

Management Board and Supervisory Board Remuneration Policy

Introduction

This Remuneration Policy ("Policy") was produced in accordance with article 7b of the revised law of 24 May 2011 on Shareholders Rights, as amended pertaining to the exercise of certain rights held by shareholders in companies listed on the stock exchange. It contains the principles for the remuneration arrangements of the directors of Global Fashion Group S.A. ("GFG" or the "Company").

This Policy applies to the directors of GFG, which pursuant to its governance, consists of the Management Board members ("Management Board") and the Supervisory Board members ("Supervisory Board") (collectively referred to as "directors").

The objective of the remuneration framework of GFG is to provide the directors with compensation appropriate to their activity and area of responsibility and in accordance with legal requirements.

The main objectives of the Policy can be summarised as:

- Total Reward is balanced between fixed and variable to ensure appropriate recognition for achievement of short and long-term performance.
- Variable components provide incentives for the long-term sustainable performance of the Company.
- Consideration of the Company strategy with focus on economic performance.
- Competitive to market and industry in which we operate.

As GFG's shares are listed on the Frankfurt Stock Exchange, the Company follows, on a voluntary basis and to the extent consistent with applicable Luxembourg corporate law and its corporate structure, the recommendations of the German Corporate Governance Code (hereinafter "GCGC"). Consequently, the remuneration framework of GFG follows the recommendations of the GCGC, except where the Company declares a deviation to the recommendations in its declaration of compliance pursuant to the GCGC.

The remuneration framework of GFG distinguishes between Management Board members and Supervisory Board members. Consistent with the GCGC, the criteria for determining the appropriateness of the remuneration of the directors of each body consist of the directors' individual responsibilities, performance, and usual level of remuneration for similar roles as well as GFG's economic conditions and future perspectives.

This Policy, which will be submitted to shareholders consultative vote at the annual general meeting of shareholders in June 2020, applies to any current and future member of the Management Board and Supervisory Board, until this Policy is amended or withdrawn and replaced with a subsequent policy.

This Policy will be reviewed annually by the Supervisory Board to determine if amendments are required subject to the consultative vote of the shareholders of the Company.

Remuneration governance

The Company's governance consists of a Management Board and Supervisory Board. Setting and monitoring the remuneration of the Management Board members, as well as addressing any possible conflict of interest, is the responsibility of the Supervisory Board, in accordance with the rules of procedure of the Supervisory Board and within the framework contained in this Policy. The amount and structure of the Supervisory Board members remuneration is set by the shareholders of the Company at the annual general meeting of shareholders, consistent with the articles of association.

On 31 May 2019 the Supervisory Board members were appointed for three (3) years by the shareholders, such appointment becoming effective upon the approval of the prospectus by the

Commission de Surveillance des Services Financiers (hereinafter “CSSF”) which approval was given on 17 June 2019. On 31 May 2019, the Company’s shareholders also appointed the Management Board members for a term of five (5) years which is the maximum allowed under the rules of procedure of the Management Board. Going forward, the Supervisory Board members are responsible in appointing and removing Management Board members pursuant to the rules of procedure of the Company.

Agreements with the Management Board members

Management Board

The Company has entered into five (5) years term Mandate Agreements with the Management Board members regulating their mandate vis-a-vis the Company. The five (5) years term is effective from 17 June 2019. However, the details of their remuneration are exclusively contained in employment agreements with associated companies pursuant to applicable employment laws.

The employment agreements of the Management Board members contain the applicable notice period and severance provisions. The notice periods of the Management Board members vary from 6 to 9 months, which the Company may pay in lieu of notice at its discretion. The Supervisory Board will determine appropriate notice periods for future Management Board members or adjustments to current notice periods, taking into account applicable laws, market and peer group practices. In case of early termination of the employment agreements of the Management Board members the employment agreements do not provide for severance pay above statutory rights pursuant to applicable laws.

However, the Supervisory Board retains the flexibility to contractually agree to severance pay for Management Board members, provided it does not exceed twice the annual fixed remuneration and does not constitute remuneration for more than the remaining term of the employment agreement, consistent with the GCCG. In case of termination for cause, no notice period is due, and any severance pay would be regulated by applicable laws. While the employment agreements of the Management Board members do not contain change of control provisions or compensation for post-contractual non-compete obligations, the Supervisory Board retains the discretion to agree to such provisions in the future including if so required by applicable laws.

Supervisory Board

The Company has entered into three (3) years term Mandate Agreements with the Supervisory Board members, containing the details of their remuneration. The three (3) years term expires at the general meeting of shareholders approving the financial year 2021. The remuneration of the Supervisory Board members is established by the shareholders as set out further below.

Remuneration framework of the Management Board

The remuneration framework of GFG is designed to encourage and reward performance that will lead to long-term and sustainable enhancement of shareholder value.

To this extent, the components of the remuneration framework of the Management Board members comprises fixed remuneration and variable components, which together are agreed contractually as the total reward. The total reward is for all activities of the Management Board members as there is no separate remuneration for the performance of tasks in subsidiaries.

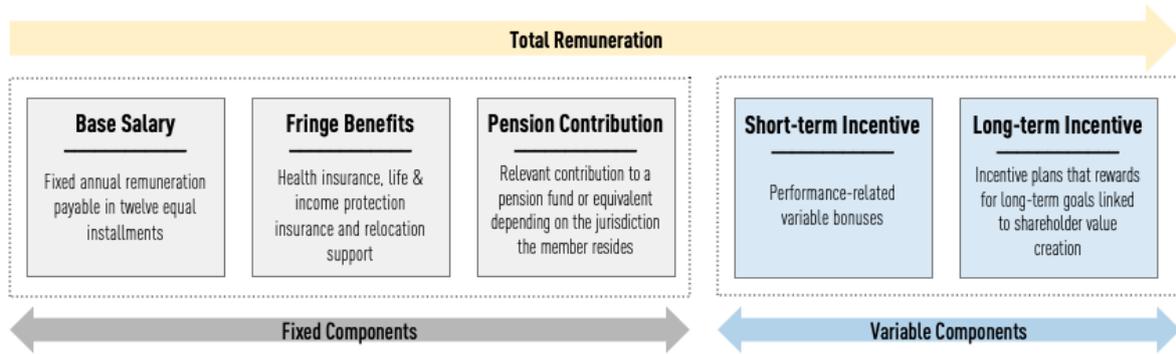
Remuneration components overview for the Management Board

The components of the remuneration framework of GFG which are described in this section and detailed within this Policy apply to all the Management Board members including to the Co-CEOs.

The components are based on the following:

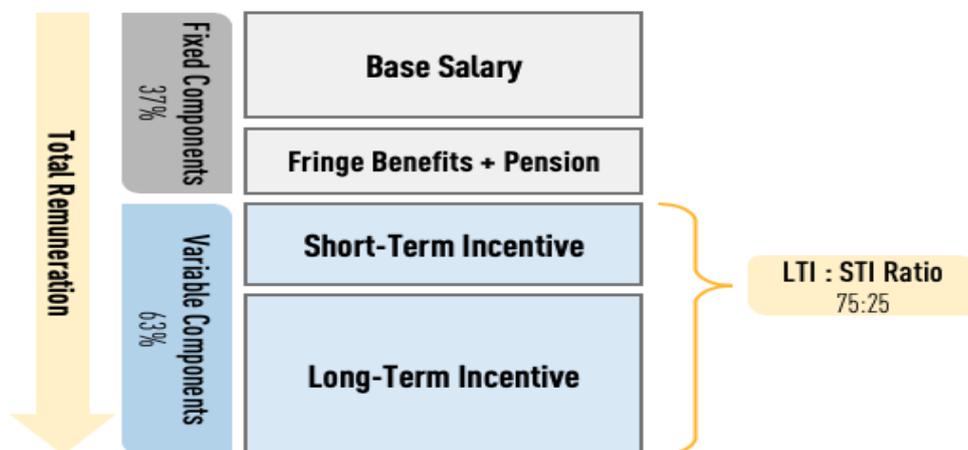
- Fixed annual remuneration (i.e. base salary)

- Fringe benefits (i.e. health insurance, life & income protection insurance and relocation support)
- Pension contribution (i.e. relevant contribution to a pension fund or equivalent for jurisdiction where the directors reside)
- Short-term incentives (i.e. bonuses based on company and individual performance)
- Long-term incentives (i.e. restricted stock units and performance share units, stock options, regional cash awards and call options).



The total reward of the Management Board is structured to attract and retain current and future members. The amount of the remuneration received is weighted to the achievement of the Company strategy and economic performance also accounting for individual performance, with the ultimate aim of delivering sustainable value creation for all stakeholders.

The following charts illustrate the remuneration components assuming they are on target as the average between the minimum and the maximum of the Management Board members respective component values presented as an average of all Management Board members.



The table above illustrates the mix of fixed versus variable compensation and the ratio between each. The mix or ratio is designed to balance both short term economic performance with long term strategic plans of the Company. The mix for the current year is 37% Fixed Components and 63% variable components. The LTI to STI ratio is 75:25. The objective is to ensure the Management Board members deliver value to stakeholders and promote a long-term sustainable Company.

The framework places emphasis on long term incentive more so than short term given that the future rests on building a sustainable organisation that is here for the long term. As the foundations of a company are built in the formative years and are essential to its ongoing success, the role of the

Management Board is pivotal to ensuring the purpose, values and strategy set the path for the long term. The Supervisory Board may adjust the LTI: STI ratio in the future if it determines it appropriate and in the best interest of the Company.

The Supervisory Board compares the total reward and related remuneration framework and structure of the Management Board to relevant industry sectors which it considers to be an appropriate peer group.

Remuneration components for the Management Board

Base Salary

Fixed remuneration levels are generally reviewed annually with effect generally 1 January, unless the Supervisory Board or contractual arrangements determine a different frequency and effectiveness.

In determining and reviewing base salaries, the Supervisory Board considers a variety of factors including the Management Board members' individual responsibilities and performance, the usual level of remuneration for similar roles compared to the market and the Company's economic conditions. The Supervisory Board may also consider any other internal and external factors which it determines relevant to achieve an appropriate base salary. While base salaries are typically paid in the local currency of the jurisdiction which applies to the employment agreement, the Supervisory Board may determine that it be set and/or paid to the Management Board members in an alternative currency.

Pension and Fringe Benefits

The Management Board members receive pension contribution as a cash supplement paid with the monthly base salary. The level of pension contribution is above the minimum statutory requirements under the applicable employment laws. The Supervisory Board retains the discretion to contribute the pension directly into a pension fund and to reduce contribution amounts to statutory requirements.

The Management Board members also receive fringe benefits such as insurance policies (health, life and income protection, directors and officers without deductible payable by the Management Board member), and relocation costs in case of international moves. The Supervisory Board retains the flexibility to grant other fringe benefits in the future if appropriate and relevant with local market and peer group practices.

Short-Term Incentive

Annual performance bonus plan

The short-term incentive plan is structured as two key components of Company performance and individual performance in the respective financial year.

The weight between company and individual performance is determined by the contractual arrangements and the responsibility for the position with a range from minimum 50% to maximum of 80% company performance related measures. The contractual arrangements also determine the cap of any short-term incentive bonus as a percentage of the base salary. The Supervisory Board may agree different splits, weights and caps in the future if it deems it appropriate to encourage stretch performance.

The Company performance measures are agreed and determined annually including the weighting of each respectively, and is calculated via the degrees of target achievement (0% - 100%) determined for each of the relevant performance measures which are set by the Supervisory Board.

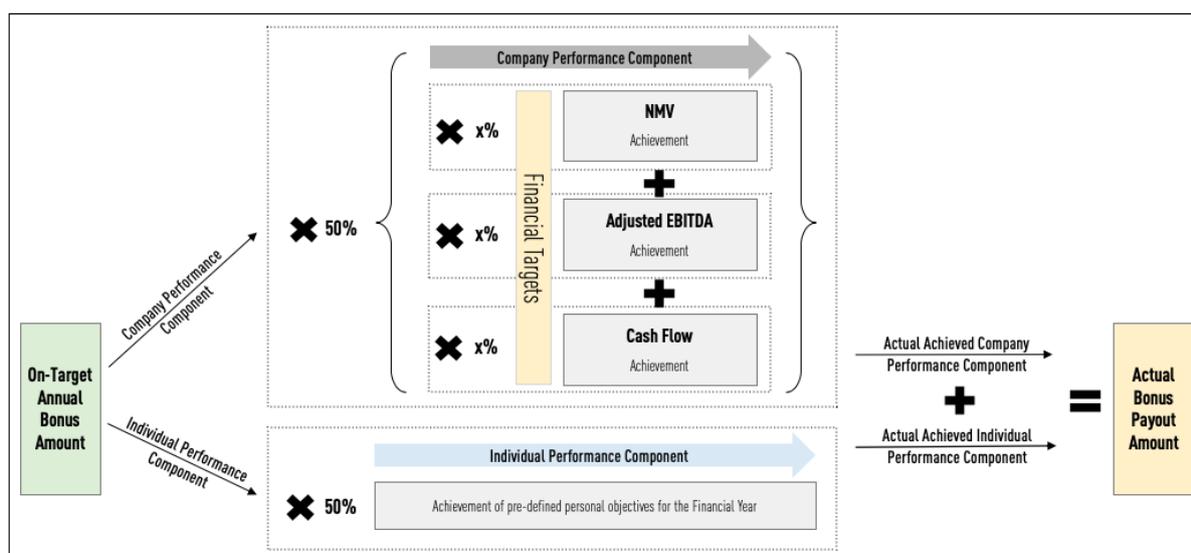
In the illustration below the Company component consists of NMV, Adjusted Ebitda and Cash Flow and weighted respectively 25%/50%/25%. Individual performance component objectives are agreed between the Management Board and Supervisory Board annually.

The Individual objectives are set accounting for 3 factors:

1. The individual areas of responsibility of each Management Board member established by the rules of procedure
2. The respective geographical responsibilities
3. The economic and strategic priorities of the Company.

Each individual objective is supported by a measurable target to determine achievement.

The assessment of the individual performance is completed with the Management Board and Supervisory board after the end of the financial year, on an evidence-based system.



Note: The above is for illustrative purposes only. The weightage split between Company and Individual Performance will depend on what is stated in the employment contract.

Long-Term Incentives | Equity Based Incentives

2019 Share Plan

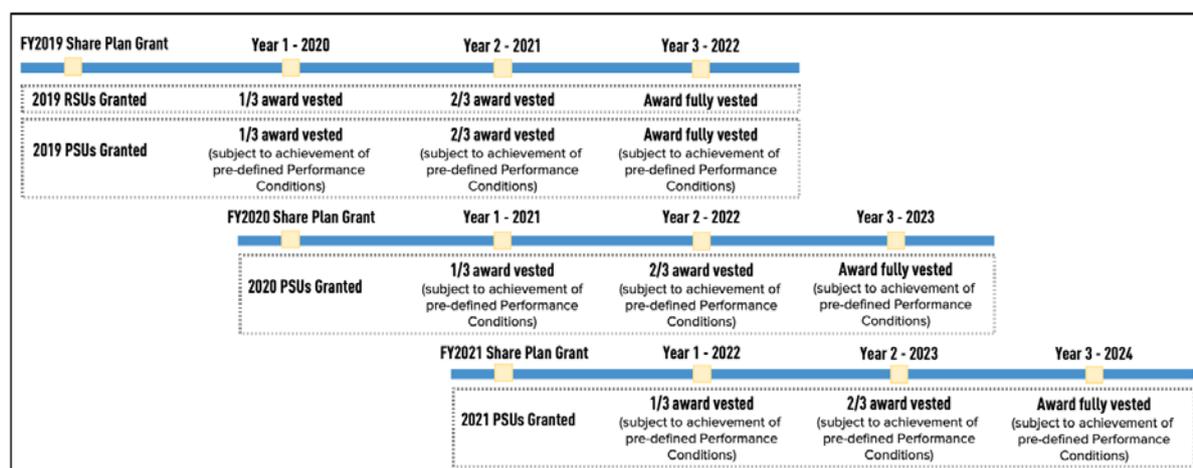
Following the approval of a 2019 Long-Term Incentive Plan ("2019 Share Plan") by the former board of directors of GFG on 10 May 2019, the shareholders of the Company approved the creation of an authorised capital of 9,283,529 shares for the purpose of such 2019 Share Plan. On 20 August 2019 the Supervisory Board approved the implementation of the 2019 Share Plan.

The 2019 Share Plan comprises Restricted Share Unit Plan (RSUs) and Performance Share Unit (PSUs) designed to incentivise employees and Management Board members, improve GFG's long-term performance and retain key talent. The Share Plan is intended to incentivise the delivery of longer-term business plans, sustainable long-term returns for stakeholders and strategic priorities, such as disciplined risk and capital management and sustainability. There is currently no intention to award further RSUs to the members of the Management Board under the 2019 Share Plan albeit the Supervisory Board retains the discretion to do so. The Management Board members remain eligible for annual PSU grants.

Any allocation under the 2019 Share Plan to the Management Board members are decided by the full Supervisory Board.

Upon vesting of awards under the 2019 Share Plan, participants will acquire either shares in the Company (one unit representing one share) which may be freely traded, subject to any required closed periods and holding periods, or a cash payment of equivalent value (at the election of the Supervisory Board which administers the 2019 Share Plan in regards to Management Board). There is currently no policy or intention to settle in cash, albeit the 2019 Share Plan permits it and the Supervisory Board retains the discretion to do it if required either due to applicable laws and regulations or if in the best interest of the Company.

The 2019 Share Plan gives the Supervisory Board the discretion to determine the vesting schedule of each award for the Management Board members. The illustration below provides an example of vesting schedules applicable to the Management Board members capturing the vesting of RSU and PSUs. However, the different vesting schedules may be determined for future grants as permitted by the 2019 Share Plan. The graphic below illustrates the vesting of RSU and PSU from grant:



RSUs and PSUs awards to the Management Board members are subject to a holding period of four (4) years from grant. The awards are also subject to malus and clawback until the expiry of four (4) years after the grant. The circumstances triggering malus and clawback are:

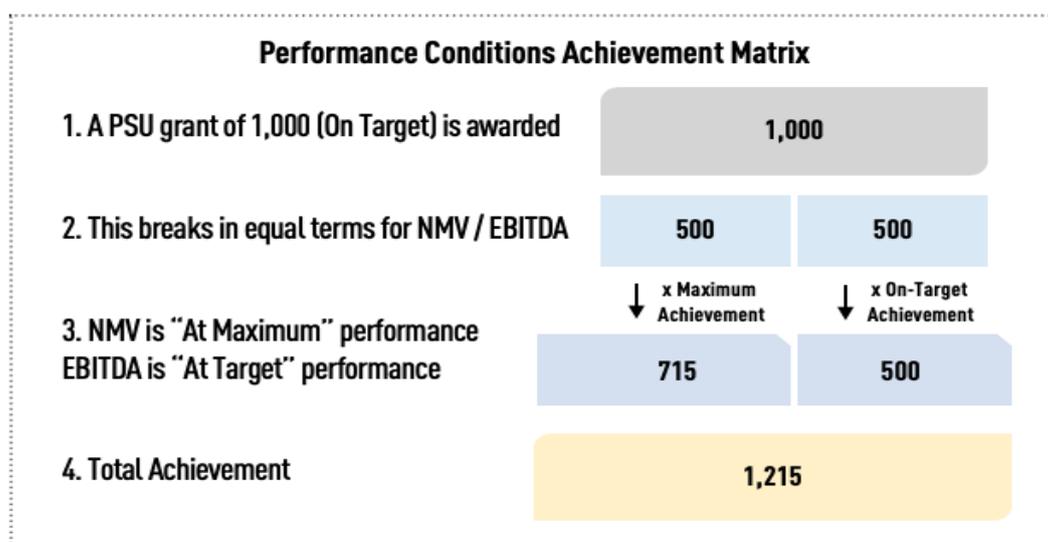
- A material misstatement of the financial results of the Company or any of its affiliates
- An error in assessing a performance condition applicable to the Award or in the information or assumptions on which the award was granted, vests or is released
- Serious misconduct or material error on the part of the Management Board member

→ Any other circumstances that the Supervisory Board in its discretion considers to be appropriate in the circumstances.

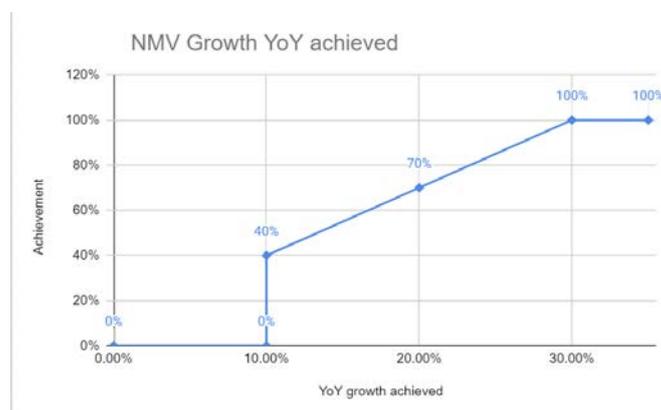
The PSUs of the Management Board are subject to a performance condition each time determined by the Supervisory Board. The performance condition is measured during the performance period, which is also determined by the Supervisory Board.

The performance period is usually the financial year when the award is made. Under the 2019 Share Plan the Supervisory Board sets appropriate performance conditions and they also have the discretion to amend or substitute them if one or more events occur which cause them to consider that an amended or substituted performance condition would be more appropriate and would not be materially less difficult to satisfy.

For example, PSU awards can be subject to performance conditions of Net Merchandise Value (“NMV”) growth year on year on a constant currency basis (for 50% of PSUs) and adjusted EBITDA margin (as a percentage of NMV) (for 50% of PSUs). For GFG, NMV means the value of the goods sold included any value added tax (VAT) and goods and services tax (“GST”) as applicable and delivery fees, after actual or provisioned rejections and returns. The graphic below illustrates an example of the performance conditions achievement.



The Supervisory Board establishes the range for threshold achievement to maximum achievement for the Management Board members. Different performance conditions and performance criteria may be determined for future awards. The targets of achievements are at threshold, on target and maximum which respectively lead to a straight line vesting of 40% of the award, 70% of the award and 100% of the award, as illustrated in the graphic below relating to a performance condition of NMV growth.



Pre IPO-Long Term Incentive

2016 LTIP

On 30 January 2015, the Company adopted its initial share incentive plan under which eligible employees of the Company were granted call options over shares in the Company ("Initial Plan"). Eligible employees include the Management Board members. The Initial Plan was amended in May 2017 and subsequently thereafter allowing the Company to grant synthetic regional stock options over shares or their cash equivalent value (the Initial Plan and its subsequent amendments are collectively referred to as "2016 LTIP"). In certain countries the 2016 LTIP was implemented in the form of regional cash awards rather than share-based awards. The 2016 LTIP also includes the right to participate in an internal liquidity event for the financial years 2018 and 2019.

All synthetic regional stock options were converted into stock options at the level of GFG, upon the IPO on the 2 July 2019. These stock options will be issued from the total authorised share capital of 20,409,396.00 which was authorised by the shareholders of the Company on 31 May 2019 for all pre IPO long-term incentive programs combined.

Prior to 2019, stock options were granted or allocated to members of the Management Board. Each option entitles the holder to acquire one share in the Company upon payment of the corresponding exercise price which ranges between EUR0.01 and EUR7.99. Stock options vest in equal instalments on a quarterly basis and are only exercisable once vested subject to closed periods. All stock option awards granted or allocated to the Management Board members under the 2016 LTIP plan will conclude vesting upon the 31 December 2020.

As for regional cash awards, it is intended that a Management Board member will be entitled to fully vested regional cash awards under the 2016 LTIP.

The 2016 LTIP stock options and cash awards pursuant are subject to forfeiture in case of termination for serious grounds or serious fault. They are not subject to a holding period. No grants will be made under the 2016 LTIP other than those already allocated to certain Management Board members described in this section. The participation in the internal liquidity event under the 2016 LTIP is currently outstanding for one Management Board member.

Individual Call Options

In the time between 2011 and 2014, certain managers, employees, officers, supporters or their respective investment vehicles as trustors have entered into certain trust agreements on non-

standardized terms relating to the trust participations in various entities, that are now affiliates of GFG, through certain entities acting as trustees ("Affiliates Trust Arrangements"). Following the IPO of 2 July 2019, these Affiliate Trust Arrangements with GFG affiliates are being exchanged for participations on the level of GFG. Consequently, eligible participants, including a Management Board member, will enter into an individual call option agreement pursuant to which each call option allows the holder to acquire one share in GFG upon payment of the nominal value. Call options which are expected to be granted to a Management Board member will be fully vested at grant. The call options are subject to forfeiture in case of termination of the Management Board member for serious grounds. They are not subject to a holding period.

These call options will be issued from the total authorised share capital of 20,409,396.00 which was authorised by the shareholders on 31 May 2019 for all pre-IPO long-term incentive programs combined.

No further call options pursuant to legacy long-term incentive programs will be granted to the Management Board members other than in the context of the post IPO exchange for GFG shares at the level of GFG.

2021 Share Plan

The Company intends to adopt a term based Restricted Share Units Plan in 2021 ("2021 Share Plan") using the authorised share capital of 10,000,000 shares approved by the shareholders on 31 May 2019.

The 2021 Share Plan is expected to have largely the same features as the 2019 Share Plan, including RSUs and PSUs subject to performance conditions to be determined by the Supervisory Board for Management Board members, including vesting periods and holding periods to be determined by the Supervisory Board, as applicable. Lastly, it will include malus and clawback provisions similar to those of the 2019 Share Plan. The 2021 Plan will be subject to the approval of the Supervisory Board.

Supervisory Board Compensation

The remuneration policy for the Supervisory Board members was determined by the Annual General Meeting on 31 May 2019 for a term of one year.

In accordance with their monitoring function and to guarantee the independence of each member, the Supervisory Board members receive a fixed compensation. Additionally, Supervisory Board members who are appointed to one of its committees also receive committee fees.

	Supervisory Board	Audit Committee	Sustainability Committee
Chairman	EUR 45,000 (cumulative with Member fee)	EUR 40,000	EUR 35,000
Deputy Chairman	EUR 25,000 (cumulative with Member fee)	n/a	n/a
Member	EUR 35,000	EUR 10,000	EUR 10,000

Additionally, GFG reimburses the Supervisory Board members their expenses related to the Supervisory Board mandate. GFG also provides directors and officers insurance coverage for the Supervisory Board members without any deductible payable by the Supervisory Board member.

The shareholders of GFG may resolve on a different remuneration for the Supervisory Board members at a future annual general meeting or extraordinary general meeting of the Company.

Derogation from the Remuneration Policy

In exceptional circumstances, GFG can temporarily derogate from the remuneration policy as regards the Management Board members.

Exceptional circumstances are situations in which the derogation from this Policy is necessary to serve the long-term interest and the sustainability of the Company or to assure its viability.

A derogation from the remuneration policy for the Management Board in the aforementioned exceptional circumstances requires a resolution of the Supervisory Board assessing the exceptional circumstances and the necessity of a derogation. The parts of the remuneration policy that can be derogated from in exceptional circumstances through a resolution by the Supervisory Board are:

- The performance period,
- Performance targets
- The relative proportion between fixed and variable components of the remuneration
- The relative proportion between short term and long-term incentives
- Vesting schedules
- Holding periods
- Malus and clawback and deadlines associated with the exercise thereof
- The granting of additional RSU under the 2019 Share Plan
- The compensation of vested RSU and/or PSU in cash
- The STIP methodology for the short-term incentive bonus
- The payment of STIP bonus beyond the contractually agreed cap when maximum performance has been achieved (i.e. above on target) or when appropriate in exceptional circumstances
- The determination of the payout caps of the variable compensation
- The granting of special payments to new Management Board members in order to compensate for forfeiting salary or equity from previous employers
- The payment in a different form to, or calculated or delivered other than as described above, where such changes are necessary to meet regulatory requirements
- The payment of severance pay beyond the contractually agreed provisions and caps
- The payment of severance in the event of change of control if appropriate

The payment of remuneration in consideration of the non-compete if required by applicable laws or appropriate.

The Supervisory Board
Global Fashion Group S.A.