

# CORPORATE GOVERNANCE REPORT

including the Corporate Governance Statement and compensation report

Corporate governance describes the legal and factual framework for the management and supervision of an enterprise. This includes, among other things, the allocation of powers between the Annual General Meeting, the Supervisory Board and the Managing Board with regard to the management and control of the company, but also the set of values we have defined for our day-to-day activities. This way, we ensure that GERRY WEBER is managed and controlled in a responsible manner geared to sustainable value creation. Responsible and transparent corporate governance that meets both national and international standards thus represents an important basis for our success. We aim to strengthen the confidence placed in us by our customers, investors, employees and the public through good corporate governance. The Managing Board and the Supervisory Board attach great importance to a constructive and open-minded working relationship as well as to complying with the recommendations of the German Corporate Governance Code (DCGK).

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 is provided below.



## WOMANS QUOTA

THE SUPERVISORY BOARD AIMS FOR AN APPROPRIATE DEGREE OF FEMALE REPRESENTATION. **WITH TWO OF SIX FEMALE MEMBERS** THE SHAREHOLDER REPRESENTATIVES FULFIL THE STATUTORY REGULATIONS.

In the financial year 2015/16, both bodies thoroughly studied the requirements of the German Corporate Governance Code. 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 Group management report for the financial year 2015/16 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 DCGK 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 also outlined below.

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

### Declaration by the Managing Board and the Supervisory Board of GERRY WEBER International AG regarding the recommendations of the Government Commission of the German Corporate Governance Code 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 24 November 2015, complied with the recommendations made by the Government Commission of the German Corporate Governance Code as amended on 5 May 2015 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 -

##### 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 5.2 - 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.



## OF 7 SUGGESTIONS

of the German Corporate Governance Code fulfilled by GERRY WEBER.



## OF ALLTOGETHER 102

recommendations of the German Corporate Governance Code fulfilled by GERRY WEBER.

### 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 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.

Not only the recommendations of the German Corporate Governance Code but also the suggestions of the Code provide guidance for good corporate governance. The suggestions with which the company does not comply are outlined below:

**Code 2.3.2 – Voting proxies**

The company shall facilitate the personal exercising of shareholders' voting rights and the use of proxies as far as possible. The proxies designated by GERRY WEBER International AG can be reached by all participants on the premises until shortly before the voting. Shareholders who do not attend the Annual General Meeting in person can reach the proxies until 4:00 pm on the day before the Annual General Meeting. In order to ensure smooth and proper exercising of the voting rights, only shareholders attending the Annual General Meeting can to date reach the proxies after that time.

**Code 2.3.4 – AGM broadcast on the Internet:**

The company should make it possible for shareholders to follow the Annual General Meeting on the Internet, e.g. by a live stream. The 2016 Annual General Meeting was not broadcast on the Internet. However, the address by the CEO and the voting results of the individual items on the agenda were published in the "Investors" section of the company's website at [www.gerryweber.com](http://www.gerryweber.com) immediately afterwards.

## 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, these principles are based on our general values and 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 competences, composition and work of the Managing Board and the Supervisory Board

**Managing Board**

Under the dual board system of GERRY WEBER International AG, the Managing Board is responsible for managing the company 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 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 Managing Board gears its activities and decisions to the interests of the company. In doing so, it is committed to creating sustainable value.

The Managing Board is currently composed of three members. 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 process for passing resolutions. Amendments require the unanimous decision of the Managing Board and 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.

The Managing Board informs the Supervisory Board regularly, without delay and comprehensively of all issues of importance to the company with regard to planning, business development, risk situation and risk management. It coordinates the company's strategic approach with the Supervisory Board. The Managing Board must obtain the Supervisory Board's prior approval for certain transactions which are defined in the statutes of GERRY WEBER International AG and in the rules of procedure of the Managing Board.

**Supervisory Board**

The Supervisory Board appoints, supervises and supports the Managing Board and is directly involved in decisions that are of fundamental importance for the GERRY WEBER Group. The Supervisory Board maintains a constant exchange with the Managing Board, which ensures that it is at all times informed of the business performance, corporate planning, the strategy as well as all matters of material importance. The Supervisory Board approves the annual budget and the financing framework and endorses the financial statements of GERRY WEBER International AG and the Group.

The Chairman of the Supervisory Board coordinates the work on the Supervisory Board, leads its meetings and represents the body's interests externally. The Supervisory Board has laid down its own rules or 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 of the voting Supervisory Board members. In the event of a tied vote, the Chairman has the deciding vote. All resolutions are passed at meetings. To simplify the procedure, the Supervisory Board may stipulate that resolutions be passed by way of a circulation procedure.

#### **Composition of the Supervisory Board**

The Supervisory Board of GERRY WEBER International AG is currently composed of twelve members, six of whom were elected as representatives of the workforce. In accordance with the recommendations of the German Corporate Governance Code, the six representatives of the shareholders are elected individually by the Annual General Meeting. 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 financial year 2018/19.

In the context of the composition of the Supervisory Board of GERRY WEBER International AG it was always taken heed of that all members have the knowledge, skills and expert experience required to perform their tasks properly. Diversity is another aspect ensured in the composition of the Supervisory Board. The aim is to appoint the members of the Supervisory Board in such a way as to ensure the competent control and advice of the Managing Board as well as the proper exercise of the decision-making and other rights of the Supervisory Board.

#### **Objectives for the composition of the Supervisory Board**

The Supervisory Board has set itself objectives regarding its future composition, allowing itself sufficient lead time. The following objectives have been defined taking into account the size of the Supervisory Board, the company's specific requirements as well as diversity:

- Members of the Supervisory Board shall have experience in the fields of corporate governance, strategy and human resources. In addition, familiarity with the company and the markets in which it operates and/or specific knowledge of the customers' industries are required.
- At least one independent member must have 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.
- 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.
- 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.
- Supervisory Board members shall have sufficient time to perform their mandate, so that they can fulfil their mandate with the required regularity and care. A Supervisory Board member who sits on the Managing Board of a listed company shall not accept more than a total of three Supervisory Board mandates in listed companies or in supervisory bodies of companies with similar requirements that are not members of the group of which the company for which the Managing Board activity is performed is a member.
- 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.
- 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. The existence of an employment relationship between a member of the Supervisory Board and

a company of the GERRY WEBER Group or the existence of old-age pension commitments of one of these companies in favour of Supervisory Board members as such shall not be deemed to constitute a conflict of interest. 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 two 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.

#### 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 the present Annual Report was prepared, the Managing Board of GERRY WEBER International AG was composed of three members – Ralf Weber (CEO), Dr. David Frink (CFO) and Norbert Steinke (CRO). No women sit on the company's Managing Board at present. Against this background and in view of the existing Managing Board contracts, it is not planned to appoint women to the Managing Board of GERRY WEBER International AG before the expiry of the statutory deadline on 30 June 2017. As at 31 October 2016, the degree of female representation was 43.8% (previous year: 33.3%) at the first management tier below the Managing Board of GERRY WEBER International AG and 53.3% (previous year: 53.1%) at the second management tier. The future aim is to have a minimum share of women of 30% at the first management tier below the Managing Board of GERRY WEBER International AG



**PERCENTAGE  
WOMEN'S QUOTA**  
at the first management tier  
below the Managing Board



#### PERCENT

degree of female representation  
at the second management  
tier below the Managing Board  
as at 31 October 2016

and of 50% at the second management tier. The shareholder representatives fulfilled the statutory female representation rate of 30% even before the coming into force of the "Gesetz für die gleichberechtigte Teilhabe von Frauen und Männern an Führungspositionen" (Law on the Equal Participation of Women and Men in Leadership Positions) on 1 January 2016.

The desired share of women on the Managing Board and the first and second management levels below the Managing Board of GERRY WEBER International AG is to reach the above targets by 30 June 2017. 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. The "one share, one vote" principle applies, which means that each share carries one vote. In the past financial year, the Annual General Meeting was held on 14 April 2016 and was attended by some 1,000 shareholders, who represented 70.3% of the share capital. The shareholders of GERRY WEBER International AG may cast their votes personally, via a proxy of their choice or via a designated proxy of the company who is bound by instructions. 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

The consolidated financial statements and the interim reports of the GERRY WEBER Group are prepared in compliance with the International Financial Reporting Standards (IFRS) of the International Accounting Standard Board (IASB) under consideration of the Interpretations of the Financial Reporting Interpretations Committee (IFRIC), such as they are applicable in the European Union. The separate financial statements of GERRY WEBER International AG are prepared in accordance with the German Commercial Code (HGB).

PricewaterhouseCoopers Aktiengesellschaft Wirtschaftsprüfungsgesellschaft was elected auditor 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.

## Opportunity and risk management

Good corporate governance also includes managing risks in a responsible manner. The early identification of risks and opportunities allows us to anticipate negative deviations and to initiate counter-measures but also to seize opportunities more effectively. The GERRY WEBER Group has a Group-wide internal control and risk management system which analyses and evaluates the risk situation 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.

## Compliance

GERRY WEBER defines compliance as the sustainable anchoring of compliant behaviour in the corporate structure. This not only covers compliance with legal provisions but also the observance of our own internal regulations and values which anchor ethical and moral behaviour in the corporate culture. GERRY WEBER International AG has a Group-wide compliance organisation which aims to counteract and prevent illegal and

unethical behaviour. Specific organisational measures and processes have been developed to prevent, identify and – if applicable – sanction individual misbehaviour.

The compliance programme of GERRY WEBER International AG is based on a code of conduct that is binding upon all employees. The code comprises all behavioural rules for dealing with colleagues, customers, suppliers and other external stakeholders. Besides the code of conduct, our compliance structure comprises rules relating to social compliance, competition and antitrust law, the avoidance of conflicts of interest, gifts and invitations, the capital market and communications as well as health, safety and the environment.

The Compliance unit is part of the Group Auditing Department and covers all material 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. The compliance programme encourages employees to openly express their concerns and to highlight circumstances which indicate that laws or internal regulations have been violated. In the event of justified suspicions, an independent external ombudsman may serve as the port of call for employees and external parties.

Where capital market compliance is concerned, a number of material amendments to the applicable laws became effective in the past financial year. The EU Market Abuse Regulation (MAR) came into force on 3 July 2016. This Regulation was adopted in the context of the European Union's efforts to standardise the market abuse legislation and to make it more stringent and implement it in all member states. The amendment of the capital market regulations essentially aims to increase the integrity and transparency of the capital markets and to improve the protection of investors. GERRY WEBER International AG has taken all necessary preparations and defined processes to implement the Market Abuse Regulation throughout the Group.

### Potential conflicts of interest and directors' dealings

The Managing Board and the Supervisory Board are committed to serving the interests of the company. They are not allowed to exploit their 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.

Pursuant to article 19 of the Market Abuse Regulation (MAR), the members of the Managing Board and the Supervisory Board as well as certain related parties must disclose the acquisition or sale of shares as well as related rights and report

them to Bundesanstalt für Finanzdienstleistungsaufsicht (Federal Financial Supervisory Authority) as well as to the company. The directors' dealings of the past financial year 2015 / 16 are listed on the company's website [www.gerryweber.com](http://www.gerryweber.com) under "Investors – Financial News". The shareholdings of the members of the Managing Board and the Supervisory Board of GERRY WEBER International AG as of 31 October 2016 are also listed in the notes to the consolidated financial statements in this Annual Report.

### Transparent and timely communication

All shareholders, capital market participants and the media as well as the interested public are informed of material developments and events as well as the general situation of the GERRY WEBER Group in a timely and equitable manner. All information is immediately made available to all stakeholders in German and English. Upon publication of the documents, all information is made available on our website, where it can be accessed at any time. The financial calendar on our corporate website lists all important dates of the financial year such as the date of the Annual General Meeting and the publication dates of the financial reports. The financial calendar can also be found at the end of this Annual Report.

## Compensation report 2015 / 16

This compensation report comprises a summary of the principles for the determination of the total compensation of the Managing Board and the Supervisory Board of GERRY WEBER International AG. The report is based on the recommendations of the German Corporate Governance Code (DCGK) and the requirements of the German Commercial Code (HGB), German generally accepted accounting standards as well as the International Financial Reporting Standards (IFRS). The compensation report forms part of the Group management report and, hence, of the audited financial statements.

### Compensation of the Managing Board

#### Principles of the Managing Board compensation

The structure of the compensation system and the amount of the compensation received by the individual members of the Managing Board are defined by the Supervisory Board. The compensation of the Managing Board of GERRY WEBER International AG is structured in such a way that it supports the company's sustainable development and the creation of value. The amount of the Managing Board compensation is linked to the economic situation, the performance and the 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 Supervisory Board regularly reviews the appropriateness of the Managing Board compensation. The current structure of the Managing Board compensation was approved by the Annual General Meeting on 14 April 2016.

The compensation for the members of the Managing Board comprises a fixed, non-performance-based annual salary as well as performance-based (variable) components. Performance-based components with a multi-year assessment base are agreed with each Managing Board member. Additional performance-based components with a one-year or multi-year assessment base 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 possible components: The first component, which is agreed with each Managing Board member, is a percentage share in the adjusted result before tax stated in the consolidated financial statements according to IFRS and reflects the company's performance. As a second component, the Supervisory Board has the possibility to grant each Managing Board member a performance-linked bonus based on their individual performance (discretionary bonus); this bonus may be determined on a one-year or multi-year assessment base.

- a) The assessment base for the first variable compensation component is the result before tax stated in the consolidated financial statements according to IFRS adjusted for

extraordinary effects from the sale of assets, equity investments, brands or other operations (adjusted result). The assessment base covers several years, i. e. the imputed average of the adjusted result of the financial 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 base. To calculate the assessment base for the first two years following the introduction of the new compensation system, an adjusted result of EUR 40 million is used for the financial year 2013 / 2014 and 2014 / 2015.

- b) 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. This shall not result in an unreasonable advantage or disadvantage for the Managing Board.

#### 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 5 May 2015.

#### Managing Board compensation for the financial year 2015 / 16

Against the background of the compensation system described above, the total compensation of the Managing Board of GERRY WEBER International AG for the financial year 2015 / 16 amounts to EUR 2.3 million (previous year: EUR 2.6 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)	719 (671)	150 (250)	869 (921)
Dr. David Frink	568 (568)	150 (250)	718 (818)
Norbert Steinke (since 19 October 2015 in the Managing Board)	512 (42)	150 (20)	662 (62)
Arnd Buchardt (until 30 November 2015 in the Managing Board)	48 (571)	0 (250)	48 (821)
<b>Total</b>	<b>1,847 (1,852)</b>	<b>450 (770)</b>	<b>2,297 (2,622)</b>



## Granted benefits ("target remuneration")

EUR	Ralf Weber CEO			
	2014/15	2015/16	2015/16 (Min)	2015/16 (Max)
Fixed compensation	650,000	700,000	700,000	700,000
Fringe benefits	21,141	18,665	18,665	18,665
<b>Total</b>	<b>671,141</b>	<b>718,665</b>	<b>718,665</b>	<b>718,665</b>
One-year variable compensation	150,000	150,000	0	250,000
Multi-year variable compensation	411,600	400,000	0	1,000,000
<b>Total</b>	<b>561,600</b>	<b>550,000</b>	<b>0</b>	<b>1,250,000</b>
<b>Total compensation</b>	<b>1,232,741</b>	<b>1,268,665</b>	<b>718,665</b>	<b>1,968,665</b>

EUR	Dr. David Frink COO and CFO			
	2014/15	2015/16	2015/16 (Min)	2015/16 (Max)
Fixed compensation	550,000	550,000	550,000	550,000
Fringe benefits	18,376	18,408	18,408	18,408
<b>Total</b>	<b>568,376</b>	<b>568,408</b>	<b>568,408</b>	<b>568,408</b>
One-year variable compensation	150,000	150,000	0	250,000
Multi-year variable compensation	411,600	360,000	0	900,000
<b>Total</b>	<b>561,600</b>	<b>510,000</b>	<b>0</b>	<b>1,150,000</b>
<b>Total compensation</b>	<b>1,129,976</b>	<b>1,078,408</b>	<b>568,408</b>	<b>1,718,408</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.

**Norbert Steinke**  
CRO

EUR

	2014 / 15	2015 / 16	2015 / 16 (Min)	2015 / 16 (Max)
Fixed compensation	41,700	500,000	500,000	500,000
Fringe benefits	1,000	12,000	12,000	12,000
<b>Total</b>	<b>42,700</b>	<b>512,000</b>	<b>512,000</b>	<b>512,000</b>
One-year variable compensation	12,500	150,000	0	250,000
Multi-year variable compensation	34,300	360,000	0	900,000
<b>Total</b>	<b>46,800</b>	<b>510,000</b>	<b>0</b>	<b>1,150,000</b>
<b>Total compensation</b>	<b>89,500</b>	<b>1,022,000</b>	<b>512,000</b>	<b>1,662,000</b>

**Arnd Buchardt**

until 30 November in the Managing Board

EUR

	2014 / 15	2015 / 16	2015 / 16 (Min)	2015 / 16 (Max)
Fixed compensation	550,000	45,833	45,833	45,833
Fringe benefits	21,075	1,756	1,756	1,756
<b>Total</b>	<b>571,075</b>	<b>47,589</b>	<b>47,589</b>	<b>47,589</b>
One-year variable compensation	150,000	12,500	0	20,833
Multi-year variable compensation	411,600	30,000	0	75,000
<b>Total</b>	<b>561,600</b>	<b>42,500</b>	<b>0</b>	<b>95,833</b>
<b>Total compensation</b>	<b>1,132,675</b>	<b>90,089</b>	<b>47,589</b>	<b>143,422</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	<b>Ralf Weber</b> CEO	
	2014 / 15	2015 / 16
Fixed compensation	650,000	700,000
Fringe benefits	21,141	18,665
<b>Total</b>	<b>671,141</b>	<b>718,665</b>
One-year variable compensation	129,000	120,000
Multi-year variable compensation	221,000	130,000
<b>Total</b>	<b>350,000</b>	<b>250,000</b>
<b>Total compensation</b>	<b>1,021,141</b>	<b>968,665</b>

EUR	<b>Norbert Steinke</b> CRO (since 19 October 2015)	
	2014 / 15	2015 / 16
Fixed compensation	41,700	500,000
Fringe benefits	1,000	12,000
<b>Total</b>	<b>42,700</b>	<b>512,000</b>
One-year variable compensation	0	20,000
Multi-year variable compensation	0	0
<b>Total</b>	<b>0.00</b>	<b>20,000</b>
<b>Total compensation</b>	<b>42,700</b>	<b>532,000</b>

EUR	<b>Dr. David Frink</b> COO and CFO	
	2014 / 15	2015 / 16
Fixed compensation	550,000	550,000
Fringe benefits	18,376	18,408
<b>Total</b>	<b>568,376</b>	<b>568,408</b>
One-year variable compensation	129,000	120,000
Multi-year variable compensation	221,000	130,000
<b>Total</b>	<b>350,000</b>	<b>250,000</b>
<b>Total compensation</b>	<b>918,376</b>	<b>818,408</b>

EUR	<b>Arnd Buchardt</b> Managing Board (until 30 November 2015)	
	2014 / 15	2015 / 16
Fixed compensation	550,000	45,833
Fringe benefits	21,075	1,756
<b>Total</b>	<b>571,075</b>	<b>47,589</b>
One-year variable compensation	129,000	120,000
Multi-year variable compensation	221,000	130,000
<b>Total</b>	<b>350,000</b>	<b>250,000</b>
<b>Total compensation</b>	<b>921,075</b>	<b>297,589</b>

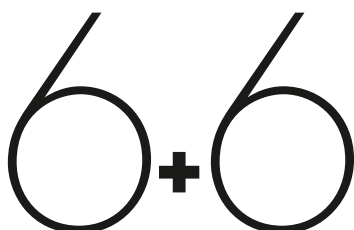
These tables show the inflows within the meaning of the Income Tax Act in the past financial year and the previous year. The variable compensation usually relates to payments of claims earned and recognised in the previous year.

### 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. 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 non-performance-based 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. The compensation paid to the individual current and retired members of the Supervisory Board in the financial year 2015 / 16 is shown in the table below. The figures in parentheses are the previous year's amounts.

KEUR	2015 / 16	2014 / 15
Dr. Ernst F. Schröder (Chairman)	180	180
Gerhard Weber (Vice Chairman)	90	90
Alfred Thomas Bayard	60	32
Ute Gerbaulet	60	32
Udo Hardieck	60	60
Charlotte Weber-Dresselhaus	60	60
Olaf Dieckmann	60	60
Klaus Lippert	60	60
Annette von der Recke	60	32
Andreas Strunk	60	32
Manfred Menningen	60	32
Hans-Jürgen Wentzlaff	60	32
<b>Total</b>	<b>870</b>	<b>702</b>

The table shows that the compensation of the Supervisory Board increased in the past financial year and totalled KEUR 870.0, compared to KEUR 702.3 in the previous year. In April 2015, the number of Supervisory Board members was raised from six to twelve due to legal provisions. Accordingly, the compensation of the six new members was taken into account only on a pro rata temporis basis. In the past financial year 2015 / 16, the Supervisory Board compensation increased only because this was the first full year of activity of the new Supervisory Board members. The structure of the Supervisory Board compensation did not change in the past financial year.



The Supervisor Board consists of six shareholder representatives and six representatives of the workforce.