the Board of Directors proposed for re-election and election above.*
- *A cash bonus for the executive Chairman which is based on financial performance of the Company and capped at 150% of the target bonus. The bonus will be approved by the entire Board of Directors upon proposal of the Remuneration Committee. The amount included in the proposed maximum aggregate amount is based on the maximum possible bonus pay-out.*

- *Mandatory social security contributions to be paid (or expected to be paid) by the Company pursuant to applicable law.*
- *A reserve amount which allows for flexibility in the event of extraordinary events such as adding additional members to the Board of Directors, significant additional workload of all or certain members of the Board of Directors that requires additional compensation, including membership in ad hoc committees, or an increase in mandatory social security contributions due to a change of domicile of a member of the Board of Directors or of applicable contribution rates.*

As required under Swiss law, the proposed maximum aggregate amount of compensation also includes subsidiary board and committee fees payable to certain of the directors who serve on the board of directors of Hudson Ltd., the majority owned subsidiary of the Company that is listed on the New York Stock Exchange. The increase in the proposed maximum aggregate amount compared with the prior term of office results from such compensation.

The actual pay-out, including the distribution among these non-binding components, for the upcoming term of office will be disclosed in the remuneration reports 2018 and 2019, respectively.

8.2 Approval of the Maximum Aggregate Amount of Compensation of the Global Executive Committee

The Board of Directors **proposes** to approve a maximum aggregate amount of compensation of the Global Executive Committee for the financial year 2019 of CHF 37.1 million.

Explanations:

As for the remuneration of the Board of Directors, the above proposal is based on the recommendation of the Remuneration Committee, which mandated PwC to carry out a compensation benchmarking for the Global Executive Committee, based on a group of 18 companies, which are comparable in size, geographic reach and market profile. The remuneration system of the Global Executive Committee is explained in detail on pp. 242 et seq. of the annual report 2017.

Members of the Global Executive Committee receive compensation packages which consist of a fixed base salary in cash, a performance related bonus, a share-based incentive plan and other indirect benefits. The proposed maximum aggregate amount of CHF 37.1 million for the compensation of the Global Executive Committee for the financial year 2019 derives from the following components:

- *Base salaries reflecting the scope and key areas of responsibilities of the position, the required skills and the experience and competence of the individual person.*
- *Performance related annual bonuses. The above maximum aggregate proposal is based on the maximum possible bonus pay-out.*
- *Grants of Performance Share Units (PSU). The actual number of shares allocated to each member of the Global Executive Committee under the PSU Plan for the awards that will be granted in financial year 2019 will depend on the achievement of predetermined performance criteria in 2019, 2020 and 2021, and ranges from 0 and up to 2 shares per PSU, with a target vesting ratio of 1 (see pp. 243–245 of the annual report 2017 for details).*
- *Pension and mandatory social security contributions to be paid (or expected to be paid) by the Company pursuant to applicable pension plans and law.*
- *Fringe benefits including health insurance, company cars or housing allowances. Dufry limits such benefits to a minimum.*
- *A reserve amount intended to provide flexibility in the compensation structure and in case of extraordinary events such as a significant additional workload of all or individual Global Executive Committee members that requires additional compensation, or an increase in mandatory social security contributions due to a change of domicile of a member of the Global Executive Committee or of applicable contribution rates.*

A portion or all of the compensation of some Global Executive Committee members is expected to be paid in USD, EUR or BRL. The exchange rates used in calculating the maximum aggregate compensation are CHF 1: USD 1, EUR 0.91, and BRL 3.1. The proposed maximum aggregate amount of compensation excludes any currency exchange rate fluctuation until final payment of all compensation elements.

The actual pay-out, including the distribution among these non-binding components, for financial year 2019 will be disclosed in the remuneration report 2019.

Documentation and Attendance Procedures

Holders of the Company's Brazilian Depository Receipts (BDRs)

The following is *not* applicable to the holders of the Company's Brazilian Depository Receipts (BDR Holders). BDR Holders are not entitled to personally participate in the Ordinary General Meeting. They are only entitled to instruct the depository Itaú Unibanco S.A., São Paulo, Brazil (Itaú Unibanco) to vote the Company's shares underlying their BDRs, according to separate communication and separate voting instructions sent to them by Itaú Unibanco.

Documentation

This invitation to the Ordinary General Meeting of Shareholders, the agenda and the proposals of the Board of Directors will be mailed to the duly registered shareholders (but not to the BDR Holders) of the Company. The annual report, including the remuneration report, the annual financial statements, the consolidated financial statements and the reports of the Auditors for the financial year 2017, as well as the report of the Auditors regarding the distribution of a cash dividend out of reserves from capital contribution are available to the shareholders at the Company's head office in Basel and on the internet via www.dufry.com and will be mailed separately to the shareholders, upon request.

Registration and Participation to the Ordinary General Meeting

Only shareholders (but not BDR Holders) entered in the share register of the Company with the right to vote on April 16, 2018 will be entitled to participate in the Ordinary General Meeting. Shareholders intending to personally participate at the Ordinary General Meeting can request their admission cards using the Proxy/Answer Form enclosed with the invitation.

The Proxy/Answer Form or an equivalent proxy/voting instruction (in each case as written original or in scanned form and signed by the shareholder or its representative) must reach the Company's Share Register (areg.ch ag, Fabrikstrasse 10, CH-4614 Hägendorf, Switzerland, e-mail: info@areg.ch) no later than April 30, 2018. Proxy/Answer Forms or equivalent proxies/voting instructions arriving after that date will be disregarded.

Shareholders voting electronically must have submitted their proxy and voting instructions on the electronic voting platform (www.netvote.ch/dufry) no later than April 30, 2018, 11:59 p.m. CET.

Also, shareholders will only be able to cast their vote for the number of shares held on April 16, 2018 to the extent they still hold those shares on the start of trading on the SIX Swiss Exchange on May 2, 2018.

Please note that the shareholders do not need to attend the Ordinary General Meeting in person to cast their vote and that they may be represented by:

- a) their proxy, who does not need to be a shareholder; or
- b) Altenburger Ltd legal + tax, Seestrasse 39, 8700 Küsnacht-Zürich, as Independent Voting Rights Representative.

The Independent Voting Rights Representative votes as instructed by you. To the extent you do not provide specific voting instructions, you instruct, by signing the Proxy/Answer Form or submitting your voting instructions electronically, the Independent Voting Rights Representative to exercise your voting rights in accordance with the proposal of the Board of Directors with regard to the items listed in this invitation. If new agenda items (other than listed in this invitation) or new proposals or motions with respect to agenda items set forth in this invitation are put forth before the Ordinary General Meeting, you instruct, in the absence of other specific instructions, the Independent Voting Rights Representative to exercise your voting rights in accordance with the recommendation of the Board of Directors. To the extent the voting instructions are not clear, the shares will be deemed non-represented.

Electronic Proxies and Instructions to the Independent Voting Rights Representative

Shareholders may cast their votes online at www.netvote.ch/dufry by issuing electronic authorizations and instructions to the Independent Voting Rights Representative. The necessary individual login data is enclosed with the meeting materials supplied to each shareholder. Shareholders have until April 30, 2018, 11:59 p.m. CET to vote electronically, or change any instructions they may have communicated electronically. Shareholders who voted electronically are then not permitted to cast their votes at the Ordinary General Meeting in person, but can attend the Ordinary General Meeting as guests.

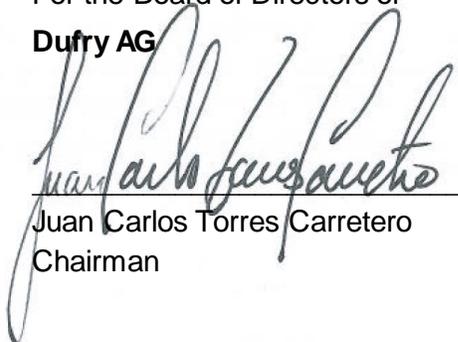
Language

The Ordinary General Meeting will be held in English. Simultaneous translation in German will be available.

Basel, April 10, 2018

For the Board of Directors of

Dufry AG

A handwritten signature in black ink, appearing to read 'Juan Carlos Torres Carretero', is written over a horizontal line. The signature is fluid and cursive.

Juan Carlos Torres Carretero
Chairman

Enclosures:

- Proxy/Answer Form
- Return envelope to areg.ch ag, Fabrikstrasse 10, CH-4614 Högendorf, Switzerland