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**CAPITAL WAS REPRESENTED**

at the 2017 Annual General Meeting.

# CORPORATE GOVERNANCE REPORT

## including the Corporate Governance Statement and Compensation Report

The term corporate governance comprises methods, instruments and, hence, the entire system for the management and supervision of an enterprise. This includes not only the legal framework but also the values, business policies and guidelines of the enterprise. We are committed to good, responsible and sustainable value-oriented corporate governance, which forms the basis for the success of the GERRY WEBER Group. It increases the confidence our customers, business partners, investors, employees and society place in us.

At GERRY WEBER, good and responsible corporate governance comprises not only the principles of the German Corporate Governance Code but also our compliance guidelines and our Code of Conduct. The Corporate Governance Report of the Managing Board and the Supervisory Board of GERRY WEBER International AG in accordance with clause 3.10 of the German Corporate Governance Code (GCGC) is provided below. In addition to the declaration of conformity pursuant to section 161 of the German Stock Corporation Act (AktG), the Corporate Governance

Report in this Annual Report also comprises the Corporate Governance Statement pursuant to section 289a para. 2 no. 3 of the German Commercial Code (HGB). Both documents – and all declarations and statements of prior years – are permanently available in digital form in the “Investors” section of our website at [www.gerryweber.com](http://www.gerryweber.com). This Corporate Governance Report moreover includes the compensation report of GERRY WEBER International AG. The latter also forms part of the combined management report for the fiscal year 2016/17 and as such of the audited consolidated financial statements of GERRY WEBER International AG.

## Corporate Governance Report pursuant to the German Corporate Governance Code

Since the introduction of the German Corporate Governance Code in 2002, GERRY WEBER International AG has complied with nearly all recommendations of the Code. There are only very few exceptions, which are attributable to the size of the company, its business model as well as to company-specific aspects; these exceptions are outlined and explained in the declaration of conformity in accordance with the “comply or explain” principle laid down in section 161 of the German Stock Corporation Act (AktG). The suggestions made by the Code which are not complied with by the company are outlined under the respective clause of the Code.

## Declaration of conformity pursuant to section 161 of the German Stock Corporation Act (AktG)

In accordance with section 161 of the German Stock Corporation Act (AktG), the Supervisory Board and the Managing Board of GERRY WEBER International AG declare that the company has, since the publication of the last annual declaration of conformity on 22 November 2016, complied with the recommendations made by the Government Commission of the German Corporate Governance Code as amended on 7 February 2017 and published by the Federal Ministry of Justice in the official section of the Federal Gazette, save for the exceptions outlined below:

### **Code 4.2.3 — Forward-looking multiple-year assessment basis for the Managing Board’s variable compensation:**

Variable compensation components shall generally have a multiple-year assessment basis that shall have essentially forward-looking characteristics. While part of the variable compensation of the Managing Board has a multiple-year assessment basis, the latter is not essentially forward-looking. The Supervisory Board considers the assessment basis for the Managing Board’s variable compensation component to be appropriate, which is why no amendment of the compensation structure for the

Managing Board is planned at present. If the compensation structure for the Managing Board were to be amended, the Supervisory Board would aim to comply with the recommendations of the German Corporate Governance Code.

**Code 4.2.3 — Compensation cap for the Managing Board:**

The amount of compensation shall be capped, both overall and for the variable compensation components. As a general rule, the variable compensation is capped in the Managing Board contracts of GERRY WEBER International AG as the parameters used to determine it are limited. The Supervisory Board may grant a special bonus and/or adjust the calculation of the variable performance-based compensation components only in exceptional cases because of special circumstances or achievements. This shall not result in an unreasonable advantage or disadvantage for the Managing Board.

**Code 5.3.2 — Chairman of the Audit Committee:**

The Chairman of the Supervisory Board is also the Chairman of the Audit Committee, which means that GERRY WEBER International AG does not comply with the recommendation of the Code that these positions be held by two different persons. The company is of the opinion that the dual chairmanship makes supervision more efficient and improves communication within the Supervisory Board.

**Code 5.4.1 — Age limit and regular limit of length of membership for members of the Supervisory Board:**

No age limit and no regular limit of length of membership have been defined for the members of the Managing Board and the Supervisory Board, as abilities, qualifications and experience are regarded as the relevant criteria for appointment to these bodies. The company is of the opinion that it only stands to benefit from the knowledge and the experience of older Supervisory Board members, regardless of the length of their Supervisory Board membership.

**Code 5.4.6 — Compensation of the members of the Supervisory Board:**

Members of the Mediation Committee, the Human Resources Committee, the Nomination Committee and the Audit Committee receive no additional compensation, as the company is of the opinion that the regular Supervisory Board compensation is sufficient.

**Code 7.1.2 — Consolidated financial statements:**

The consolidated financial statements were publicly accessible within 120 days of the end of the reporting period. The interim reports and statements are publicly accessible within 45 days, which is in accordance with the recommendations of the German Corporate Governance Code. GERRY WEBER International AG aims to comply with the 90-day deadline for the consolidated financial statements recommended by the Code in future. So far, the company has not complied with the recommended deadlines in order to ensure a higher quality of the figures reported.

Corporate Governance  
Statement pursuant to  
section 289a of the German  
Commercial Code (HGB)

To achieve our objectives, we have defined principles for our corporate activity that go beyond the legal regulations. Laid down in a Code of Conduct and the Group Guidelines, these principles provide guidance for our day-to-day activities. They are included in the Corporate Governance Statement, which is published in full under "Investors" – "Corporate Governance" on our website at [www.gerryweber.com](http://www.gerryweber.com). An extract from the Corporate Governance Statement on the allocation of powers, the composition and the work of the Managing Board and the Supervisory Board and on the equal participation of women and men in leadership positions is provided below.

**ALLOCATION OF POWERS,  
COMPOSITION AND WORK OF  
THE MANAGING BOARD AND  
THE SUPERVISORY BOARD**

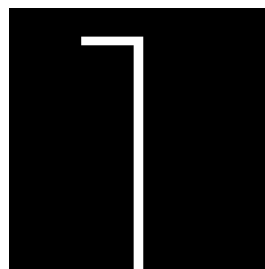
The dual board system, under which the company is managed by the Managing Board and supervised by the Supervisory Board, is a key characteristic of GERRY WEBER's corporate governance structure. Other characteristics include the equal representation of shareholders and employees on the Supervisory Board as well as the rights of shareholders at the Annual General Meeting.

### Management and conduct of business by the Managing Board

At the time of the preparation of this report the Managing Board of GERRY WEBER International AG is composed of two members, i. e. Chairman Ralf Weber and interim Board member Jörg Stüber. Board member Dr. David Frink resigned from the Managing Board with effect from 16 November 2017. Johannes Ehling will join the company as new Board member on 1 April 2018. The Managing Board has sole responsibility for managing the company free from third-party instructions in accordance with the applicable laws, the statutes, the rules of procedure of the Managing Board and the resolutions adopted by the Annual General Meeting. While the Managing Board as a whole has collective responsibility, each Board member is responsible for managing the departments of which they are in charge. The Managing Board defines the corporate objectives and the strategic positioning of the GERRY WEBER Group and controls and monitors the business units and subsidiaries.

The rules of procedure of the Managing Board show which Managing Board member is responsible for which business segment. These rules also govern material affairs of the company that require a decision by the full Managing Board as well as the tasks of the Managing Board Chairman and the processes for passing resolutions. Amendments of the rules of procedure of the Managing Board require the unanimous decision of the Managing Board as well as the approval of the Supervisory Board. As a general rule, the Managing Board takes its decisions by a simple majority. In the event of a tie, the Chairman has the casting vote. Before closing important business transactions, which are defined in the rules of procedure of the Managing Board, the Managing Board must obtain the Supervisory Board's approval.

The Managing Board informs the Supervisory Board regularly, without delay and comprehensively of all issues of importance to the company with regard to business development, the risk situation and planning as well as business transactions of material importance. In addition, the Managing Board coordinates the company's strategic approach with the Supervisory Board.



### APRIL 2018:

Johannes Ehling will formally join the company's Managing Board.

### Supervisory function of the Supervisory Board

The Supervisory Board is responsible for appointing the Managing Board members as well as for supervising and advising them in managing the GERRY WEBER Group. It is directly involved in decisions that are of fundamental importance for the company at an early stage; such decisions require the approval of the Supervisory Board. The Chairman of the Supervisory Board coordinates the work of the Supervisory Board and maintains a regular exchange with the Managing Board and especially with the Chairman of the latter.

The Supervisory Board has laid down its own rules of procedure, which also apply to the committees of the Supervisory Board. The Supervisory Board takes its decisions on the basis of resolutions passed by a simple majority unless a different majority is prescribed by law. In the event of a tie, the Chairman has the casting vote. All resolutions are passed at meetings. To simplify the procedure, the Supervisory Board may stipulate that resolutions be passed by way of a written vote in accordance with the statutes.

In accordance with clause 5.2 of the German Corporate Governance Code, the Chairman of the Supervisory Board should be available – within reasonable limits – to discuss Supervisory Board-related issues with investors. The Chairman

of the Supervisory Board is of the opinion that all relevant information is available to the Managing Board and that the Managing Board should therefore continue to communicate with capital market participants and investors.

### Composition of the Supervisory Board

The Supervisory Board of GERRY WEBER International AG is composed of twelve members. Six members are elected by the shareholders at the Annual General Meeting, while the other six members are elected by the employees of GERRY WEBER International AG and its German Group companies. The term of office of the members of the Supervisory Board reconstituted on 16 April 2015 will end at the end of the Annual General Meeting resolving on ratifying the actions of the Supervisory Board for the fiscal year 2018/19.

In accordance with the recommendations of the German Corporate Governance Code, the Supervisory Board had already set itself specific targets for its composition and complemented them in accordance with the recommendations of the Code. The existing composition targets were revised in the fiscal year 2016/17 and summarised in a competence profile for the full Supervisory Board. Save for one exception, the composition of the Supervisory Board of GERRY WEBER International AG complies with the defined targets and, hence, with the competence profile. Two of the six shareholder representatives are women, which meets the legal requirements. One of the six employee representatives is a woman, which does not meet the requirements of section 96 para. 2 of the German Stock Corporation Act (AktG) yet. Pursuant to statutory provisions, the minimum share must be met only once new appointments or elections become necessary.

### Targets and competence profile for the composition of the Supervisory Board

The Supervisory Board is tasked with advising and supervising the Managing Board independently and in a qualified manner. The Supervisory Board members should be appointed accordingly. The Supervisory Board of GERRY WEBER International AG should be composed of persons who have the knowledge, skills, experience and personal characteristics that are needed to supervise the company. Moreover,

each Supervisory Board member must be willing to dedicate sufficient time to performing their tasks. Members of the Managing Board of a listed corporation shall not accept more than a total of three Supervisory Board mandates in non-group listed corporations or on supervisory bodies of non-group entities that make similar requirements.

With regard to the Supervisory Board as a whole, attention should be paid to ensuring the required professional diversity, internationality, diversity and independence of the Supervisory Board. The targets described below have been defined as a competence profile for the Supervisory Board, taking into account the size of the Supervisory Board, the company's specific requirements as well as diversity:

#### Professional diversity

- Members of the Supervisory Board shall have experience in the fields of corporate management, strategy and human resources. They should also be competent with regard to corporate governance and compliance related issues.
- The Supervisory Board shall also have knowledge of the company, its competitors and the markets in which the company operates. Specific industry knowledge of the customer side is also required.
- At least one independent member must have the necessary financial competence as well as knowledge of accounting, internal control procedures or auditing. This independent member of the Supervisory Board shall not be a former member of the Managing Board whose term of office ended less than two years ago.
- At least one shareholder representative shall have several years of international experience from a professional activity or be a foreign national.
- One shareholder representative shall moreover have the required know-how and experience in dealing with capital market participants.

#### Diversity

- Besides professional diversity, the Supervisory Board aims for an appropriate degree of female representation. With a view to complying with the legal provisions that became effective on 1 January 2016, the company considers it appropriate if at least one third of the positions of the shareholder representatives and staff representatives are filled with women. This will be taken into account by the Supervisory Board in its election proposals for the next scheduled election of the Supervisory Board or when a Supervisory Board member departs prematurely. With two of the six shareholder representative positions filled by women, the shareholder representatives meet these requirements already today.

### Independence

- Taking into account the shareholder structure of GERRY WEBER International AG, at least three of six shareholder representatives on the Supervisory Board shall be independent.

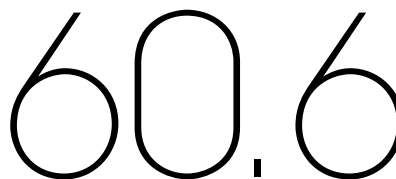
A Supervisory Board member is considered independent if he/she has no personal or business relations with the company, its executive bodies, a controlling shareholder or a related party which may cause a substantial and not merely temporary conflict of interests. Employee representatives are not considered dependent merely because they are employees of the company or benefit from old-age pension commitments of one of the Group companies.

- No more than two former members of the Managing Board shall sit on the Supervisory Board. Managing Board members may not become members of the Supervisory Board of the company within two years after the end of their appointment unless they are appointed upon a motion presented by shareholders holding more than 25% of the voting rights in the company. In this case appointment to the chairmanship of the Supervisory Board shall be an exception to be justified to the Annual General Meeting.



### PERCENT SHARE OF WOMEN

at the first management tier below the Management Board as at 31 October 2017.



### PERCENT SHARE OF WOMEN

at the second management tier below the Management Board as at 31 October 2017.

- Supervisory Board members shall not sit on an executive body or perform advisory tasks at a material competitor of the company or a Group company.

In accordance with the recommendations of the Code, the Supervisory Board has subjected itself to an efficiency review. Two members of the Supervisory Board are former members of the Managing Board of GERRY WEBER International AG, who resigned from the company's Managing Board more than eight years and more than three years ago, respectively. The Supervisory Board thus has three independent members, which is a sufficiently high number. There were no conflicts of interest of individual Supervisory Board members. No age limit and no regular limit of length of membership have been defined for the members of the Managing Board and the Supervisory Board, as abilities, qualifications and experience are regarded as the relevant criteria for appointment to these bodies.

### Equal participation of women and men in leadership positions

When it comes to appointing Managing Board members, nominating Supervisory Board members and filling executive positions, the Supervisory Board supports the company's efforts to achieve an appropriate degree of female representation.

At the time of the preparation of the Annual Report, the Managing Board of GERRY WEBER International AG is composed of two members – Chairman Ralf Weber as well as Jörg Stüber, who has held temporary responsibility for Finance, IR, Central Purchasing, Compliance and IT since Dr. David Frink resigned from the Managing Board. As of 1 April 2018, Johannes Ehling will join the Managing Board of GERRY WEBER International AG, where he will be in charge of all sales activities as well as the digitisation of the company. There are currently no women on

the company's Managing Board. Against the background of the existing contracts and in view of the size of the Managing Board, the Supervisory Board refrains from stipulating a share of women for the Managing Board.

In accordance with statutory requirements, the Managing Board defined a share of women for the first and second management tier below the Managing Board already in September 2015. The target was to have a share of women of 30% at the first management tier and a share of women of 50% at the second management tier as of 30 June 2017. A share of 36.8% at the first management tier and of 60.6% at the second management tier on 30 June 2017 means that we have reached the targets we had set ourselves.

With the target for the first period having been reached, the Managing Board has maintained the targets of 30% and 50%, respectively, for the first and second management tier below the Managing Board. As from the financial year 2017/18 the targets will be reviewed on 31 October of each year, i. e. at the end of the fiscal year.

The company will regularly report on the status quo and the achievement of the defined targets in the Group management report and the Corporate Governance Statement.

## Annual General Meeting and shareholders' rights

The shareholders of GERRY WEBER International AG exercise their voting and control rights at the ordinary Annual General Meeting. Each share in GERRY WEBER International AG carries one vote. There is no upper limit for voting rights or extraordinary voting rights. Each shareholder who registers in time and proves that he/she is entitled to attend the Annual General Meeting and exercise his/her voting rights is entitled to attend the Annual General Meeting.

The shareholders may cast their votes personally at the Annual General Meeting, via a proxy of their choice or via a designated proxy of the company who is bound by instructions. Pursuant to clause 2.3.2 and clause 2.3.3 of the German Corporate Governance Code, the proxies should also be reachable during the Annual General Meeting and arrangements should be made to allow shareholders to follow the Annual General Meeting via the Internet. We do not comply with these recommendations of the Code for organisational and financial

reasons. To make it easier for shareholders to exercise their rights, shareholders are provided with comprehensive information on the past fiscal year and the items on the agenda of the Annual General Meeting prior to the Annual General Meeting by means of the Annual Report and the invitation to the Annual General Meeting. All relevant documents and information including the Annual Report are also available on the company's website.

In the past fiscal year, the Annual General Meeting was held on 27 April 2017 and was attended by some 800 shareholders, who represented about 72% of the share capital. Prior to the Annual General Meeting, shareholders receive all relevant information or can access it (including annual and quarterly reports) in the "Investors" section of the company's website at [www.gerryweber.com](http://www.gerryweber.com).

## Accounting and audit

PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft was elected auditor of the 2016/17 financial statements of GERRY WEBER International AG and the Group by the Annual General Meeting. The Audit Committee of the Supervisory Board had previously satisfied itself of the independence of the auditor. The appointed auditor participates in the Supervisory Board's discussions of the separate financial statements and the consolidated financial statements and reports on the key results of the audit. The auditor furthermore reports to the Supervisory Board any facts identified during the audit which are inconsistent with the declaration of conformity issued by the Managing Board and the Supervisory Board.

## Compliance

The Group-wide Compliance Programme of GERRY WEBER International AG is designed to ensure compliance with statutory provisions as well as with internal guidelines. This not only covers compliance with binding legal provisions but also the observance of our own internally defined regulations and values which anchor ethical and moral behaviour in the corporate culture. Specific organisational measures and processes have been developed to prevent, identify and sanction individual misbehaviour.

The Compliance Programme of the GERRY WEBER Group is composed of the following elements:

### 1. Compliance Organisation

Corporate Audit is responsible for performing the compliance-related tasks, which cover all essential areas of the company. Reporting directly to the CFO, the Chief Compliance Officer is responsible for ensuring that the Compliance Programme is implemented in all areas of the Group and that all employees and executives receive compliance training. The Compliance Committee aims to constantly improve the Compliance Programme and meets at regular intervals. In addition, the Supervisory Board is informed of compliance-related aspects at its meetings.

### 2. Code of Conduct of the GERRY WEBER Group

The Code of Conduct describes our behavioural rules and values and forms the basis of our Compliance Programme. All employees, executives and the Managing Board are obliged to comply with our guidelines on responsible behaviour. The Code of Conduct comprises not only issues such as corruption or antitrust law but also aspects such as human rights, labour and social standards as well as equal opportunities.

### 3. Compliance Guidelines

The Group Guidelines break the Code of Conduct down into greater detail. They are also binding for all employees, executives and bodies and address

and govern aspects such as antitrust and competition law, capital markets and communication and the passing on of information as well as social compliance.

### 4. Whistleblowing

The internal organisation has been complemented by the appointment of an independent external ombudsman. Employees but also external customers and business partners can contact the ombudsman confidentially and also anonymously if and when they become aware of incorrect business practices in the company. The Compliance Programme encourages employees to openly express their concerns and to highlight circumstances which indicate that laws or internal regulations have been violated.

The Compliance Programme is organised in such a way that the GERRY WEBER Group meets the recommendations and suggestions of clause 4.1.3 of the German Corporate Governance Code.

## Opportunity and risk management

Good corporate governance also includes managing risks in a responsible manner. The GERRY WEBER Group has a Group-wide internal control and risk management system which identifies and evaluates risk situations at an early stage and defines and implements measures to avoid risks and minimise their negative consequences. Information on the risk management system and a presentation of the individual risks can be found in the risk report in this Annual Report.

## Potential conflicts of interest and directors' dealings

Pursuant to art. 19 of the EU Market Abuse Regulation (MAR), members of the Managing Board and the Supervisory Board as well as closely related persons must report transactions involving shares or debt instruments of GERRY WEBER International AG or related financial instruments to the company as well as to the Federal Financial Supervisory Authority if the total amount of the transactions reaches or exceeds EUR 5,000 in a calendar year. GERRY WEBER International AG publishes such information immediately. Securities transactions reported in the fiscal year 2016/17 are additionally published on the company's website [www.gerryweber.com](http://www.gerryweber.com) under "Investors" – "Financial News". The shareholdings of the Managing Board and the Supervisory Board of GERRY WEBER International AG as of the end of the fiscal year 2017 (31 October 2017) are also shown in the notes to the consolidated financial statements in the present Annual Report. The Managing Board and the Supervisory Board are committed to serving the interests of the company. They are not allowed to exploit their



## COMPLIANCE PROGRAMME

**THE GERRY WEBER GROUP'S COMPLIANCE PROGRAMME INCLUDES COMPLIANCE WITH THE RECOMMENDATIONS AND SUGGESTIONS IN CLAUSE 4.1.3 OF THE GERMAN CORPORATE GOVERNANCE CODE.**



position to pursue personal interests or for the benefit of related parties. Any conflicts of interest resulting from sideline activities must immediately be disclosed to the Supervisory Board. The latter then decides about any further steps to be taken. In the past fiscal year, no conflicts of interest of members of the Managing Board or the Supervisory Board occurred.

## Transparent and timely communication

The Managing Board and the Supervisory Board attach great importance to transparent corporate governance. Our shareholders and financial analysts, the shareholder associations and the media as well as the interested public are provided with regular and up-to-date information on the current situation as well as on material corporate or personnel-related changes in the company. Our main communication channel is the Internet as it allows to distribute comprehensive information in a non-discriminatory and timely manner.

The following instruments are used, among others, to report on the business situation and the financial results as well as current events of the GERRY WEBER Group:

- annual and interim reports,
- ad-hoc announcements and press releases,
- annual accounts press conferences,
- telephone conferences, held upon publication of the annual and quarterly results and on special occasions as well as
- numerous shareholder and investor events at national and international level

The dates of the regular financial reports are shown in the financial calendar.

## Compensation report 2016/17

The compensation report forms part of the combined management report and outlines the principles of the compensation system for the Managing Board and the Supervisory Board of GERRY WEBER International AG in accordance with statutory provisions and the recommendations of the German Corporate Governance Code as amended from time to time. Against this background, the compensation of the individual Managing Board and Supervisory Board members is shown.

### Compensation of the Managing Board

#### Principles of the Managing Board compensation

The compensation system for the Managing Board as well as the amount of the compensation received by the individual members of the Managing Board are defined by the Supervisory Board and regularly checked for appropriateness. In accordance with statutory provisions and the recommendations of the German Corporate Governance Code, the compensation of the individual Managing Board members is mainly based on the economic situation as well as the performance and future prospects of the GERRY WEBER Group. The variable component of the Managing Board compensation is furthermore based on the personal achievements of the individual Managing Board members as well as the compensation of the horizontal and vertical comparative environment, which is determined by the compensation structures of peer companies on the one hand and by the salaries of the senior management and the relevant workforce of the company on the other hand. The current structure of the Managing Board compensation was approved by the Annual General Meeting on 14 April 2016. No changes have occurred since that date.

The compensation for the members of the Managing Board comprises a fixed, non-performance-based annual salary as well as performance-based (variable) components. As a general rule, performance-based components with a multiple-year assessment basis are agreed with each Managing Board member. Additional performance-based components with a one-year or multiple-year assessment basis may be defined at the discretion of the Supervisory Board. Besides this compensation, the Managing Board members receive the usual non-monetary benefits (company car, etc.) as well as insurance cover. The Managing Board compensation does not include any share-based components. No pension commitments have been made to the members of the Managing Board.

#### Fixed compensation

The non-performance-based (fixed) compensation is the contractually agreed basic compensation, which is paid in equal monthly instalments. In addition, the members of the Managing Board receive other benefits in the form of non-monetary compensation in line with general market and Group practice

such as the use of a company car as well as accident insurance and D&O insurance with a deductible. Where such non-monetary compensation is deemed to constitute non-financial benefits for tax purposes, it is taxed accordingly. The other benefits are recognised as fixed compensation components.

### Performance-based compensation components

The performance-based compensation comprises two components: The first component, which is individually agreed with each Managing Board member, is a percentage share in the adjusted result before tax stated in the consolidated financial statements to IFRS and reflects the company's performance. The second component is a performance-linked bonus based on their individual performance and individually agreed objectives. This component may have a single-year or a multiple-year assessment basis. The assessment basis for the first variable compensation component is the result before tax stated in the consolidated financial statements to IFRS adjusted for extraordinary effects from the sale of assets, equity investments, brands or other operations (adjusted result). The assessment basis covers several years, i. e. the imputed average of the adjusted result of the fiscal year for which the compensation is to be paid as well as for the preceding two years is used. Each member of the Managing Board receives a fixed individual percentage of this average result. The entitlement to a bonus calculated according to the above formula arises only if and when the average adjusted result exceeds EUR 40.0 million. This compensation component is capped insofar as an average adjusted result of no more than EUR 100.0 million serves as the assessment basis. To calculate the assessment basis for the first two years following the introduction of the new compensation system, an adjusted result of EUR 40 million was used for the fiscal years 2013/14 and 2014/15.

In addition, the Supervisory Board may decide to grant each member of the Managing Board an individual performance-based bonus. For this purpose, qualitative objectives may be agreed between the Supervisory Board and the Managing Board members. If this is the case, the agreed bonus will be paid out in full if 100% of the objectives are achieved. If the Managing Board member exceeds or falls short of the targets, the Supervisory Board may increase or reduce the bonus by up to 50% of the fixed annual salary.

The Supervisory Board may additionally grant a special bonus or adjust the calculation of the performance-based bonus because of special circumstances (e. g. major acquisitions, divestments, reporting date-related accounting distortions or similar incidents). This shall not result in an unreasonable advantage or disadvantage for the Managing Board.

As a general rule, the variable compensation is capped in the Managing Board contracts of GERRY WEBER International AG, as the parameters used to determine it are limited. The Supervisory Board may grant a special bonus and/or adjust the calculation of the variable performance-based compensation components only in exceptional cases because of special circumstances or achievements.

### Regulations relating to the termination of Managing Board contracts

If Managing Board contracts are terminated prematurely without serious cause, compensation including other benefits is continued to be paid to the leaving Managing Board member for a maximum of two years (severance payment cap) and may not exceed the compensation for the remaining term of the respective contract. This means that the regulations in the Managing Board contracts comply with the relevant recommendations of the German Corporate Governance Code as amended on 2 February 2017.

### Managing Board compensation for the fiscal year 2016/17

Against the background of the compensation system described above, the total compensation of the Managing Board of GERRY WEBER International AG for the fiscal year 2016/17 amounts to EUR 2.1 million (previous year: EUR 2.3 million). The tables below show the respective fixed and variable amounts, with the prior year figures shown in parentheses.

KEUR	Fixed compensation	Variable compensation	Total
Ralf Weber (CEO)	712 (719)	190 (150)	902 (869)
Dr. David Frink (until 16 November 2017 Member of th Managing Board)	593 (568)	175 (150)	768 (718)
Norbert Steinke (until 21 June 2017 Member of the Managing Board) <sup>1</sup>	341 (512)	100 (150)	441 (662)
Arnd Buchardt (until 30 November 2015 Member of the Managing Board)	0 (48)	0 (0)	0 (48)
<b>Total</b>	<b>1,646 (1,847)</b>	<b>465 (450)</b>	<b>2,111 (2,297)</b>

<sup>1</sup> In the context of the retirement of Norbert Steinke from the Managing Board of GERRY WEBER International AG a payment of KEUR 861,8 was made.

Granted benefits ("target remuneration")

EUR	Ralf Weber CEO			
	2015/16	2016/17	2016/17 (Min)	2016/17 (Max)
Fixed compensation	700,000	700,000	700,000	700,000
Fringe benefits	18,665	12,269	12,269	12,269
<b>Total</b>	<b>718,665</b>	<b>712,269</b>	<b>712,269</b>	<b>712,269</b>
One-year variable compensation	150,000	190,000	0	230,000
Multi-year variable compensation	400,000	400,000	0	1,000,000
<b>Total</b>	<b>550,000</b>	<b>590,000</b>	<b>0</b>	<b>1,230,000</b>
<b>Total compensation</b>	<b>1,268,665</b>	<b>1,302,269</b>	<b>712,269</b>	<b>1,942,269</b>

EUR	Dr. David Frink COO and CFO (until 16 November 2017)			
	2015/16	2016/17	2016/17 (Min)	2016/17 (Max)
Fixed compensation	550,000	575,000	575,000	575,000
Fringe benefits	18,408	18,439	18,439	18,439
<b>Total</b>	<b>568,408</b>	<b>593,439</b>	<b>593,439</b>	<b>593,439</b>
One-year variable compensation	150,000	175,000	0	207,000
Multi-year variable compensation	360,000	360,000	0	900,000
<b>Total</b>	<b>510,000</b>	<b>535,000</b>	<b>0</b>	<b>1,107,000</b>
<b>Total compensation</b>	<b>1,078,408</b>	<b>1,128,439</b>	<b>593,439</b>	<b>1,700,439</b>

These tables show the compensation in the past financial year and the previous year which would be paid in the case of full target achievement (target income) as well as the minimum and maximum compensation for the financial year.

EUR	<b>Norbert Steinke</b> CRO (until 21 June 2017)			
	2015/16	2016/17	2016/17 (Min)	2016/17 (Max)
Fixed compensation	500,000	333,333	333,333	333,333
Fringe benefits	12,000	8,000	8,000	8,000
<b>Total</b>	<b>512,000</b>	<b>341,333</b>	<b>341,333</b>	<b>341,333</b>
One-year variable compensation	150,000	100,000	0	207,000
Multi-year variable compensation	360,000	360,000	0	900,000
<b>Total</b>	<b>510,000</b>	<b>460,000</b>	<b>0</b>	<b>1,107,000</b>
<b>Total compensation</b>	<b>1,022,000</b>	<b>801,333</b>	<b>341,333</b>	<b>1,448,333</b>

EUR	<b>Arnd Buchardt</b> CPO (until 30 November 2017)			
	2015/16	2016/17	2016/17 (Min)	2016/17 (Max)
Fixed compensation	45,833	0	0	0
Fringe benefits	1,756	0	0	0
<b>Total</b>	<b>47,589</b>	<b>0</b>	<b>0</b>	<b>0</b>
One-year variable compensation	12,500	0	0	0
Multi-year variable compensation	30,000	0	0	0
<b>Total</b>	<b>42,500</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total compensation</b>	<b>90,089</b>	<b>0</b>	<b>0</b>	<b>0</b>

These tables show the compensation in the past financial year and the previous year which would be paid in the case of full target achievement (target income) as well as the minimum and maximum compensation for the financial year.

Compensation inflow

EUR	Ralf Weber CEO	
	2015/16	2016/17
Fixed compensation	700,000	700,000
Fringe benefits	18,665	12,269
<b>Total</b>	<b>718,665</b>	<b>712,269</b>
One-year variable compensation	120,000	150,000
Multi-year variable compensation	130,000	0
<b>Total</b>	<b>250,000</b>	<b>150,000</b>
<b>Total compensation</b>	<b>968,665</b>	<b>862,269</b>

EUR	Dr. David Frink COO and CFO (until 16 November 2017)	
	2015/16	2016/17
Fixed compensation	550,000	575,000
Fringe benefits	18,408	18,439
<b>Total</b>	<b>568,408</b>	<b>593,439</b>
One-year variable compensation	120,000	150,000
Multi-year variable compensation	130,000	0
<b>Total</b>	<b>250,000</b>	<b>150,000</b>
<b>Total compensation</b>	<b>818,408</b>	<b>743,439</b>

EUR	Norbert Steinke CRO (until 21 June 2017) <sup>1</sup>	
	2015/16	2016/17
Fixed compensation	500,000	333,333
Fringe benefits	12,000	8,000
<b>Total</b>	<b>512,000</b>	<b>341,333</b>
One-year variable compensation	20,000	150,000
Multi-year variable compensation	0	0
<b>Total</b>	<b>20,000</b>	<b>150,000</b>
<b>Total compensation</b>	<b>532,000</b>	<b>491,333</b>

<sup>1</sup> In the context of the retirement of Norbert Steinke from the Managing Board of GERRY WEBER International AG a payment of KEUR 861,8 was made.

EUR	Arnd Buchardt CPO (until 30 November 2017)	
	2015/16	2016/17
Fixed compensation	45,833	0
Fringe benefits	1,756	0
<b>Total</b>	<b>47,589</b>	<b>0</b>
One-year variable compensation	120,000	0
Multi-year variable compensation	130,000	0
<b>Total</b>	<b>250,000</b>	<b>0</b>
<b>Total compensation</b>	<b>297,589</b>	<b>0</b>

These tables show the inflows within the meaning of the Income Tax Act in the past financial year and the previous year. The variable compensation usually relates to payments of claims earned and recognised in the previous year.

### Compensation of the Supervisory Board of GERRY WEBER International AG

The compensation of the Supervisory Board is determined by the Annual General Meeting and is governed by section 13 of the statutes of GERRY WEBER International AG. The structure and the amount of the compensation of the Supervisory Board remained unchanged in the past fiscal year 2016/17. Besides the reimbursement of their expenses, the members of the Supervisory Board receive a fixed annual compensation in the amount of EUR 60,000.00. Each Vice Chairman receives 1.5 times this amount, while the Chairman of the Supervisory Board receives three times this amount.

The exclusively fixed compensation is paid after the Annual General Meeting for the past fiscal year. If and when new elections are held the compensation is paid on a pro rata temporis basis. The company refunds the turnover tax imposed on each Supervisory Board member's compensation and takes out D&O insurance for the members of the Supervisory Board. In accordance with the recommendations of the German Corporate Governance Code, the D&O insurance includes a deductible. The compensation paid to the individual members of the Supervisory Board in the fiscal year 2016/17 is shown in the table below.

KEUR	2016/17	2015/16
Dr. Ernst F. Schröder (Chairman)	180	180
Gerhard Weber (Vice Chairman)	90	90
Alfred Thomas Bayard	60	60
Ute Gerbaulet	60	60
Udo Hardieck	60	60
Charlotte Weber-Dresselhaus	60	60
Olaf Dieckmann	60	60
Klaus Lippert	60	60
Annette von der Recke	60	60
Andreas Strunk	60	60
Manfred Menningen	60	60
Hans-Jürgen Wentzlaff	60	60
<b>Total</b>	<b>870</b>	<b>870</b>

**L I F E**  
IS WHAT HAPPENS  
**EVERY DAY. NOT**  
THE SPECIAL  
OCCASIONS.



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about