

REMUNERATION REPORT

DEAR SHARE- HOLDERS

2020 turned out to be a most difficult year for many companies and industries – and especially so for the travel retail and tourism industry. As reported in detail by our CEO and CFO in their respective letters, Dufry suffered from the persistent spread of the COVID-19 pandemic and the related travel restrictions and limitations. Despite these challenges, we were able to quickly adapt our company to the new business environment and to prepare ourselves for the recovery phase. As I write this letter to you, we still face substantial restrictive measures across many countries worldwide, but remain hopeful that COVID-19 will ebb away during the course of 2021 and we will be able to see a significant upturn in traveling and travel retail again.

Remuneration Report and compensation approvals at the Shareholders' Meeting on May 18, 2020

In a consultative, non-binding vote during our ordinary Shareholders' Meeting 2020, the Remuneration Report 2019 was approved by 88.53% of the votes represented. The Board of Directors' proposal for the maximum aggregate amount of compensation for the Board of CHF 8.5 million covering the period from the AGM 2020 to the AGM 2021 was accepted with a majority of 89.39%. The proposal for the maximum aggregate amount of compensation for the Global Executive Committee of CHF 34.0 million for the financial year 2021 was approved with 91.46%.

As in previous years, Dufry will submit the current Remuneration Report 2020 to a consultative vote at our ordinary Shareholders' Meeting on May 18, 2021.

Remuneration Committee in 2020

Our Remuneration Committee consists of three non-executive and independent members of the Board of Directors, who are elected annually by the General Meeting of Shareholders. At the General Meeting held

on May 18, 2020, the current three members, Jorge Born, Claire Chiang and myself were elected individually with high approval rates of above 92% for each member.

The Remuneration 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. We use competitive benchmarking including peer group comparisons and the service of external consultants.

In fiscal year 2020, the Remuneration Committee held 4 meetings, with an attendance ratio of 92%.

Remuneration changes in 2020

The following changes were made in fiscal year 2020, impacting the remuneration of the Board of Directors and of the Global Executive Committee:

Board of Directors:

- 30% reduction in Board and Committee fees for the three-month period from April to June 2020. All members of the Board of Directors agreed to and participated in this voluntary fee reduction initiative.
- The Board of Directors was expanded from nine to ten members as of the Extraordinary Shareholders' Meeting on October 6, 2020. Mr. Ranjan Sen was elected as a new member to our Board of Directors as of that date.

Global Executive Committee:

- New Global Executive Committee structure with eight members (ten members previously) was implemented in the context of the company reorganiza-

tion announced on June 9, 2020, and effective September 1, 2020.

- 30% salary reduction for the three-month period from April to June 2020. This was also on a voluntary basis, and all members of the Global Executive Committee agreed to and participated in this salary reduction.
- For the annual bonus (short-term incentive), the key performance indicators used in 2019 were replaced with new targets to address the COVID-19 related market environment and the respective restructuring efforts of the company. The new key performance indicators for the annual bonus in 2020 were (i) Turnover and (ii) Agreements with airport authorities to get relief of the fixed minimal guaranteed amount on sales ("MAG" Relief). Further, a special bonus was approved to additionally reward exceptional individual performances by members of the Global Executive Committee in 2020, as they have been instrumental in rescuing the company and initiating innovative, forward-looking steps to set up the company for emerging stronger post-COVID and beyond.
- The long-term Performance Share Units (PSU) plan for fiscal year 2020 was suspended and no PSU were granted in the year under review. The existing PSU plan will remain effective as such and resume as soon as business performance recovery allows.
- With the delisting of Hudson Ltd. from the NY Stock Exchange and the full re-integration of Hudson Group into Dufry, adjustments were necessary to the previous long-term incentive plans for Hudson employees. Within the Global Executive Committee, this only concerned the CEO North America and his Hudson LTI plan holdings.

Shareholder dialogue and interactions during 2020

Dufry has a consistent and open dialogue with shareholders, analysts, potential investors as well as with the media through direct phone calls, emails, roadshows, participation at brokers' investor seminars, dedicated Dufry investor days and one-to-one meetings. Feedback received during these contacts is analyzed in detail and the results are taken into consideration when evolving the Company strategy, ESG engagement, corporate governance or remuneration matters. In 2020, management and the investor relations team were in regular contact with shareholders and investors through personal meetings, calls and emails. Discussions with these stakeholders mainly involved questions and explanations on the company restructuring efforts, our strategic initiatives and above all the challenges that we face in the current business environment.

The business year 2020 will be remembered as the most challenging period in our company history so far. We are proud that we have weathered this storm and are prepared to take full advantage of the travel and travel retail recovery with a leaner corporate structure and a strong balance sheet.

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

Yours sincerely,



Heekyung Jo Min
Chairwoman of the Remuneration Committee

INTRODUCTION

The worldwide COVID-19 pandemic and the related travel restrictions brought the overall tourism, air travel and travel retail industries to a near standstill in March and April 2020. The negative impact continued with changing intensity throughout the business year 2020 as well as the first months of 2021. Due to the ongoing high dynamic of the pandemic and the low visibility on the overall improvement of travel conditions such as the lifting of travel restrictions, it is still very difficult to provide an outlook for the 2021 evolution of passenger flows. Therefore, a hopefully improving, but still very challenging market environment for the travel retail industry and for Dufrey has to be expected for 2021.

But, as challenging as the business environment might be today, our long-term success depends on our ability to motivate, attract and retain outstanding individuals who will ensure that Dufrey remains a strong company, a reliable employer and a good working place for our staff. In order to achieve these goals, we continue to provide appropriate and competitive remuneration to all our employees and to support their development and working careers.

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 2020. 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 SIX Exchange Regulation, 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 18, 2021, for a consultative vote.

GOVERNANCE

Dufrey's Articles of Incorporation contain specific rules concerning the election; the constitution and the powers of the Remuneration Committee (Art. 17 and 18); the approval of compensation by the Meeting of Shareholders (Art. 20); the supplementary amount in case of changes in the Global Executive Committee (Art. 21); the general compensation principles (Art. 22); the agreements with members of the Board of Directors and of the Global Executive Committee (Art. 23); the eligibility of members of the Board of Directors

(Art. 24) as well as the maximum number of mandates outside the company that a member of the Board of Directors or of the Global Executive Committee may hold (Art. 24 and 25). For the website link regarding the Articles of Incorporation please see page 267 of the Corporate Governance Report.

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 North America - until December 11, 2020 separately listed as Hudson Ltd. - was approved directly by the Board of Directors of Hudson Ltd. In 2020, the Hudson Board of Directors included Juan Carlos Torres Carretero as Chairman, Julián Díaz González as Vice-Chairman, Andrés Holzer Neumann as Member and Mary J. Steele Guilfoile as Member (January 1 to May 18, 2020). The total size of the Hudson Board was 8 Directors in fiscal year 2020 (2019: 9 Directors).

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 18, 2020, elected Ms. Heekyung Jo Min and re-elected 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 2021. Heekyung Jo Min has been appointed as Chairwoman of the Remuneration Committee.

COMMITTEES AND COMMITTEE MEMBERSHIPS AS OF DECEMBER 31, 2020

MEMBER OF THE BOARD OF DIRECTORS	REMUNERATION COMMITTEE	AUDIT COMMITTEE	NOMINATION COMMITTEE
Juan Carlos Torres Carretero, Chairman	-	-	-
Heekyung Jo Min, Lead Independent Director	Committee Chairwoman	-	-
Jorge Born, Director	Committee Member	Committee Chairman	Committee Chairman
Claire Chiang, Director	Committee Member	-	Committee Member
Julián Díaz González, Director / Group CEO	-	-	-
Mary J. Steele Guilfoile, Director	-	Committee Member	-
Luis Maroto Camino, Director	-	Committee Member	-
Ranjan Sen, Director	-	-	-
Steven Tadler, Director	-	Committee Member	Committee Member
Lynda Tyler-Cagni, Director	-	-	Committee Member

For further details regarding the responsibilities of the Remuneration Committee and the meetings held in fiscal year 2020 please refer to section 3.5 Internal

Organizational Structure of the Corporate Governance Report.

COMPENSATION COMPARISONS

Dufrey reviews remuneration of the Global Executive Committee through a competitive benchmarking to ensure that total compensation levels remain competitive to attract and retain talent. During the course of 2020, the Board of Directors consulted Pricewaterhouse-Coopers AG (PwC) for its annual review on the structure and level of executive compensation arrangements, including 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 its approach to market benchmarks to ensure they remain relevant. The list of companies in 2020 included ABB, Adecco, Barry Callebaut, Clariant, Ems-Chemie, Geberit, Georg Fischer, Lafarge Holcim, Lindt, Lonza, Nestlé, Novartis, Richemont, Roche, Sika, Sonova, Straumann, Swatch and Swisscom. The peers are the same as in 2019 and have not been changed as Dufrey considers the selected comparison criteria still valid, independently from the temporary impact of the COVID-19 pandemic.

Other divisions of PwC provided services as Tax and HR Advisors for other internal projects.

ADJUSTMENTS TO THE REMUNERATION SYSTEM IN 2020, MAINLY DUE TO THE COVID-19 RELATED MARKET CONDITIONS

The following changes were made, impacting remuneration of the Board of Directors and of the Global Executive Committee in fiscal year 2020:

Board of Directors:

- Board fee reduction initiative: A 30% reduction in the Board and Committee fees was implemented for the three month period from April to June 2020. This was on a voluntary basis and all members of the Board of Directors agreed to and participated in this fee reduction.
- Expansion of the Board of Directors from nine to ten members, in order to reflect appropriate representation of Advent International Corp., which is among the company's largest shareholders with a holding of 11.4% in voting rights. The election of Mr. Ranjan Sen as new member of the Board of Directors was effective as of the date of the Extraordinary General Meeting on October 6, 2020.

Global Executive Committee:

- New Global Executive Committee structure with reduced number of members (eight vs. ten members previously), implemented in the context of the company reorganization and effective September 1, 2020.
- Basic salary reduction initiative: A 30% salary reduction was implemented for the three month period from April to June 2020. This was on a volun-

tary basis and all members of the Global Executive Committee agreed to and participated in this salary reduction.

- Short-term incentive: For the annual bonus, Dufrey has replaced the previous key performance indicators (Organic Growth, Adjusted Operating Profit and Equity Free Cash Flow), which were used in the financial year 2019 with entirely changed targets to address the new, COVID-19 related market environment and the respective necessary measures to safeguard the resilience of the company and secure a setup for recovery. The new key performance indicators for the annual bonus in financial year 2020 were (i) Turnover and (ii) Agreements with airport authorities to get relief of the fixed minimal guaranteed amount on sales ("MAG" Relief - Minimum Agreed Guarantee Relief). Further, a special bonus was approved to additionally reward exceptional individual performances by members of the Global Executive Committee in 2020, as they have been instrumental in rescuing the company and initiating innovative, forward-looking steps to set up the company for emerging stronger post-COVID and beyond. For more details on the short-term incentive see corresponding section on page 277.
- Long-term incentive: Suspension of the long-term Performance Share Units (PSU) plan for the fiscal year 2020. No PSU were granted in fiscal year 2020. The existing PSU plan will remain effective as such and be resumed as soon as the recovery of the business performance allows.
- Remuneration of the CEO North America (Hudson Ltd.), who is a member of the Global Executive Committee: Upon the closing of the merger transaction whereby Dufrey acquired all remaining equity interests in Hudson Ltd. which it did not already own for USD 7.70 in cash per Hudson Class A share (transaction closed on December 1, 2020) and the subsequent delisting of Hudson Ltd. from

the New York Stock Exchange, the Hudson long-term incentive plan ceased to exist. Consequently, the plan participants receive a fixed price of USD 7.70 per share for their Restricted Share Units (RSU) and Performance Share Units (PSU). The number of shares underlying each PSU was calculated based on the achieved results against the performance targets of the Hudson PSU. For further information see Note 25.2 in the consolidated financial statements. Within the Global Executive Committee, this only concerned the CEO North America and his Hudson LTI plan holdings.

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 relation to his position as member of the Board, included the following elements in fiscal year 2020:

- Fixed fee in cash as members of the Board of Directors and members of Board Committees;
- For one member (H. J. Min) the fixed fees for her responsibilities as Lead Independent Director and her responsibilities to oversee Dufrey's ESG (environmental, social, governance) initiatives;
- For one member (A. Holzer Neumann) the fixed fee in cash as member of the Board of Directors of Hudson Ltd. (listed subsidiary) for the period January 1

POSITION / RESPONSIBILITY	REDUCED ANNUAL FEE 2020 ¹ IN THOUSANDS OF CHF	ANNUAL FEE 2020 IN THOUSANDS OF CHF	ANNUAL FEE 2019 IN THOUSANDS OF CHF
Chairman	1,859.7	2,010.5	2,010.5
Lead Independent Director ²	92.5	100.0	100.0
Member of the Board of Directors ³	231.3	250.0	250.0
Member responsible for the oversight on Dufrey's ESG initiatives ²	92.5	100.0	100.0
Member of the Remuneration Committee	46.3	50.0	50.0
Member of the Audit Committee	46.3	50.0	50.0
Member of the Nomination Committee	46.3	50.0	50.0

¹ Reduced annual fee 2020 reflects the voluntary 30 % fee reduction for the second quarter period April to June 2020.

² The fees mentioned for the position of Lead Independent Director and Supervision of ESG strategy are in addition to the usual fee as member of the Board of Directors (same as fees as a member of a Committee).

³ The Group CEO does not receive additional compensation as a Board member.

to May 18, 2020. Mr. Holzer Neumann stepped down from the Board of Directors of Dufrey AG on May 18, 2020, but remained a member of the Board of Directors at Hudson Ltd. until the merger;

- Mandatory social security contributions.

In addition, the Chairman of the Board of Directors, who is traditionally intensely involved with the Company's management under normal circumstances, and even more so in the COVID-year 2020, and is considered an executive Chairman, may also receive a performance bonus. In 2020, the Chairman had a pivotal role in Dufrey's efforts to raise over CHF 1.9 billion in liquidity, to broaden its shareholder base and in executing the successful Hudson merger. Consequently, his 2020 bonus was based on three metrics: Liquidity improvement, incorporation of additional long-term shareholders and merger of Hudson Ltd. (2019: bonus based on the budgeted Adjusted EPS for fiscal year 2019, which was a target of CHF 7.67 based on the new calculation of Adjusted EPS due to the adoption of IFRS 16 in 2019). The achievements regarding these three targets are: (i) A substantial improvement of Dufrey's financial position by more than CHF 1.9 billion in 2020 through a series of capital market transactions including the placement of shares, a capital increase through rights issues, the launch of two convertible bonds and newly agreed credit facilities and government-backed loans. (ii) Two new strategic and long-term shareholders with very significant participations, Advent International with 11.4% and Alibaba Group with 8.7% (including mandatory convertible bonds) of outstanding shares. (iii) The successful closing of the merger transaction with Hudson Ltd. and the subsequent delisting of Hudson in the fourth quarter of 2020, only four months after the announcement. The Hudson merger reduces organizational complexity and strengthens synergies with the important North America business and contributes to material structural savings of CHF 400 million for the Dufrey Group.

The bonus for the Chairman 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 2020 is capped at 130% of the target bonus. The amount of the target bonus for fiscal year 2020 was set at 100% of the Chairman's annual board fee (2019: target bonus was also set at 100% of Chairman's board fee; with the cap at 130%). 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 2020 will be paid in cash (2019: 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), 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. No extraordinary assignments outside Board activities have taken place in fiscal year 2020 (2019: Mr. Andrés Holzer Neumann received an additional fee of TCHF 150 as compensation for significant additional time spent on further developing the Company's retail concepts and new activities).

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 2020 - BOARD OF DIRECTORS

- Board fee reduction initiative: A 30% reduction in the Board and Committee fees was implemented for the three month period from April to June 2020. This was on a voluntary basis and all members of the Board of Directors agreed to and participated in this fee reduction. The Board fees in general, prior to this specific reduction initiative were left unchanged compared to fiscal year 2019.

SUMMARY OF REMUNERATION IN FISCAL YEARS 2020 AND 2019

For 2020, the members of the Board of Directors (except the Chairman and the Group CEO) received a Board membership fee of TCHF 231.3 in cash and an additional TCHF 46.3 in cash for each membership in a Board Committee. The level of the Board fees (prior to the previously mentioned 30% voluntary fee reduc-

COMPENSATION OF THE BOARD OF DIRECTORS (AUDITED)

NAME, FUNCTION IN THOUSANDS OF CHF	2020			2019		
	REMUNERATION	POST- EMPLOYMENT BENEFITS ⁹	TOTAL	REMUNERATION	POST- EMPLOYMENT BENEFITS ⁹	TOTAL
Juan Carlos Torres Carretero, Chairman ^{1,4}	4,382.9	97.3	4,480.2	3,845.4	196.1	4,041.5
Heekyung Jo Min, Independent Lead Director ^{2,4}	473.1	–	473.1	497.9	–	497.9
Jorge Born, Director	370.0	22.3	392.3	400.0	23.4	423.4
Claire Chiang, Director	323.8	16.2	340.0	321.7	15.6	337.3
Julián Díaz González, Director and CEO ^{3,4}	–	–	–	–	–	–
Mary J. Steele Guilfoile, Director ^{4,5}	167.7	–	167.7	–	–	–
Luis Maroto Camino, Director ⁶	277.5	16.9	294.4	182.8	10.8	193.6
Ranjan Sen, Director ⁷	59.1	–	59.1	–	–	–
Steven Tadler, Director	323.8	–	323.8	321.7	–	321.7
Lynda Tyler-Cagni, Director	295.2	5.3	300.5	308.5	18.2	326.7
Subtotal for active members as at Dec 31	6,673.1	158.0	6,831.1	5,878.0	264.1	6,142.1
Andrés Holzer Neumann, Director ^{4,8}	172.0	4.2	176.2	400.0	19.6	419.6
Total	6,845.1	162.2	7,007.3	6,278.0	283.7	6,561.7

¹ The remuneration for Mr. Torres Carretero includes Board fee of CHF 1.86 million and bonus of CHF 2.52 million (2019: CHF 2.01 million Board fee and CHF 1.83 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 Dufry's ESG initiatives. The fees for these two responsibilities started to get paid as of November 2019.

³ Mr. Díaz González (Group CEO) does not receive any additional compensation as Board member.

⁴ In fiscal year 2020, the following Dufry Board members also served as members of the Board of Directors of Hudson Ltd.: Juan Carlos Torres Carretero, Julián Díaz González, Andrés Holzer Neumann, and Mary J. Steele Guilfoile (prior to her election as member of the Dufry Board of Directors on May 18, 2020. With her election to the Dufry Board of Directors, she stepped down from the Hudson Board of Directors). Andrés Holzer Neumann received a Board fee of USD 0.09 million in 2020 as a member of the Board of Directors of Hudson Ltd. for the period January 1 to May 18, 2020 (May 18 is the date when he stepped down from the Board of Directors of Dufry AG). In fiscal year 2019, the Dufry Board members also serving on the Board of Directors of Hudson Ltd. included Juan Carlos Torres Carretero, Julián Díaz González, Heekyung Jo Min (January to October 2019) and Andrés Holzer Neumann (as of December 18, 2019). Heekyung Jo Min received a Board fee of USD 0.17 million in 2019 for the period January to October for her services as member of the Board of Hudson Ltd. Juan Carlos Torres Carretero, Julián Díaz González and Andrés Holzer Neumann did not receive additional fees for their services as Hudson Board members in fiscal year 2019.

⁵ Director since AGM on May 18, 2020.

⁶ Director since AGM on May 9, 2019.

⁷ Director since EGM on October 6, 2020.

⁸ Director until AGM on May 18, 2020.

⁹ Amount includes mandatory employer social security contributions.

tion in the period April to June 2020) remained unchanged for the last six years, i.e. since the Ordinary General Meeting of Shareholders in April 2015 (see also table with normal and reduced annual fee 2020 on page 272). For the responsibilities of Lead Independent Director and for the oversight of Dufry's ESG strategy, both in place since fiscal year 2019, the Board of Directors set those fees at TCHF 100 each in 2019, and these fees remained unchanged in fiscal year 2020. The pay-out of these fees in 2020 (reflecting the 30 % voluntary reduction for the period April to June 2020) was TCHF 92.5 for each of the fees.

The Board fee for the Chairman position was last increased in 2017 and remained unchanged since then. The pay-out of the reduced fee (reflecting the 30 % voluntary reduction for the period April to June 2020)

amounted to TCHF 1,859.7 in 2020. The Chairman of the Board of Directors will receive a bonus of TCHF 2,523.2 for fiscal year 2020, to be paid in cash (2019: bonus in cash of TCHF 1,834.9). The bonus amounts to 126 % of the Chairman's annual board fee (2019: 91 % of board fee). For further details please refer to the remuneration table on this page.

On December 31, 2020, the Board of Directors comprised 10 members (December 31, 2019: 9 Board members). For fiscal years 2020 and 2019, 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 this page.

The remuneration difference compared with the previous year is mainly due to the changes in the total num-

RECONCILIATION BETWEEN REPORTED BOARD COMPENSATION AND AMOUNT APPROVED BY SHAREHOLDERS AT AGM

IN THOUSANDS OF CHF	BOARD COMPENSATION FOR FISCAL YEAR 2020 AS REPORTED	LESS BOARD COMPENSATION TO BE ACCRUED FOR THE PERIOD JANUARY 1, 2020 TO THE AGM ON MAY 18, 2020 (4.5 MONTHS)	PLUS BOARD COMPENSATION TO BE ACCRUED FOR THE PERIOD JANUARY 1, 2021 TO THE AGM ON MAY 18, 2021 (4.5 MONTHS)	TOTAL BOARD COMPENSATION FOR THE PERIOD FROM AGM 2020 TO AGM 2021	TOTAL MAXIMUM AMOUNT AS APPROVED BY SHAREHOLDERS AT THE AGM 2020 FOR PERIOD OF AGM 2020 TO AGM 2021	COMPEN- SATION RATIO
Total Board of Directors	7,007.3	(1,674.6)	1,847.1	7,179.8	8,500.0	84.5%

ber of Board members and the composition of the Board of Directors and of its Committees, the reduction of the Board and Committee fees due to the fee reduction initiative in 2020 as well as the different amount of bonus for the Chairman.

OTHER COMPENSATION, LOANS OR GUARANTEES (AUDITED)

For the years 2020 and 2019, no other compensation (other than mentioned in the table on page 274) was paid directly or indirectly to current or former members of the Board of Directors, or to their related parties. 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 2020 AND THE AMOUNT APPROVED BY THE SHAREHOLDERS AT THE AGM 2020 UNTIL THE AGM 2021

The Ordinary General Meeting of Shareholders held on May 18, 2020 approved a maximum aggregate amount of compensation of the Board of Directors for the term of office from the AGM 2020 to the AGM 2021 of CHF 8.5 million (CHF 8.5 million from AGM 2019 to AGM 2020). The table on this page shows the reconciliation between the reported Board compensation for fiscal year 2020 and the amount approved by the shareholders at the AGM 2020.

REMUNERATION OF THE MEMBERS OF THE GLOBAL EXECUTIVE COMMITTEE

NEW COMPOSITION OF THE GLOBAL EXECUTIVE COMMITTEE WITH 8 MEMBERS AS OF SEPTEMBER 1, 2020

On June 9, 2020, Dufrey announced a new organizational structure, effective as of September 1, 2020, that allowed the company to adapt to the new business environment, adding flexibility, agility and accelerating decision-making processes. The main changes were:

- Integration of headquarters and divisions and eliminating divisional management levels
- Simplifying first management level by grouping related functions
- Introducing new, reduced Global Executive Committee with 8 members (compared to 10 members prior to September 1, 2020)

As of September 1, 2020, and until December 31, 2020, the Global Executive Committee consisted of eight members (previously ten members). These members were the Group Chief Executive Officer, Deputy Group Chief Executive Officer, Chief Financial Officer, Chief Executive Officer Operations, Chief Executive Officer North America, Chief Commercial Officer, Chief Corporate Officer and the Group General Counsel. The table showing the remuneration to the Global Executive Committee on page 281 also includes the former two positions of Chief Executive Officer Central and South America and Chief Marketing and Innovation Officer (remuneration for these two members reflects period January 1 to August 31, 2020).

REMUNERATION SYSTEM

Dufrey 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 (as an exception, the share-based incentive plan (grant of Performance Share Units) was suspended for the fiscal year 2020 period).

The CEO of the Division North America, Hudson Ltd., which was separately listed on the New York Stock Exchange (merger transaction with Dufrey closed on December 1, 2020, with delisting of Hudson Ltd. on December 11, 2020), is a member of the Global Executive Committee, but participated 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 Dufrey 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.

Generally, salary increases for members of the Global Executive Committee are usually 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

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
Share-based incentives PSU ¹	<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"> - Fiscal year 2020: The long-term PSU plan was suspended for the fiscal year 2020 period. No PSU were granted in 2020. - Fiscal year 2019: PSU Award 2019 with Cumulative Adjusted EPS in CHF over 3 years (2019, 2020 and 2021). Vesting in 2022, if vesting conditions are reached. - Fiscal year 2018: PSU Award 2018 with Cumulation of Cash EPS in CHF for 2018 and Adjusted EPS in CHF for the years 2019 and 2020. Will not vest in 2021, as vesting conditions were not reached.
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 North America (Hudson Ltd.) the bonus and share-based incentives were based on targets of Hudson Ltd. The previously existing share-based incentive scheme of Hudson included Restricted Share Units (RSU) and Performance Share Units (PSU). With Dufrey acquiring all remaining equity interests in Hudson Ltd. (transaction closed on December 1, 2020) and the subsequent delisting of Hudson Ltd. (on December 11, 2020), the Hudson long-term incentive plan ceased to exist.

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 usually 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 minimum pay-out achievement threshold is 75% of the target, with the maximum pay-out cap at 130%. The effective 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.

In fiscal year 2020, travel and travel retail were among the most damaged sectors worldwide due to COVID-19, with especially international travel practically non-existent throughout the year. The company had been in survival mode at the beginning of the crisis and the Board of Directors had to ensure that the members of

the Global Executive Committee who were instrumental for rescuing and transforming Dufry will remain with the company and are fully committed. As a result, the Board of Directors, upon proposal by the Remuneration Committee, decided in Q2, 2020, to set the targets for the Global Executive Committee mainly on two major components to ensure focus on securing the company's resilience and driving performance for recovery. These two elements include in detail:

- Turnover with 50% weighting;
- MAG relief (Agreements with airport authorities to get relief of the fixed minimal guaranteed amount on sales) with 50% weighting;
- The market and pandemic scenarios used to set the targets for these two elements considered external factors such as pace of recovery from the pandemic, travel and quarantine restrictions, and the potential agreements on MAG relief with airports;
- For the CEO North America, similar objectives were based on Hudson results only.

In the previous year 2019, the bonus was mainly related to measures regarding financial performance with the relevant weightings for the members of the Global Executive Committee being:

- 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 North America, the objectives were based on Hudson results only, with objectives

PERFORMANCE OBJECTIVES FOR ANNUAL BONUS ¹

FISCAL YEAR 2020	FISCAL YEAR 2019
OBJECTIVES FOR THE GLOBAL EXECUTIVE COMMITTEE ²	OBJECTIVES FOR THE GLOBAL EXECUTIVE COMMITTEE
50% Turnover	40% Organic Growth
50% MAG Relief	20% Adjusted Operating Profit
Special bonus for exceptional, individual performance	40% Equity Free Cash Flow
THRESHOLD LEVELS	THRESHOLD LEVELS
75% Minimum pay-out achievement level	75% Minimum pay-out achievement level
130% Maximum pay-out cap	130% Maximum pay-out cap

¹ For a glossary of the key performance indicators and other performance measures please refer to page 239 of this Annual Report.

² The two objectives in 2020 were relevant for all members of the Global Executive Committee, except the CEO North America (HudsonLtd.). For him, the metrics in 2020 were specific targets on Turnover and MAG relief of Hudson Ltd.

being 40 % Organic Growth, 35 % Adjusted EBITDA and 25 % Adjusted EPS.

For fiscal year 2020, the initial target bonus amounted to 110 % of the target basic salary (basic salary prior to the 30 % voluntary salary reduction in the period April to June 2020) for the Group CEO and to between 70 % and 105 % of the target basic salary for the other members of the Global Executive Committee (fiscal year 2019: 100 % for the Group CEO and between 50 % and 105 % for the other members of the Global Executive Committee). The achievement ratio regarding the Group results' targets of the two elements Turnover and MAG relief combined was 113.5 % for fiscal year 2020 (2019: achievement ratio for the elements Organic Growth, Adjusted Operating Profit and Equity Free Cash Flow combined was 53 %). The threshold limits were 75 % and 130 % for each metric.

Additionally, the Board of Directors, upon proposal of the Remuneration Committee, approved a special bonus payment in 2020 to reward exceptional, individual performance and to also guarantee the continuity and commitment of relevant members of the Global Executive Committee who are essential to overcome the crisis, manage re-openings and implement future oriented projects to drive recovery and growth in 2021 and beyond. Dufrey ended the most challenging year ever with exceptional strong liquidity and an improved strategic growth setup compared to before the COVID-19 crisis.

The company achieved savings of CHF 1,312.1 million in 2020, thereby significantly over-achieving its previously communicated target of CHF 1 billion. The decisive actions taken during the year also resulted in a lower than targeted cash consumption in the second half of 2020 of CHF 45.7 million versus a previously expected CHF 60 million monthly average. Furthermore, our successful execution of various financial initiatives, including a share placement, the issuance of convertible bonds and re-negotiation of bank loans, as well as a share rights issue led to CHF 1,992.9 million of gross proceeds to the company in 2020. Dufrey engaged in more than 1,600 meetings with shareholders and investors, 86 % more compared to 2019, thus bringing new important shareholders on board. Additionally, Dufrey entered into an agreement with its bank consortium to waive the existing financial covenants of 4.5x net debt/adjusted operating cash flow (LTM/constant FX) until end of June 2021 and assign a higher leverage covenant of 5x net debt/adjusted operating cash flow (LTM/constant FX) for the September and December 2021 testing periods. Dufrey closed the financial year 2020 with a strong liquidity position of CHF 1,905.7 million, which provides it with sufficient liquidity for driving re-openings and growth ac-

celeration along 2021 and beyond. The company also succeeded to already initiate strategic initiatives for 2021, especially by forming a JV with Alibaba Group to develop travel retail in China and to drive its global digital transformation, as well as by partnering with Hainan Development Holdings (HDH) to collaborate in duty-free operations in Hainan from 2021 onwards. Moreover, based on the re-organization, including the Hudson re-integration and successful delisting, and decisive restructuring measures implemented, Dufrey expects sustainable recurring fixed cost savings of around CHF 400 million going forward.

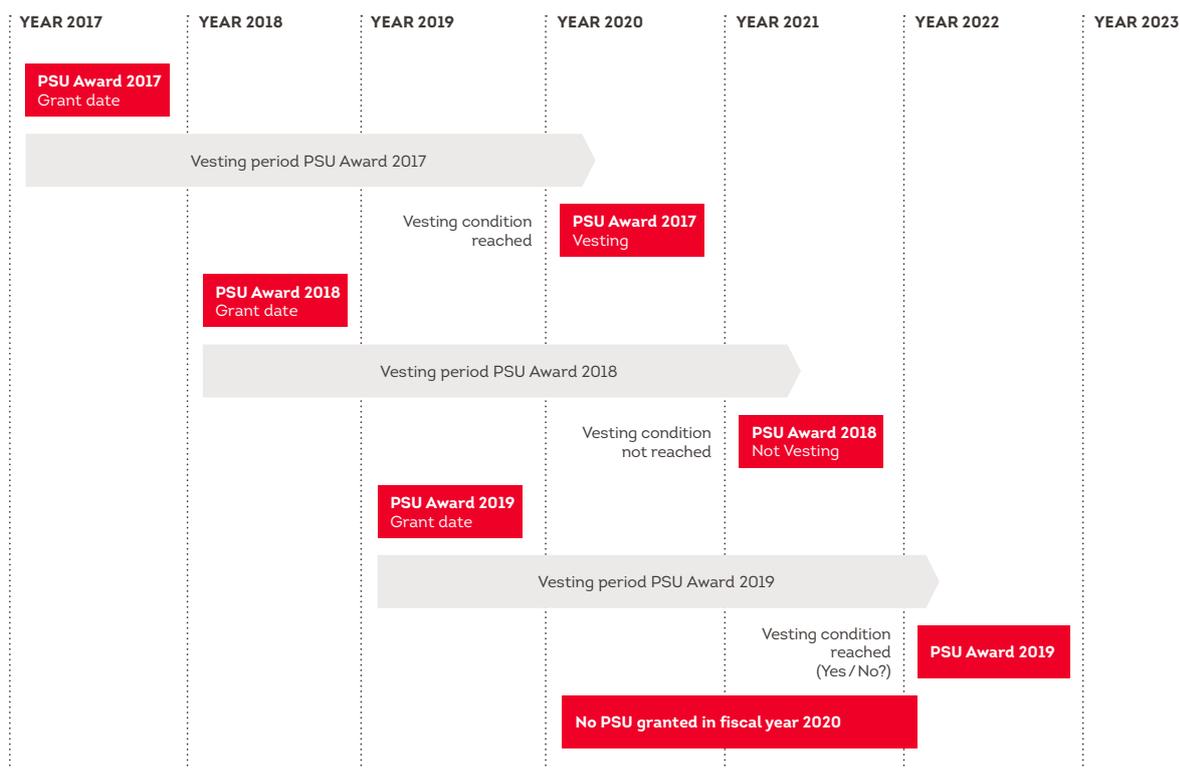
In fiscal year 2020, the total bonuses accrued as part of the compensation for the members of the Global Executive Committee represented between 121 % and 333 % of their target basic salary (100 % basic salaries before the 30 % voluntary salary reduction during three months) and amounted in aggregate to CHF 7.98 million for the two initial targets Turnover and MAG Relief and to CHF 10.03 million for the special bonus on individual, exceptional performances (2019: between 26 % and 97 % of their basic salary and an amount of CHF 4.63 million in the aggregate).

The bonus compensation for the members of the Global Executive Committee, other than the bonuses for the Group CEO and for the CEO North America, is approved by Dufrey'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 usually once per year. The Remuneration Committee as well as the Board of Directors review the compensation of the members of the Global Executive Committee usually on a yearly basis. In fiscal year 2020, due to the special situations created by the COVID-19 pandemic, the details of the compensation scheme for the members of the Global Executive Committee was discussed and reviewed in the 4 meetings held by the Remuneration Committee and in 4 meetings of the Board of Directors. The bonus for the CEO North America was 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, Dufrey 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 per-

TIMING OF THE PSU PLANS



formance 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.

In 2020, the Board of Directors, upon proposal of the Remuneration Committee, decided to suspend the long-term PSU plan for the one-year period of fiscal year 2020. No PSU were awarded to the members of the Global Executive Committee or members of the Senior Management team in 2020. The PSU Award 2018, which was granted in fiscal year 2018 did not reach the vesting conditions set at the time of the grant and will therefore not vest in May 2021.

During the time of its separate listing on the New York Stock Exchange, Dufry's subsidiary Hudson Ltd. had 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 were directly vesting into Hudson shares and were therefore not part of

the Dufry AG PSU plan. The CEO North America (Hudson Ltd.) was participating in the Hudson LTI plan which consisted of Restricted Share Units (RSU) and Performance Share Units (PSU), instead of the Dufry AG PSU plan. He was the only member of the Global Executive Committee that did not participate in the Dufry AG PSU plan. With Dufry acquiring all remaining equity interests in Hudson Ltd. which it did not already own for USD 7.70 in cash per Hudson Class A share (transaction closed on December 1, 2020) and the subsequent delisting of Hudson Ltd. from the New York Stock Exchange, the Hudson long-term incentive plan ceased to exist. The plan participants received a fixed price of USD 7.70 per share for their Restricted Share Units (RSU) and Performance Share Units (PSU). The number of shares underlying each PSU was calculated based on the achieved results against the performance targets of the Hudson PSU. For further information see Note 25.2 in the consolidated financial statements. Within the Global Executive Committee, this only concerned the CEO North America and his 2019 LTI plan holdings in Hudson.

DUFY AG PSU VESTING

DUFY AG PSU GRANTS 2020		DUFY AG PSU GRANTS 2019	
METRIC	PSU VESTING	METRIC	PSU VESTING
N/A	No PSU granted in fiscal year 2020 period	EPS basis	Based on Cumulative Adjusted EPS (three-year period 2019 - 2021)
		< minimum threshold (50 % of target)	No vesting
		at target	100% vesting (1 share 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)

From an economic point of view, Dufry's PSU are stock options with an exercise price of nil (the same applied for Hudson's RSU and PSU). However, they are expected to have no dilutive effect, as the shares for share-based incentives historically have been sourced from treasury 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. No PSU were awarded in fiscal year 2020, and the PSU Award 2018 will not vest in 2021, as vesting conditions were not reached. The share-based payments accrued, shown in the compensation table on page 281, does not reflect any accrued value for PSU in fiscal year 2020 (PSU Awards usually have a vesting period of three years; in 2019 the accrued value of the PSU awards 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). The PSU awards (which were granted in fiscal years 2018 and 2019) 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 was identical in the case of the Hudson PSU, however with different performance metrics for Hudson.

Vesting conditions of the PSU 2019 and 2018 Awards, granted in fiscal year 2019 and 2018, respectively, are:

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

As stated before, no PSU were granted in 2020.

Performance targets for the Dufry 2019 and 2018 PSU grants

The previously set performance targets of the Dufry 2019 and 2018 PSU grants (performance targets set at the time of the grant) remain unchanged. They are as follows:

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. In fiscal year 2019, the Target Cumulative Adjusted EPS (period 2019-2021) was 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 was considered to be challenging in the Company's view and was in line with the target top line growth rate of 3-4% for the Group, at the time of the PSU grant in 2019.

Depending on the Cumulative Adjusted EPS achieved, each PSU will convert according to the following grid:

- 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.

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

REMUNERATION COMPONENT IN THOUSANDS OF CHF	2020		2019	
	GEC ¹	CEO ²	GEC ¹	CEO ²
Basic salary	7,315.6	1,732.8	8,759.8	1,924.0
Bonus on targets Turnover and MAG Relief	7,981.0	2,337.3	4,627.7	1,121.2
Special bonus on individual, exceptional performance	10,027.3	1,079.8	-	-
Post-employment benefits ³	1,777.3	504.7	1,775.5	571.5
Other indirect benefits	688.5	23.1	373.3	23.1
Share-based payments accrued (3 years vesting period) ⁴	-	-	5,704.2	1,180.2
Total compensation accrued	27,789.7	5,677.7	21,240.5	4,820.0
Total compensation pay-out	29,234.6	6,093.3	27,038.7	7,281.2
Number of performance share units awarded (in thousands) ⁴	-	-	126.8	12.1

¹ The remuneration of the Global Executive Committee in fiscal year 2020 includes 8 members as of September 1, 2020 (previously 10 members in period January to August 2020 and in fiscal year 2019).

² The Group CEO is the highest paid member.

³ Amount includes employer social security contributions and pension contributions.

⁴ For valuation details of the Dufry 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. In fiscal year 2020, no PSU were granted. Fiscal year 2019 also includes the Hudson RSU and PSU granted to the CEO North America (see Note 25.2 of the consolidated financial statements).

- 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.

2018 grant: With the implementation of IFRS 16 (in fiscal year 2019) and the previously used Normalized Cash EPS metric no longer being continued as of January 1, 2019, the 2018 grant had been amended in fiscal year 2019 as follows: For the calculation of the cumulative achievement, the number of shares allocated for each PSU depended 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. As the minimum threshold of 50% of target was not achieved - mainly as a result of the special market conditions due to the COVID-19 pandemic and the respective influence on Dufry's Annual Results 2020 - the PSU Award 2018 will not vest in May 2021 and will become nil and void. The plan participants will not be allocated any shares from the PSU Award 2018.

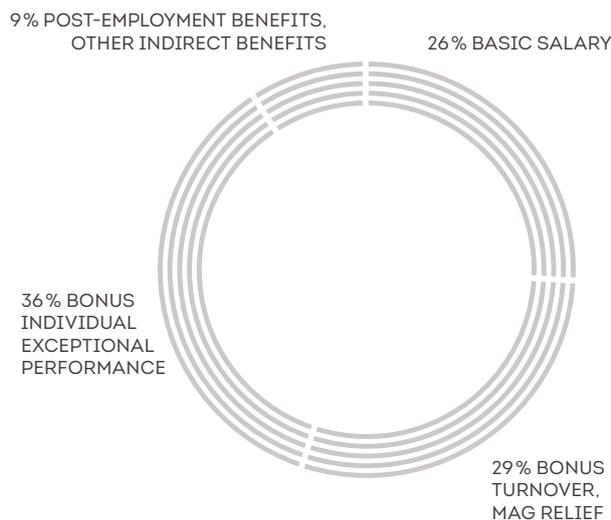
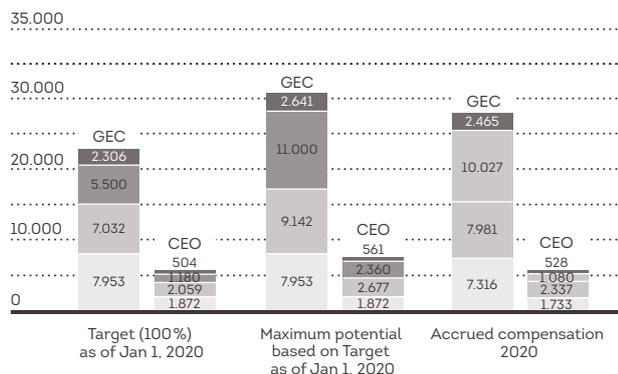
The Board of Directors (upon proposal by the Remuneration Committee) decided to suspend the long-term PSU plan for fiscal year 2020. Therefore, no (zero)

PSU were granted to the members of the Global Executive Committee in fiscal year 2020 (2019: in aggregate 50,134 PSU granted to nine members of the Global Executive Committee; excluding the CEO North America who participated in the Hudson LTI plan). Out of these amounts, no PSU were granted to the Group CEO in 2020 (2019: 12,122 PSU). The total number of shares that can be allocated to the eight members of the Global Executive Committee (GEC members as of December 31, 2020) would amount to the following: At target, 42,134 shares for the PSU Award 2019 and zero shares for the PSU Award 2018, as the Award 2018 will not vest in May 2021. At maximum (i.e. at a maximum of 2 shares per vested PSU from the 2019 and 2018 grants) it would amount to 84,268 shares for the PSU Award 2019 and zero shares for the PSU Award 2018. Overall, the number of persons usually 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 Dufry (28 senior managers in 2020). In addition to the PSU awarded to the members of the Global Executive Committee, this further group of Senior Managers received in aggregate zero PSU in 2020 (2019: 26 managers and 31,200 PSU from the Award 2019; about 60 managers and 68,486 PSU from the PSU Award 2018, which will not vest in May 2021). The conditions of the Dufry 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

REMUNERATION STRUCTURE GLOBAL EXECUTIVE COMMITTEE IN 2020



IN THOUSANDS OF CHF



Management team members (team members as of December 31, 2020) would amount to the following: At target, 39,200 shares for the PSU Award 2019, zero shares for the PSU Award 2018, as the Award 2018 will not vest in May 2021. At maximum, 78,400 shares for the PSU Award 2019 and zero shares for the PSU Award 2018.

For the PSU plan 2016 that vested in May 2019, 104.0% of the target number of shares were allocated to the plan participants. For the PSU plan 2017 that vested in May 2020, 94.5% of the target number of shares were allocated to the plan participants. For the PSU plan 2018, no shares will be allocated, as the PSU 2018 Award will not vest.

The total number of shares that can be allocated to all participants of the Dufry PSU Award 2019 (no PSU Award in 2020 and the PSU Award 2018 will not vest) would amount to the following: At target 81,334 shares, representing a total of 0.10% of the outstanding shares as at December 31, 2020. At maximum (i.e. at 2 shares per vested PSU from the PSU Award 2019) 162,668 shares, representing a total of 0.20% of the outstanding shares as at December 31, 2020. Historically, Dufry 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 Award 2017 (which vested in May 2020) and the Award 2018 (which will not vest in May 2021), please refer

to the details in the Remuneration Report 2019 on pages 263 to 265 of the Annual Report 2019. Link to the Annual Report 2019: www.dufry.com/en/investors/ir-reports-presentations-and-publications Categories selection "Financial Reports"

The Dufry 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 usually analyze and adjust potential exceptional and non-recurring events to normalize Adjusted EPS in relation to the PSU plan. No such adjustments were made in fiscal year 2020, as no PSU were granted in 2020. The Group CEO acts as Plan Administrator and therefore usually 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.

Hudson LTI plan ceased

The CEO North America (Hudson Ltd.) is the only member of the Global Executive Committee who participated in the previously existing Hudson long-term incentive plans. He was appointed to the Global Executive Committee as of January 18, 2019, and therefore also participated in the Hudson 2019 LTI plan (no LTI plan in 2020). Upon the closing of the merger transaction whereby Dufry acquired all remaining equity interests in Hudson Ltd. which it did not already own for

USD 7.70 in cash per Hudson Class A share (transaction closed on December 1, 2020) and the subsequent delisting of Hudson Ltd. from the New York Stock Exchange, the Hudson long-term incentive plan ceased to exist. The plan participants receive a fixed price of USD 7.70 per share for their Restricted Share Units (RSU) and Performance Share Units (PSU). The number of shares underlying each PSU was calculated based on the achieved results against the performance targets of the Hudson PSU.

Details of the previous 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 281 also includes the value of the Hudson RSU/PSU 2019 grants to the CEO 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 0.7 million in the aggregate in fiscal year 2020 (2019: CHF 0.4 million in aggregate for certain members of the Global Executive Committee).

CHANGES IN THE REMUNERATION SYSTEM IN 2020 - 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 2020:

- New Global Executive Committee structure with reduced number of members (eight members vs. ten members previously), effective September 1, 2020.
- Basic salary reduction initiative: A 30 % salary reduction was implemented in the three month period from April to June 2020. This was on a voluntary basis and all members of the Global Executive Committee agreed to and participated in this salary reduction.

- Short-term incentive: For the annual bonus, Dufrey has replaced the previous key performance indicators (Organic Growth, Adjusted Operating Profit and Equity Free Cash Flow), which were used in the financial year 2019 with entirely changed targets to address the new, COVID-19 related market environment and the respective necessary measures to safeguard the resilience of the company and secure a setup for recovery. The new key performance indicators for financial year 2020 were (i) Turnover and (ii) Agreements with airport authorities to get relief of the fixed minimal guaranteed amount on sales ("MAG" Relief - Minimum Agreed Guarantee Relief). Further, a special bonus was approved to additionally reward exceptional individual performances by members of the Global Executive Committee in 2020, as they have been instrumental in rescuing the company and initiating innovative, forward-looking steps to set up the company for emerging stronger post-COVID and beyond.
- Long-term incentive: Suspension of the long-term Performance Share Units (PSU) plan for the fiscal year 2020. No PSU were granted in fiscal year 2020.
- Remuneration of the CEO North America (Hudson Ltd.), who is a member of the Global Executive Committee: Upon the closing of the merger transaction whereby Dufrey acquired all remaining equity interests in Hudson Ltd. which it did not already own for USD 7.70 in cash per Hudson Class A share (transaction closed on December 1, 2020) and the subsequent delisting of Hudson Ltd. from the New York Stock Exchange, the Hudson long-term incentive plan ceased to exist. The plan participants receive a fixed price of USD 7.70 per share for their Restricted Share Units (RSU) and Performance Share Units (PSU). The number of shares underlying each PSU was calculated based on the achieved results against the performance targets of the Hudson PSU. See also Note 25.2 in the consolidated financial statements. Within the Global Executive Committee, this only concerned the CEO North America and his 2019 LTI plan holdings in Hudson.

COMPENSATION RATIO FOR REMUNERATION OF GLOBAL EXECUTIVE COMMITTEE (TEN MEMBERS) FOR 2020

IN THOUSANDS OF CHF	GEC COMPENSATION FOR FISCAL YEAR 2020 AS REPORTED	TOTAL MAXIMUM AMOUNT FOR GEC COMPENSATION AS APPROVED BY SHAREHOLDERS AT THE AGM 2019 FOR FISCAL YEAR 2020	COMPENSATION RATIO
Total Global Executive Committee	27,789.7	42,530.0	65.3%

SUMMARY OF REMUNERATION FOR FISCAL YEAR 2020

For fiscal year 2020, the remuneration of the Global Executive Committee includes the compensation of ten GEC members active in 2020 (eight members active January 1 to December 31; two members active January 1 to August 31). The remuneration for fiscal years 2020 and 2019, mentioned in the table on page 281 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 Global Executive Committee (8 members as of September 1, 2020 vs. 10 members previously), the 30% voluntary basic salary reduction in the period April to June 2020, the different individual bonus payments based on achievement of objectives and individual performances, as well as the fact that no PSU were granted in 2020.

COMPARISON AND COMPOSITION OF REMUNERATION OF THE GLOBAL EXECUTIVE COMMITTEE FOR FISCAL YEAR 2020

The charts on page 282 reflect the composition of the different remuneration components as well as the actual remuneration of the members of the Global Executive Committee for fiscal year 2020. In the chart, the actual remuneration is also compared to the compensation structure at target at the beginning of the year (as of January 1, 2020) and the maximum potential of compensation.

PAY-OUT COMPONENTS FOR FISCAL YEAR 2020

The pay-out of the bonus component for the Group CEO amounts to CHF 3.42 million, which represents 183% of the Group CEO's basic salary (at target 100%). As mentioned before, the Dufrey PSU Award 2018 will not vest in May 2021 and there will be no pay-out for the CEO or any other members of the Global Executive Committee from the Dufrey PSU Awards 2018.

The pay-out for the entire Global Executive Committee for fiscal year 2020 amounts to a total of CHF 29.23 million, of which CHF 6.09 million is the pay-out to the Group CEO.

RECONCILIATION BETWEEN REPORTED GLOBAL EXECUTIVE COMMITTEE COMPENSATION FOR FISCAL YEAR 2020 AND THE AMOUNT APPROVED BY THE SHAREHOLDERS AT THE AGM 2019 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 for the fiscal year 2020 of CHF 42.53 million. The approved maximum aggregate amount reflects the maximum possible pay-out calculated for each compensation element and took into account the ten members of the Global Executive Committee in office at the time the proposal to the AGM 2019 was made. The actual compensation ratio (accrued compensation) for the members of the Global Executive Committee compared with the amount approved by the General Meeting of Shareholders was 65.3%.

For fiscal year 2021, the Ordinary General Meeting of Shareholders held on May 18, 2020, approved a maximum aggregate amount of compensation for the members of the Global Executive Committee of CHF 34.0 million. The compensation ratio for 2021 will again be disclosed in the Remuneration Report 2021.

RESTATEMENT OF REMUNERATION COMPONENT FOR FISCAL YEAR 2018 (AUDITED)

In the process of preparing the Remuneration Report 2020, the Company identified a required correction of the reported amount of bonus component presented in the Remuneration Report of the fiscal year 2018. It did not disclose and include in the description and calculation of the accrued bonus that the objectives for the bonus component carried a multiplier factor, if the achievement ratio of one of the three objectives (EBITDA, Business Operating Model Efficiency, Free Cash Flow) was above 101%. The correctly stated amounts for the bonus for the fiscal year 2018 should have been the following (in CHF thousands): Bonus GEC 6,219.7; CEO 2,327.3 (instead of the reported: GEC 4,966.0, CEO 1,775.6). As a result, the total compensation accrued should have been stated as (in CHF thousands): GEC 20,227.8, CEO 6,411.2 (instead of the reported: GEC 18,974.1, CEO 5,859.6). The bonus amounts were paid out in 2019 and the restatement will not entail any further payments or actions.

OTHER COMPENSATION, LOANS OR GUARANTEES (AUDITED)

For the years 2020 and 2019, 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 (including PSU) of the Company as at December 31, 2020. Members not listed in the tables do not hold any shares or options.

IN THOUSANDS	DECEMBER 31, 2020			DECEMBER 31, 2019		
	SHARES	FINANCIAL INSTRUMENTS ¹	PARTICIP.	SHARES	FINANCIAL INSTRUMENTS ^{1,2}	PARTICIP.
MEMBERS OF BOARD OF DIRECTORS						
J. C. Torres Carretero, Chairman	758.3	-	0.94%	966.0	23.7	1.96%
H. Jo Min, Independent Lead Director	0.7	-	0.00%	0.5	-	0.00%
J. Born, Director	31.7	-	0.04%	22.0	-	0.04%
J. Díaz González, Director and Group CEO	230.3	28.9	0.32%	233.0	63.3	0.59%
S. Tadler, Director	19.0	-	0.02%	13.0	-	0.03%
L. Tyler-Cagni, Director	3.6	-	0.00%	-	-	-
ADDITIONAL FORMER MEMBERS OF THE BOARD OF DIRECTORS						
A. Holzer Neumann, Director	n/a	n/a	n/a	3,991.0	-	7.89%
Total Board of Directors	1,043.6	28.9	1.34%	5,225.5	87.0	10.51%
MEMBERS OF GLOBAL EXECUTIVE COMMITTEE						
J. Díaz González, Director and Group CEO	230.3	28.9	0.32%	233.0	63.3	0.59%
J. A. Gea, Deputy Group CEO	41.7	17.1	0.07%	33.0	26.8	0.12%
Y. Gerster, CFO	3.7	5.3	0.01%	2.2	7.0	0.02%
E. Andrades, CEO Operations	5.3	12.6	0.02%	1.0	17.1	0.04%
R. Fordyce, CEO North America	4.5	-	0.01%	3.6	1.4	0.01%
A. Belardini, Chief Commercial Officer	13.7	10.3	0.03%	18.7	16.2	0.07%
L. Marin, Global Chief Corporate Officer	10.8	9.0	0.02%	7.8	13.5	0.04%
P. Duclos, Group General Counsel	-	12.6	0.02%	-	20.7	0.04%
ADDITIONAL FORMER MEMBERS OF GLOBAL EXECUTIVE COMMITTEE						
J. Gonzalez, Chief Marketing and Digital Innovation Officer	n/a	n/a	n/a	3.3	7.4	0.02%
R. Riedi, Division CEO Central and South America	n/a	n/a	n/a	1.1	14.0	0.03%
Total Global Executive Committee	310.0	95.8	0.51%	303.7	187.4	0.97%

¹ The financial instruments for the members of the Global Executive Committee (and J. Díaz González also in the table of the Board of Directors) refer to their holdings of PSU (granted).

² The 2019 financial instruments held by J. Díaz González include the equivalent of 17.5 thousands of shares and for J. C. Torres Carretero 23.7 thousands of shares held through various financial instruments, the detailed terms of which are as disclosed to the SIX Exchange Regulation and published on August 3, 2019.

In addition to the above, the shareholders' group consisting, among others, of different legal entities controlled by Juan Carlos Torres and Julián Díaz González holds sale positions of 0.97% through options (778,160 voting rights) as of December 31, 2020 (as of December 31, 2019: the shareholders' group consisting, among others, of different entities controlled by Andrés Holzer Neumann, Juan Carlos Torres and Julián Díaz González holds sale positions of 3.62% through options (1,829,190 voting rights)).

The detailed terms of these financial instruments are as disclosed to SIX Exchange Regulation and published on January 9, 2021 (for positions as of December 31, 2020; for sale position as of December 31, 2019; publication of disclosure notice on August 3, 2019). Disclosure notices are available on the SIX Exchange Regulation website:

www.ser-ag.com/en/resources/notifications-market-participants/significant-shareholders.html#/



To the General Meeting of
Dufry AG, Basel

Basel, March 8, 2021

Report of the statutory auditor on the remuneration report

We have audited the remuneration report of Dufry AG for the year ended December 31, 2020. 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 268 to 286 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, 2020 of Dufry AG complies with Swiss law and articles 14 - 16 of the Ordinance.

Ernst & Young Ltd

/s/ Jolanda Dolente
Licensed audit expert
(Auditor in charge)

/s/ Siro Bonetti
Licensed audit expert