CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE

Both the Management Board and Supervisory Board are committed to upholding the principles of good corporate governance, in accordance with the recommendations of the Federal German Government Commission on the German Corporate Governance Code, which GFG has voluntarily decided to comply with.

In August 2020, the Supervisory Board and Management Board issued a declaration of compliance for GFG as part of its reporting on fiscal year 2020. This is published within the Investor Relations section on our website ir.global-fashion-group.com/websites/globalfashion/English/1052/declaration-of-compliance.html. The few deviations from the German Corporate Governance Code are described in the declaration.

1.3 DECLARATION OF COMPLIANCE

In this statement, GFG reports in accordance with Article 68 ter of the Law of 19 December 2002 on the business and companies' register as well as the companies' accounting and annual accounts (the "2002 Law"). The Company is a Luxembourg société anonyme (S.A.), which is listed solely on the Frankfurt Stock Exchange in Germany. The Company is not subject to the "Ten Principles of Corporate Governance" applicable to companies listed in Luxembourg. In addition, as a company incorporated and existing under the laws of Luxembourg, the Company is not required to comply with the respective German Corporate Governance Code (the "Code") applicable to German stock corporations. However, as the Company's shares are listed on the Frankfurt Stock Exchange, the Management Board and Supervisory Board have decided to follow, on a voluntary basis and to the extent consistent with applicable Luxembourg corporate law and Global Fashion Group's corporate structure, the recommendations of the Code regarding the principles of good corporate governance.

Compliance with the Corporate Governance Code

The corporate governance rules of the Company are based on applicable Luxembourg laws, the Company's Articles of Association and its internal regulations, and the rules of procedure of the Management Board and Supervisory Board.

The Management Board and the Supervisory Board diligently addressed compliance with the guidance of the Code in fiscal year 2020. From the submission of the previous declaration of conformity in August 2019 until the publication of the new version of the Code dated December 16, 2019 and which was published by the Federal Ministry of Justice in the official section of the Federal Gazette on March 20, 2020 GFG complied with the recommendations of the Code in the version dated 24 April 2017 and from March 20, 2020 onwards GFG complied with the recommendations of the new version of the Code dated December 16, 2019. The Management Board and Supervisory Board applied the Code, on a voluntary basis, decided to issue a statement to a certain extent comparable to that required for stock corporations organised in Germany pursuant to Section 161 of the German Stock Corporation Act (Aktiengesetz) and commented on the limited number of exceptions. The declaration is published on the Company's website ir.global-fashion-group.com.

DECLARATION OF CONFORMITY

The Management Board and Supervisory Board of the Company issued the following joint declaration of conformity in August 2020:

Declaration of Compliance with the German Corporate Governance Code

Global Fashion Group S.A. (**"GFG"** or the **"Company"**) is a Luxembourg société anonyme (S.A.), which is listed solely on the Frankfurt Stock Exchange in Germany. GFG is not subject to the "Ten Principles of Corporate Governance" applicable to companies listed in Luxembourg. Furthermore, as a company incorporated and existing under the laws of Luxembourg, GFG is not required to report on compliance with the German Corporate Governance Code (the **"Code"**) applicable to listed German stock corporations.

Nevertheless, as GFG regards the Code to be an important foundation for responsible corporate governance, the Management Board and Supervisory Board of GFG have decided to follow, on a voluntary basis and to the extent consistent with applicable Luxembourg corporate law and GFG's corporate structure, the recommendations of the Code regarding the principles of good corporate governance.

The Management Board and Supervisory Board of the Company declare that GFG has decided to comply with the recommendations of the Code in its version dated December 16, 2019, published by the Federal Ministry of Justice in the official section of the Federal Gazette on March 20, 2020, with the following deviations since their announcement and will continue to comply with them to the same extent in the future:

- **Recommendation B.3 of the Code:** The current members of the Management Board were appointed for a maximum period of five (5) years in line with the previous version of the Code which was in effect when they were appointed in May 2019. We have amended our rules of procedures to ensure that future first-time appointments shall be for a period of not more than three (3) years.

- **Recommendation C.5 of the Code:** One of the members of the Management Board is also the chairman of the Supervisory Board of a non-group listed company. The appointment of the member to the Management Board of GFG and the non-group listed company supervisory board were made before the Code came into effect on March 20, 2020, in line with the former Code. The appointment as both a member of the Management Board and chairman of a non-group listed company's supervisory board has not given rise to any conflicts or work management issues to date. The Supervisory Board of GFG considers the case-by-case assessment of the compatibility of both roles to be more appropriate.

- **Recommendation D.5 of the Code:** Due to its relatively small size of six members, the Supervisory Board does not find it necessary to form a nomination committee as decisions that would normally be charged to a nomination committee can be made quickly and efficiently by the entire Supervisory Board.

- **Recommendation F.2 of the Code:** In order to ensure high-quality financial reporting, the recommended publication periods may not in all cases be complied with. However, we are constantly seeking to improve our reporting system and intend to comply with the reporting periods of the Code in the near future.

- **Recommendation G.1 bullet point 1 and 3 of the Code:** While annual bonuses and the size of grants under the 2019 LTIP are capped at certain percentages of base salary, there is no cap with regard to the Company's share price once restricted stock units (**"RSUs"**) or Performance Stock Units (**"PSUs"**) or Call Options are vested and delivered. In the opinion of the Supervisory Board, such a cap would not be appropriate as it would interrupt the intended alignment of interests between the shareholders and the Management Board members. The Supervisory Board believes that the Management Board members should, in this regard, participate in any increase in the value of the Company to the same extent as any other shareholder would participate. The Supervisory Board has also not set a maximum total remuneration for the overall fixed and/or variable compensation. In addition, certain components of the

Management Board variable compensation granted before the IPO and after the IPO as a one-off grant are linked to continuous employment with no financial and non-financial performance criteria attached to it. All long-term variable compensation granted since 1 January 2020 has performance criteria attached to it.

- **Recommendation G.3 of the Code:** The Supervisory Board uses an appropriate peer group of other relevant entities to compare the remuneration of the Management Board, however such peer group has not been disclosed as representatives of the common market in which GFG operates evolve at a fast pace and as such, the peer group is periodically reviewed and updated by the Supervisory Board. Consequently, at present the Supervisory Board does not intend to disclose the peer group.

- **Recommendation G.4 of the Code:** The diversified footprint where GFG operates, combined with the large number of employees and its localised market approach to defining remuneration, makes it difficult for GFG to establish an average remuneration for GFG for the purposes of comparing the remuneration of the Management Board. GFG targets to provide remuneration packages that are both competitive externally and proportionate internally.

- **Recommendation G.7. of the Code:** Certain components of the Management Board variable compensation granted before the IPO and after the IPO as a one-off grant are linked to continuous employment with no financial and non-financial performance criteria attached to it. All long-term variable compensation granted since 1 January 2020 has performance criteria attached to it.

- **Recommendation G.11 of the Code:** The Supervisory Board can retain a payment under the short term incentive plan but there is no ability to reclaim any amounts paid since applicable laws regulating the employment agreements of the Management Board members prevent reclaiming earnings already paid.

- **Recommendation G.12 of the Code:** The 2019 LTIP gives the Supervisory Board the discretion to accelerate vesting of a portion of granted RSUs and PSUs in the case of early termination without cause or a change of control, redundancy, retirement, death, illness and other similar circumstances. The Supervisory Board believes this to be an adequate element of the Management Board members' variable compensation.

- **Recommendation G.13 of the Code**: The employment agreements of the Management Board members (which govern their remuneration) have an indefinite term and can be terminated without cause with a six- or nine-month notice period or, with immediate effect, if the respective Management Board member is paid the pro-rata portion of his base salary and contractual benefits (excluding any bonus) for the relevant notice period (**"Payment in Lieu of Notice"**). In the case of Payment in Lieu of Notice, the payment to the respective Management Board member is limited to the pro-rata portion of his base salary and contractual benefits (excluding any bonus) for the relevant notice period. Given this contractual set-up, the Supervisory Board believes that no further cap is required. The 2019 LTIP provides for accelerated vesting of a portion of granted RSUs and PSUs in the case of early termination without cause or a change of control, the value of which – depending on the Company's share price – can exceed the caps recommended by the Code. The Supervisory Board believes this to be an adequate element of the Management Board members' variable compensation.

Since the submission of the declaration of conformity in August 2019 and until the publication of the new version of the German Corporate Governance Code on 20 March 2020, GFG complied with the recommendations of the German Corporate Governance Code in the version dated 24 April 2017 with the following exceptions:

- **No. 3.8 para. 3 of the Code:** The D&O policy for the members of the Management Board and the Supervisory Board does not provide for any deductible. The Company takes the view that such deductible itself is generally not suitable to increase the performance and sense of responsibility of the Management Board and the Supervisory Board members.

- **No. 4.2.1 sentence 1 of the Code:** The current Management Board does not have a chair or spokesperson. The Supervisory Board believes that the three members of the Management Board can work together efficiently and collegially without any member performing such a function.

- **No. 4.2.3 para. 2 sentences 3, 4, 7 and 8 of the Code:** Not all variable components of the Management Board compensation follow the recommendations of the Code. For example, forward-looking performance targets apply to the annual bonuses and vesting of performance stock units (**"PSUs"**) under the Company's new long-term incentive plan (the **"2019 LTIP"**), but these targets are determined at the beginning of each year for the relevant fiscal year (sentence 3). The Supervisory Board deems the annual assessment adequate, since the Company is still a young enterprise operating in growth markets whose business performance is therefore difficult to predict. Further, the annual bonus scheme, the 2019 LTIP and the Company's current long-term incentive plan (the **"Current Plan"**) do not contain explicit rules requiring the consideration of negative developments (i.e. negative developments are only taken into account in the sense that the relevant targets may not be achieved), and vesting of awards partly occurs based solely upon continuous employment (sentence 4). Additionally, applicable performance targets and comparison parameters may not in all cases be as demanding and relevant as required by the Code (sentence 7), and the number of vesting awards can partly, in exceptional cases, be adjusted when the level of target achievement would not adequately reflect relevant performance (in either a positive or negative sense) due to extraordinary influences (sentence 8). The Supervisory Board believes the overall compensation for the Management Board members to be appropriate and well-balanced, and that further consideration of positive or negative developments is not required. Ex-post amendments in exceptional circumstances seem reasonable to ensure adequate and equitable compensation.

- **No. 4.2.3 para. 2 sentence 6 of the Code:** While annual bonuses and the size of grants under the 2019 LTIP are capped at certain percentages of base salary, there is no cap with regard to the Company's share price once restricted stock units RSUs or PSUs vest or vested call options (granted under the Current Plan) are exercised. In the opinion of the Supervisory Board, such a cap would not be appropriate as it would interrupt the intended alignment of interests between the shareholders and the Management Board members. The Supervisory Board believes that the Management Board members should, in this regard, participate in any increase in the value of the Company to the same extent as any other shareholder would participate. There is also no cap for the overall fixed and/or variable compensation.

- **No. 4.2.3 para. 4 and 5 of the Code:** The employment agreements of the Management Board members (which govern their remuneration) have an indefinite term and can be terminated without cause with a six- or nine-month notice period or, with immediate effect, if the respective Management Board member is paid the pro-rata portion of his base salary and contractual benefits (excluding any bonus) for the relevant notice period (**"Payment in Lieu of Notice"**). In the case of Payment in Lieu of Notice, the payment to the respective Management Board member is limited to the pro-rata portion of his base salary and contractual benefits (excluding any bonus) for the relevant notice period. Given this contractual set-up, the Supervisory Board believes that no further cap is required. The 2019 LTIP provides for the Supervisory Board with the discretion to accelerate vesting of a portion of granted RSUs and PSUs in the case of early termination without cause or a change of control, the value of which – depending on the Company's share price – can exceed the caps recommended by the Code. The Supervisory Board believes this to be an adequate element of the Management Board members' variable compensation.

- **No. 5.3.3 of the Code:** Due to its relatively small size of six members, the Supervisory Board does not find it necessary to form a nomination committee as decisions that would normally be charged to a nomination committee can be made quickly and efficiently by the entire Supervisory Board.

- **No. 7.1.2 sentence 3 of the Code:** In order to ensure high-quality financial reporting, the recommended publication periods may not in all cases be complied. However, we are constantly seeking to improve our reporting system and intend to comply with the reporting periods of the Code in the near future.

Luxembourg, August 2020

1.4 BOARD COMPOSITION AND GOVERNANCE STRUCTURE

The governance structure of the Company consists of the Management Board and the Supervisory Board.

The Management Board is responsible for managing the Company, and the Supervisory Board is responsible for carrying out the permanent supervision and control of the Management Board without being authorised to interfere with such management. The Management Board is vested with the broadest powers to act in the name of the Company and to take any actions necessary or desirable to fulfil the Company's corporate purpose with the exception of certain matters set out in the Articles of Association and the Supervisory Board Rules of Procedure which require approval of the Supervisory Board or the Company's shareholders. The Management Board and Supervisory Board cooperate closely for the benefit of the Company. The Chairman of the Supervisory Board has regular contact with the Management Board and advises it on strategy, planning, business development, and the Management Board informs the Chairman of the Supervisory Board without delay of matters of fundamental importance for the Company.

The corporate governance rules of the Company that govern the Management Board and Supervisory Board are based on applicable Luxembourg laws, GFG's Articles of Association and its internal regulations, in particular the Management Board Rules of Procedure, the Supervisory Board Rules of Procedure and the German Code of Corporate Governance.

The Company's Business Conduct and Ethics Policy applies to all employees, directors and officers worldwide and contains ethical and legal standards that employees, directors and officers must adhere to. Under the Business Conduct and Ethics Policy, employees, directors and officers are required to comply with all laws and policies including but not limited to, the Anti-Bribery and Anti-Corruption Policy, the Gifts & Hospitality Policy, the Sanctions Policy and the Insider Trading Compliance Policy. The details are set out in internal policies and guidelines.

Working Practices of the Management Board

The Management Board is responsible for managing the Company in accordance with the applicable legal provisions, the Articles of Association of the Company (the "Articles of Association") and the Management Board Rules of Procedure. It is obligated to act in the Company's corporate interest and to increase its long-term business value. The Management Board develops the Company's strategy, discusses and agrees on it with the Supervisory Board and ensures that it is implemented. It is also responsible for appropriate risk management and control. The Management Board provides the Supervisory Board with timely and comprehensive information about all issues of relevance to the Company and must inform the Chairman of the Supervisory Board of any important event or business matter that might have a significant impact on the situation of the Company without undue delay. The age limit for the Management Board is set as 69 years in the Management Board Rules of Procedure.

The Management Board performs its management function as a collective body. Notwithstanding their overall responsibility for management, the individual members of the Management Board manage the areas assigned to them on their own responsibility within the framework of the Management Board's resolutions. For fiscal year 2020, the allocation of responsibilities among the members of the Management Board is defined in the Management Board Rules of Procedure, according to which the members of the Company's Management Board are responsible for the following areas:

Co-CEO: Christoph Barchewitz

- Commonwealth of Independent States – Lamoda
- Latin America – Dafiti
- Communications
- International Brand Partnerships
- Legal & Governance, Risk & Compliance ("GRC")

Co-CEO: Patrick Schmidt

- Australia and New Zealand – THE ICONIC
- South East Asia – ZALORA
- People & Culture
- Sustainability
- Technology

CFO: Matthew Price

- Accounting
- Financial Reporting
- Financial Planning & Analysis
- Internal Audit
- Investor Relations
- Tax & Treasury

The Management Board takes joint responsibility for the overall management of the Company irrespective of the split of business areas. Its members work collaboratively and inform each other regularly about any significant measures and events within their areas of responsibility. The Management Board meets at least once per calendar quarter, and additional meetings are convened, if required.

Composition of the Management Board

According to the Articles of Association of the Company, the Management Board shall be composed of at least two members. The Supervisory Board determines the number of Management Board members and appoints the members of the Management Board for a maximum term of office of five years (which has been appended for future appointments to three years). The Management Board currently consists of the two Co-CEO's and the CFO. The Management Board does not currently have a chairman.

The Supervisory Board acknowledges and appreciates the importance of diversity. A diverse composition of management and supervisory bodies can promote new perspectives in decision-making processes and discussions and help to further improve performance. The Supervisory Board and Management Board did not apply a specific diversity concept with respect to the Management Board and executive management team for Financial Year 2020. The Supervisory Board and Management Board considers that the executive management team and employee base globally is highly diverse. The Supervisory Board has defined a diversity target for at least one female representative to be appointed to the Management Board to be achieved by 1 January 2025. In addition, the Management Board defined a diversity target of maintaining a 50/50 gender balance on the GFG Executive team (which it currently meets) until 1 January 2025. The Supervisory Board has concluded a first succession plan for the replacement of the Management Board during Financial Year 2020. The Supervisory Board and Management Board will work together on further refining the succession plan during Financial Year 2021.

Working practices of the Supervisory Board

The Supervisory Board advises and supervises the Management Board in its management of the Company. It is responsible for the permanent supervision and control of the Management Board. It works closely with the Management Board for the benefit of the Company and is involved in all decisions of fundamental importance to the Company.

The rights and duties of the Supervisory Board are governed by legal requirements, the Articles of Association, the Supervisory Board Rules of Procedure and the Management Board Rules of Procedure. It appoints and removes the members of the Management Board and is responsible for ensuring that long-term succession planning is undertaken by the Management Board.

The work of the Supervisory Board takes place in meetings as well as separate committee meetings whose chairs provide the entire Supervisory Board with regular updates on the committee's activities. Pursuant to the Supervisory Board Rules of Procedure, the Supervisory Board shall hold at least one meeting in each calendar quarter and additional meetings should be convened as necessary.

Composition of the Supervisory Board

The Supervisory Board must consist of at least three members in accordance with the Articles of Association. The members of the Supervisory Board are appointed and removed at the general meeting of shareholders which determine the term and compensation. Members of the Supervisory Board can only be appointed for a term that doesn't exceed five years but can be reappointed for successive terms.

The Supervisory Board Rules of Procedure sets targets for its composition and sets a profile of skills that are required for members of the Supervisory Board. According to this profile, members of the Supervisory Board shall have the required knowledge, abilities and expert experience to fulfil his/her duties properly and they must be familiar with the sector in which the Company operates. At least one member must have knowledge in the field of auditing and accounting. Each member shall ensure that they have enough time to perform their mandate. At least three members of the Supervisory Board must have reasonable international experience and diversity shall be considered - an appropriate number of women shall be considered. In addition, the Supervisory Board has defined a diversity target of maintaining a 50/50 gender balance on the Supervisory Board until 1 January 2025. At least three members must not have a board position, consulting or representation duties with main suppliers, lenders or other business partners of the Company, and Supervisory Board members shall not exercise directorships or similar positions or advisory tasks for material competitors of the Company. In addition, no fewer than two members shall be independent, and no more than two former members of the Management Board shall be members of the Supervisory Board. In addition to their Supervisory Board mandate with the Company, members of the Supervisory Board who are members of the Management Board of a listed company, or equivalent, should not hold more than two further Supervisory Board mandates in listed non-group entities that make similar requirements. The age limit for members of the Supervisory Board is set as 69 years.

At the extraordinary meeting of the shareholders held on 31 May 2019, shareholders appointed the following six members to the Supervisory Board subject to approval of the prospectus by the Commission de Surveillance du Secteur Financier (the "CSSF"), which took place on 17 June 2019 for a period ending at the expiration of the general meeting of shareholders approving the 2021 financial results:

- Cynthia Gordon – Chairman of the Supervisory Board and member of the Sustainability Committee;
- Georgi Ganev – Vice Chairman of the Supervisory Board;
- Alexis Babeau – Member of the Supervisory Board and Chairman of the Audit Committee;
- Victor Herrero – Member of the Supervisory Board, Chairman of the Sustainability Committee and Member of the Audit Committee;
- Carol Shen – Member of the Supervisory Board and the Sustainability Committee; and
- Laura Weil – Member of the Supervisory Board and the Audit Committee.

The Chairman of the Supervisory Board is an independent supervisory chair in line with the recommendations of the Code. During Financial Year 2020, the Supervisory Board has acted amongst others through the Audit Committee and the Sustainability Committee. The Company deviated from the recommendations of the Code as the Supervisory Board due to its relatively small size of six members did not find it necessary to form a nominations committee.

Working practices of the Audit Committee

The Chairman of the Audit Committee has specific knowledge and experience in applying accounting principles and internal control procedures. Neither the Chairman of the Supervisory Board nor former members of the Company's Management Board whose term ended less than two years ago are eligible to be appointed as Chairman of the Audit Committee. All members of the Audit Committee are financially literate and at least two members have in-depth knowledge of accounting and the financial reporting principles required. All of the members of the Audit Committee are independent.

The Audit Committee oversees the accounting and financial reporting processes of the Company and the integrity of the financial statements and publicly reported results, the adequacy and effectiveness of the risk management and internal control frameworks and the choice, effectiveness, performance and independence of the internal and external auditors.

The Audit Committee also monitors the process of preparing financial information, reviews and discusses the audited financial statements with the Management Board members and the Independent Auditor, and provides a recommendation to the Supervisory Board regarding whether audited financial statements should be included in the annual report. In addition, the Audit Committee reviews the half yearly and quarterly financial statements and prepares a recommendation for the appointment of the Independent Auditor to the Supervisory Board. The Audit Committee also reviews the performance of the Independent Auditor.

Composition of the Audit Committee

For Financial Year 2020, the members of the Audit Committee were:

- Alexis Babeau (Chairman);
- Victor Herrero; and
- Laura Weil.

Working practices of the Sustainability Committee

The Sustainability Committee assists the Supervisory Board with oversight of its responsibilities in connection with the Company's sustainability policies and practices. In particular, it makes recommendations to the Supervisory Board regarding the Company's policy and performance in relation to health & safety, diversity and inclusion and compliance with laws concerning environmental and social matters and review their implementation. In addition, the Sustainability Committee reviews and approves the Company's sustainability strategy, objectives, key results and policies and approves for submission to the Supervisory Board the Company's annual sustainability report submitted to it by the Management Board. All of the members of the Sustainability Committee are independent.

Composition of the Sustainability Committee

For Financial Year 2020, the members of the Sustainability Committee were:

- Victor Herrero (Chairman);
- Carol Shen; and
- Cynthia Gordon.

1.5 ANNUAL GENERAL MEETING AND SHAREHOLDERS

The shareholders of GFG exercise their rights, including their right to vote, at an Annual General Meeting (**"AGM"**). Each share in the Company grants one vote.

The AGM is required to be held within the first six months of the fiscal year, and the agenda along with the reports and documents required for the AGM are to be published on the Company's website ir.global-fashion-group.com.

Certain matters set out in the Articles of Association require the approval of shareholders. Resolutions on matters that require shareholder approval are adopted at the AGM, including, increasing/reducing the Company's share capital or authorised capital, appointment and removal of members of the Supervisory Board and the independent auditors, resolutions on allocation of the remainder of any annual net profit.

To facilitate the personal exercise of their voting rights, GFG makes available a proxy who is bound by instructions and who may also be contacted during the AGM. The invitation to the AGM explains how instructions may be given ahead of the meeting. In addition, shareholders may arrange to be represented at the Annual General Meeting by a proxy of their choice.

1.6 TAKEOVER LAW

Composition of subscribed capital

As of 31 December 2020, the share capital of the Company amounts to €2,138,367.16, and is divided into 213,836,716 common shares with a nominal value of €0.01 each. The common shares are fully paid-up. The Company holds common shares in dematerialised form and all future common shares to be issued by the Company will be issued in dematerialised form.

Restrictions on voting rights or the transfer of shares

The Company's common shares in dematerialised form are freely transferable through book entry transfers in accordance with the legal requirements for dematerialised shares.

Each common share carries identical rights and obligations, save for the common shares held by the Company in treasury, from which the Company derives no rights. As of 31 December 2020, the Company held 182,378 common shares in treasury.

As part of the Company's IPO in 2019, the Company's pre-IPO shareholders had previously entered into lock-up agreements with the underwriters that supported the IPO. In these lock-up agreements, the pre-IPO shareholders agreed they will not, either directly or indirectly, offer, pledge, allot, distribute, sell, contract to sell, sell any option or contract to purchase, purchase any option to sell, grant any option, right or warrant to purchase, transfer or otherwise dispose of, directly or indirectly, any common shares of the Company for a period of 12 months after the first day on which the Company's shares traded on the Frankfurt Stock Exchange without the prior consent of the Company and the underwriters. However, during the period starting on the 180th day following the first day of trading of the Company's Shares on the Frankfurt Stock Exchange and ending twelve months after the first day of trading of the Company's Shares on the Frankfurt Stock Exchange, the pre-IPO shareholders were permitted to sell in aggregate up to 20% of their pre-IPO shareholding. This restriction was subject to limited exceptions. The same lock-up requirement applied to common shares purchased by certain members of the Supervisory Board as part of the IPO. Members of the Management Board had agreed to substantially similar lock-up provisions in respect of their stock options over common shares in the Company and similar instruments. The lock-up restrictions relating to the Company's IPO expired on 2 July 2020.

Equity Interests in the Company That Exceed 5% of Voting Rights

On the basis of the voting rights notifications received by the Company during the financial ended 31 December 2020 in accordance with Article 11, Section 6 of the Luxembourg Transparency Law and Section 40, Paragraph 1 of the German Securities Trading Act (WpHG), the following direct or indirect shareholders in the capital of the Company reach or exceed 5% of the voting rights:

Name of Shareholder	Details	Percentage of holding	Date of declaration
Kinnevik AB	Indirectly holds 36.99% of the voting rights in the Company through Invik S.A. who directly holds 36.99%.	36.99%	21 Dec 2020
Baillie Gifford & Co	Indirectly holds 6.38% of the voting rights of the Company through Baillie Gifford Overseas Ltd who directly holds 6.38%.	6.38%	23 Nov 2020
Zerena GmbH	Indirectly holds 14.82% of the voting rights of the Company, through Rocket Internet SE who directly hold 14.57% and a further 0.25% through the holdings of Rocket Middle East GmbH, MKC Brillant Services GmbH and Bambino 53. V V GmbH.	14.82%	19 Nov 2020
Zerena GmbH	Indirectly holds 16.06% of the voting rights of the Company, through Rocket Internet SE who directly hold 15.79% and a further 0.27% through the holdings of Rocket Middle East GmbH, MKC Brillant Services GmbH and Bambino 53. V V GmbH.	16.06%	16 Nov 2020
Tengelmann Verwaltungs- und Beteiligungs GmbH	Indirectly holds 5.30% of the voting rights of the Company, through Tengelmann Ventures GmbH and TEV Global Invest II GmbH	5.30% [1]	2 Sep 2020

1 The Company received a subsequent notification on 2 September 2020 from Tengelmann Verwaltungs und Beteiligungs GmbH which confirmed that it indirectly held 4.85% of the voting rights of the Company, through Tengelmann Ventures GmbH and TEV Global Invest II GmbH.

The Company was not notified of any other direct or indirect capital investments that reach or exceed 5% of the voting rights of the Company during the financial year ended 31 December 2020. Further, the distribution of voting rights included above may have changed within the reportable thresholds.

Legal Requirements and Provisions of the Articles of Association Governing the Appointment and Dismissal of Members of the Management Board, and Amendments to the Articles of Association

The Management Board must consist of at least two persons in accordance with Article 13.1 of the Articles of Association. In all other respects, the Supervisory Board determines the number of Management Board members. The Supervisory Board appoints the members of the Management Board on the basis of Luxembourg Company Law and Article 15 of the Articles of Association for a term of office lasting no longer than five years. Reappointments for successive years are permitted. To ensure compliance with the Code, the Supervisory Board Rules of Procedure were amended to ensure that future appointments of members of the Management Board are for a maximum term of three years. The Supervisory Board is entitled to revoke the appointment of a Management Board member for cause (pursuant to Article 15.3 of the Articles of Association).

Changes to the Articles of Association must be agreed at a general meeting of shareholders. Unless a higher majority is required by binding legal requirements or the Articles of Association, resolutions proposed at the AGM are passed by a simple majority of votes cast in accordance with Article 11.2 of the Articles of Association. According to Article 11.5 of the Articles of Association, a vote passed by a majority of at least two thirds of the votes validly cast at a general meeting at which a quorum of more than half of the Company's capital is represented is required in order to amend the Articles of Association. Abstentions and nil votes shall not be taken into account.

The Company is authorised to amend the wording of the Articles of Association after carrying out capital increases from authorised capital or after the expiry of the corresponding authorisation, option, or conversion period.

Authority of the Management Board to Issue and Buy Back Shares

Authorised Capital

As at 31 December 2020, pursuant to Article 6.1 of the Articles of the Association, the Company's authorised capital, excluding the issued share capital, is €1,648,687.01 represented by 164,868,701 common shares with a nominal value of €0.01 each. Pursuant to Article 6.2 of the Articles of Association, during a period of five years from the date of any resolutions to create, renew or increase the authorised capital pursuant to Article 6.2, the Management Board, with the consent of the Supervisory Board, is authorised to issue shares, to grant options to subscribe for shares and to issue any other instruments giving access to shares within the limits of the authorised capital to such persons and on such terms and subject to the limitations set out in the Special Report of the Management Board of the Company with respect to the authorised share capital dated 19 May 2020 (the "Special Board Report"). The issue of such instruments will reduce the available authorised capital accordingly.

The Special Board Report also sets out circumstances in which the powers under the authorised capital could be used if convening a general shareholders' meeting would be undesirable or not appropriate. For example, such circumstances could arise when there is a financing need or if the convening of a shareholders' meeting would lead to an untimely announcement of a transaction, which could be disadvantageous to the Company.

As at 1 January 2020, the issued share capital of the Company amounted to €2,147,655.17, and was divided into 214,765,517 common shares with a nominal value of €0.01 each, with 193,288,579 common shares being held in dematerialised form and 21,476,938 common shares being held in registered form. Only common shares in dematerialised form were admitted to trading on the Frankfurt Stock Exchange.

On 30 March 2020, the Company:

- issued 76,310 new common shares to pre-IPO shareholders in connection with the Share Redistribution carried out by the Company prior to its IPO in 2019[1]; and

- converted 1,422,377 common shares held in registered form to dematerialised form on behalf of a pre-IPO shareholder that was incapable of holding shares in dematerialised form at the time of the Company's IPO.

On 26 June 2020, following the conclusion of the Company's 2020 AGM, the Company cancelled 20,054,561 of its treasury shares that were held in registered form. Following the cancellation, the Company held 182,378 common shares in treasury, each in dematerialised form. Following 26 June 2020, the Company no longer had any common shares in registered form in issue.

On 3 July 2020, the Company issued:

- 226,888 new common shares in connection with the roll-up of existing and former managers, founders, employees, business angels and supporters of the Group in connection with a legacy long-term incentive program;

- 486,294 new common shares in connection with various legacy call option agreements with certain former or current senior management members, key employees and supporters of the Group; and

- 1,836,268 new common shares to satisfy the Company's legacy and existing long-term incentive programs.

On 18 Novemer 2020, the Company issued 16,500,000 new common shares in connection with a private placement of shares to institutional investors.

As at 31 December 2020, the issued share capital of the Company amounts to €2,138,367.16, and is divided into 213,836,716 common shares with a nominal value of €0.01 each. All of the Company's common shares are held in dematerialised form and are admitted to trading on the Frankfurt Stock Exchange.

Pursuant to Article 6.3 of the Articles of Association, the Company's authorised capital may be increased or reduced by a resolution of a general meeting of shareholders adopted in the manner required for an amendment to the Articles of Association. The authorisations in Articles 6.2 and 6.3 of the Articles of Association may be renewed through a resolution of a general meeting of shareholders adopted in the manner required for an amendment of the Articles of Association and subject to the provisions of the Luxembourg Company Law, each time for a period not exceeding five years.

Treasury Shares

According to Article 7.1 of the Articles of Association, the Company may, to the extent and under the terms permitted by law, repurchase its own shares and hold them in treasury. Prior to the Company's 2020 AGM, the Company held 20,236,939 common shares in treasury, 20,054,561 of which were being held for cancellation. At the Company's 2020 AGM, the Company's shareholders resolved to cancel the 20,054,561 common shares that were being held in treasury. Following the conclusion of the 2020 AGM, and as at 31 December 2020, the Company held 182,378 common shares in treasury. In line with Luxembourg Company Law, the voting rights attached to the common shares held in treasury by the Company are suspended.

1 Issued to those pre-IPO shareholders that were not capable of holding common shares in dematerialised form on 1 July 2019.

Without prejudice to the principle of equal treatment of shareholders in the same situation and the provisions of the Luxembourg Market Abuse Law, pursuant to Article 430-15 of the Luxembourg Company Law, the Company may acquire its own shares either itself or through a person acting in its own name but on the Company's behalf subject to the following statutory conditions:

- The authorisation to acquire shares is to be given by a general shareholders' meeting, which determines the terms and conditions of the proposed acquisition and in particular the maximum number of shares to be acquired, the duration of the period for which the authorisation is given,which may not exceed five years, and in the case of acquisition for value, the maximum and minimum consideration;

- The acquisitions must not have the effect of reducing the net assets of the Company below the aggregate of the subscribed capital and the reserves, which may not be distributed under the law or the Articles of Association; and

- Only fully paid-up shares may be included in the transaction.

At the time each authorised acquisition is carried out, the Management Board must ensure that the statutory conditions set out above are complied with.

Where the acquisition of the Company's own shares is necessary in order to prevent serious and imminent harm to the Company, no authorisation will be required from a general shareholders' meeting. In such a case, the next general shareholders' meeting must be informed by the Management Board of the reasons for and the purpose of the acquisitions made, the number and nominal values, or in the absence thereof, the accounting par value of the shares acquired, the proportion of the subscribed capital which they represent and the consideration paid for them.

No authorisation will likewise be required from a general shareholders' meeting in the case of shares acquired either by the Company itself or by a person acting in his/her own name but on behalf of the Company for the distribution thereof to employees. The distribution of any such shares must take place within twelve months from the date of their acquisition.

Pursuant to Article 430-16 of the Luxembourg Company Law, the acquisition of shares is also permitted in the following circumstances if such an acquisition would not have the effect of reducing the net assets of the Company below the aggregate of the subscribed capital and the Company's non-distributable reserves:

- Shares acquired pursuant to a decision to reduce the capital or in connection with the issue of redeemable shares;

- Shares acquired as a result of a universal transfer of assets;

- Fully paid-up shares acquired free of charge or acquired by banks and other financial institutions pursuant to a purchase commission contract;

- Shares acquired by reason of a legal obligation or a court order for the protection of minority shareholders, in particular, in the event of a merger, the division of the Company, a change in the Company's object or form, the transfer abroad of its registered office or the introduction of restrictions on the transfer of shares;

- Shares acquired from a shareholder in the event of failure to pay them up; and

- Fully paid-up shares acquired pursuant to an allotment by court order for the payment of a debt owed to the Company by the owner of the shares.

Generally, such acquired shares must be disposed of within a maximum period of three years after their acquisition or they must be cancelled. There are some statutory exceptions to this.

Material Agreements Entered into by the Company Providing for a Change of Control upon a Takeover Bid

The Company has not entered into any agreements of this kind.

Compensation Arrangements Agreed by the Company with the Members of the Management Board or Employees in the Event of a Takeover Bid

The Company has not entered into any agreements of this kind.

1.7 REMUNERATION REPORT AND OTHER DISCLOSURES

1.7.1 Remuneration of the Management Board

General Introduction

The remuneration report presents the principles of the remuneration system of the Management Board and Supervisory Board and provides the benefits granted and received during financial year 2020. As a company incorporated and existing under the laws of Luxembourg, the remuneration report of the Company has been prepared in accordance with the Luxembourg's 'Law of 24 May 2011 (as amended from time to time)' and the recommendations of the German Corporate Governance Code 2019 (the "Code") which the Company has decided to follow, on a voluntary basis and to the extent consistent with applicable Luxembourg corporate law and Global Fashion Group's corporate structure. Consequently, the appropriateness of the Company's remuneration for its directors follows the recommendation of the Code, except where the Company has declared a deviation in its declaration of conformity published jointly by the Supervisory Board and Management Board in August 2020. The Company has also adopted a remuneration policy during the 2020 financial year as discussed below.

Remuneration Policy

During the year, GFG shareholders approved the remuneration policy, which defines the remuneration system applicable to the members of the Management Board and Supervisory Board ("Remuneration Policy"). The remuneration system distinguishes between Management Board members and Supervisory Board members. Consistent with the Code, 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 the Company's economic conditions and future perspectives.

Remuneration Policy Components

The total remuneration of the Management Board members consists of a fixed component and benefits, a variable component that consists of a short-term incentive (i.e. an annual bonus) and a long-term incentive (i.e. in the form of share-based long term incentive plans "LTIP"), as well as fringe benefits and pension contributions.

Overall, the remuneration policy places an emphasis on the importance of variable remuneration, with a specific focus on long-term incentive, given that a positive outlook of the Company is synonymous with building a sustainable organisation for the long term as well as establishing an alignment of interest between the Management Board and the Company's shareholders.

Fixed Remuneration Components

Component	Purpose	Details	Performance Metrics
Fixed Annual Base Salary	Rewards for the Management Board member's individual responsibilities, skills, experience, performance and role to attract and retain talent.	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, the Company's economic conditions and any other internal and external factors that the Supervisory Board determines relevant to achieve an appropriate base salary. Reviewed annually with effect generally from 1 January unless the Supervisory Board or contractual arrangements determine a different frequency or effectiveness. Non-performance based remuneration payable in twelve equal installments, in arrears.	Performance of the member of the Management Board in the preceding performance period is taken into account when salary is reviewed.
Pension Contributions	To contribute financially towards retirement benefits.	Defined contribution arrangement of a cash supplement paid with the monthly base salary. The level of pension contribution is above the minimum statutory requirements under 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.	Not applicable.
Other benefits	To provide market-level benefits, to reflect and support the health and wellbeing initiatives of GFG.	Benefits include insurance policies (health, life and income protection, directors and officers ("D&O") without deductible payable by the Management Board member. Other standard benefits include the reimbursement of travel expenses.	Not applicable.

Variable Remuneration Components

Component	Purpose	Details	Performance Metrics
Annual Performance Bonus Plan	Aligns remuneration to Company strategy through rewarding the achievement of annual financial and strategic business targets and individual performance.	The annual performance bonus earned is based on performance results against predefined targets for the respective financial year, in line with the short-term development of the Company. Bonus payments are normally delivered in cash.	Measured over a one-year performance period based on company financial targets i.e. NMV, adjusted EBITDA, and cash flow, with a split of 25%/50%/25% as determined by the Supervisory Board for the 2020 Financial Year for consistency and individual performance objectives, which are predefined with the Supervisory Board at the beginning of the financial year taking into account the Company's financial and strategic objectives for the performance period. The weighting between company and individual performance is determined by contractual arrangements and the responsibilities of each position, currently 80% for company performance related measures and 20% for individual performance criteria. The short-term incentive bonus is capped as a percentage of the base salary, which the Supervisory Board may derogate from in exceptional circumstances pursuant and in compliance with the procedure set out in the remuneration policy.
2019 GFG Share Plan ("2019 LTIP")	To motivate long-term performance through the delivery of longer-term business plans, sustainable long-term returns for stakeholders and strategic priorities	The implementation of the 2019 LTIP was approved by the Supervisory Board on 20 August 2019 following the Company's IPO on 2 July 2019. Grants are awarded to the members of the Management Board in the form of Restricted stock Units ("RSUs") and Performance Stock Units ("PSUs"). The awards usually vest over a three year period and are subject to a holding period of four years from grant, in addition to being subject to malus and clawback provisions until the expiry of the holding period. Upon vesting of these awards and expiry of the holding period, the Management Board members will acquire either shares in the Company (one unit representing one share) which may be freely traded, subject to any required closed periods, or a cash payment of equivalent value at the election of the Supervisory Board. There is currently no policy or intention to settle in cash.	The vesting of PSUs is subject to the achievement of performance conditions determined by the Supervisory Board for the respective performance period. For 2020, PSU awards are 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).

Component	Purpose	Details	Performance Metrics
2016 Long-Term Incentive Plan ("2016 LTIP")	Served as a tool to attract, motivate, and retain employees of the Company, pre-IPO	On 30 January 2015 the Company adopted its initial share incentive plan which was subsequently amended from time to time. Under the 2016 LTIP, grants are awarded in the form of synthetic stock options over shares or in the form of cash awards, in each case vesting or maturing, as applicable, in equal tranches on a quarterly basis. The 2016 LTIP also includes the right to participate in an internal liquidity event for the financial years 2018 and 2019 allowing the cash settlement of a limited number of vested awards under the 2016 LTIP and Legacy LTIP (as defined below). All synthetic stock options were converted into stock options at the level of GFG upon the IPO on the 2 July 2019. Each vested stock option entitles the holder to acquire one share in the Company upon payment of the exercise price. Options may only be exercised during prescribed exercise windows, subject to the observance of closed periods. As for the vested regional cash awards, these are awarded as Management Performance Score (MPS) units which convert into cash upon meeting the relevant performance criteria which were set pre-IPO. The MPS convert into cash based on the scores achieved. The scores are primarily based on NMV performance from 2015 to 2018. The synthetic stock options and regional cash awards are subject to forfeiture including in case of termination for serious grounds or serious fault. However, as the 2016 LTIP is a pre-IPO plan, vested awards are not subject to holding period. As at the end of the 2020 reporting period, all stock options and regional cash awards granted under the 2016 LTIP to the members of the Management Board pre-IPO are fully vested. No further grants will be made under the 2016 LTIP other than those already allocated to the Management Board members, as described above.	Not applicable.
Individual Call Options ("Legacy LTIP")	Incentive LTIP issued to the founders of the Company in line with the initial risk and commitment involved	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 relating to the trust participations in various entities, that are now subsidiaries of GFG, through certain entities acting as trustees (the "Subsidiary Trust Arrangements"). Following the IPO of 2 July 2019, these Subsidiary Trust Arrangements with GFG subsidiaries have been exchanged for fully vested participations on the level of GFG in the form of call options where each individual call option allows the holder to acquire one share in GFG upon payment of the nominal value. Consequently, a Management Board member has entered into an individual call option agreement and further exercised his right to liquidate the individual call options pursuant to the above-mentioned pre-IPO internal liquidity event relating to financial years 2019 and 2018. The Individual Call Options are subject to forfeiture including in case of termination for serious grounds or serious fault. However, as the Legacy LTIP is a pre-IPO plan, vested call options are not subject to holding period. No further grants will be made under the Legacy LTIP .	Not applicable.

Management Board Remuneration for the Financial year 2020

This section describes the remuneration of the Management Board in relation to their contribution and performance in financial year 2020.

In line with the Company's measure to mitigate the impact of COVID-19 on the business, the Supervisory Board, in agreement with the Management Board, determined that the salary review conducted for the 2020 financial year should not lead to a change in remuneration of the Management Board members during the reporting period.

The short-term incentive of the Management Board is assessed at the end of the reporting period based on the Company's financial targets (i.e. NMV, adjusted EBITDA and cash flow) and individual targets. Based on the financial and individual performance the Supervisory Board has determined the achievement to be 100% for financial year 2020.

As for the long-term variable remuneration, the number of units outstanding under the 2019 LTIP developed as follows during the 2020 reporting period.

Each component of the total remuneration of each member of the Management Board is reported below, presenting both benefits granted, and benefits received at the minimum and maximum remuneration achievable during the 2020 financial year, as well as the relative proportion of fixed and variable remuneration.

All components of the remuneration of the Management Board awarded during the reporting period are in line with the Company's Remuneration Policy and no derogation was applied pursuant to the policy. Further, the Company did not reduce or claw back in regards to the awards of the Management Board members during 2020.

2019 LTIP

	Christoph Barchewitz [1]		Patrick Schmidt [1]		Matthew Price [1]	
	RSUs	PSUs	RSUs	PSUs	RSUs	PSUs
Outstanding at the beginning of the reporting period	**310,800**	**207,198**	**310,800**	**207,198**	**188,160**	**94.080**
Granted during the reporting period	-	276,267 [2]	-	276,267 [2]	-	107,520 [2]
Vested during the reporting period	103,600	47,378 [3]	103,600	47,378 [3]	62,720	21,513 [3]
Forfeited/expired during the reporting period	-	21,688 [4]	-	21,688 [4]	-	9,847 [4]
Exercised during the reporting period	-	-	-	-	-	-
Outstanding at the end of the reporting period	310,800	461,777	310,800	461,777	188,160	191,753
Exercisable at the end of the reporting period	**-**	**-**	**-**	**-**	**-**	**-**

1 Appointment to the Management Board in June 2019.

2 The final number of units to be released will depend on the achievement of the pre-defined Performance Conditions over a one-year performance period.

3 Based on PSU performance conditions achievement at "on-target" level (i.e. 68.60%) during the performance period.

4 Represents the non-vested portion of the PSUs resulting from the performance conditions achieved versus maximum potential.

The total individual compensation of the Management Board in relation to financial year 2020 is set out below.

Christoph Barchewitz (Co-Chief Executive Officer)[1]
Year of Appointment to the Management Board: 2019

	Benefits Granted			Benefits Received	
In €[2]	2020 (Min.)	2020 (Max.)	2019	2020	2019
Fixed Remuneration	610,500	610,500	666,000	610,500	666,000
Fringe Benefits	30,958	30,958	25,848	30,958	25,848
Total (fixed components)	**641,458**	**641,458**	**691,848**	**641,458**	**691,848**
Short-Term Incentive	-	305,250	333,000	305,250[3]	317,744
Long-Term Incentive[4] (2019)	-	1,905,321	1,118,185	-	-
Total (variable components)	**-**	**2,210,571**	**2,143,033**	**305,250**	**317,744**
Pension Expense	61,050	61,050	66,600	61,050	66,600
Total Remuneration	**702,508**	**2,913,080**	**2,209,633**	**1,007,758**	**1,076,192**

1 Mr. Christoph Barchewitz was appointed as Co-CEO on the 01 February 2018

2 As the remuneration for Mr. Christoph Barchewitz is denominated in British pounds, exchange rates of 1£/1.1€ and 1£/1.2€ have been used for 2020 and 2019 respectively. The difference between 2019 and 2020 benefits received and benefits granted is due to the £/EUR exchange rate.

3 Based on a company performance achievement of 122% and a individual performance of 100% for 2020, resulting in an overall achievement of 100%.

4 The value of Long-Term Incentives are based on the fair value determined at the grant date. The first tranche of the grant under the 2019 LTIP which was made during the reporting period will vest on 30 April 2021 and remains subject to the holding period. The remaining tranches will vest on 30 April 2022 and 30 April 2023 and are subject to the holding period.

Patrick Schmidt (Co-Chief Executive Officer)[1]
Year of Appointment to the Management Board: 2019

	Benefits Granted			Benefits Received	
In €	2020 (Min.)[2]	2020 (Max.)[2]	2019	2020[2]	2019
Fixed Remuneration	575,000	575,000	575,000	575,000	575,000
Fringe Benefits	21,948	21,948	60,620	21,948	60,620
Total (fixed components)	**596,948**	**596,948**	**635,620**	**596,948**	**635,620**
Short-Term Incentive	-	287,500	287,500	287,500[3]	275,281
Long-Term Incentive[4] (2019)	-	1,905,321	1,118,185	-	-
Total (variable components)	**-**	**2,192,821**	**1,405,685**	**287,500**	**275,281**
Pension Expense	-	-	-	-	-
Total Remuneration	**596,948**	**2,789,770**	**2,041,305**	**884,448**	**910,901**

1 Mr. Patrick Schmidt was appointed as Co-CEO on the 01 February 2018.

2 The amounts disclosed in this column relate only to the benefits received in 2020 for financial year 2020. Any benefits received in 2020 relating to prior years where Mr. Patrick Schmidt was the Chief Executive Officer of The Iconic are reported in section " Benefits granted and received in 2020 for previous financial years". Such benefits received for prior years equate to €4,591,205 under the 2016 LTIP relating to Cash Awards and €1,100,984 under the Legacy LTIP.

3 Based on a company performance achievement of 122% and a individual performance of 100% for 2020, resulting in an overall achievement of 100%.

4 The value of Long-Term Incentives are based on the fair value determined at the grant date. The first tranche of the grant under the 2019 LTIP which was made during the reporting period will vest on 30 April 2021 and remains subject to the holding period. The remaining tranches will vest on 30 April 2022 and 30 April 2023 and are subject to the holding period.

Matthew Price (Chief Financial Officer)[1]
Year of Appointment to the Management Board: 2019

	Benefits Granted			Benefits Received	
In €[2]	2020 (Min.)	2020 (Max.)	2019	2020	2019
Fixed Remuneration	462,000	462,000	339,879	462,000	339,879[3]
Fringe Benefits	46,200	46,200	33,988	46,200	33,988
Total (fixed components)	**508,200**	**508,200**	**373,867**	**508,200**	**373,867**
Short-Term Incentive	-	231,000	177,663	231,000[4]	158,476
Long-Term Incentive[5] (2019)	-	741,530	606,502	-	-
Total (variable components)	**-**	**972,530**	**784,166**	**231,000**	**158,476**
Pension Expense	-	-	-	-	-
Total Remuneration	**508,200**	**1,480,730**	**1,158,033**	**739,200**	**532,343**

1 Mr. Matthew Price was appointed as CFO on the 09 April 2019.

2 As the remuneration for Mr. Matthew Price is denominated in British pounds, exchange rates of 1£/1.1€ and 1£/1.2€ have been used for 2020 and 2019 respectively. The difference between 2019 and 2020 benefits received and benefits granted is due to the £/EUR exchange rate.

3 Mr. Matthew Price was appointed as the Group Chief Financial Officer effective 9 April 2019. His fixed remuneration for 2019 is therefore prorated accordingly. Further, following his appointment to the Management Board in 2019, the fixed remuneration of Mr. Matthew Price was increased effective 1 September 2019 and is prorated accordingly.

4 Based on a company performance achievement of 122% and a individual performance of 100% for 2020, resulting in an overall achievement of 100%

5 The value of Long-Term Incentives are based on the fair value determined at the grant date. The first tranche of the grant under the 2019 LTIP which was made during the reporting period will vest on 30 April 2021 and remains subject to the holding period. The remaining tranches will vest on 30 April 2022 and 30 April 2023 and are subject to the holding period.

Included below is a breakdown of the pay-mix for the Management Board members for actual total remuneration received in the Financial Year 2020 as a relative proportion of fixed and variable remuneration displayed as comparison over the minimum and maximum granted benefit and the actual benefits received during the reporting period:

Management Board Remuneration Mix

	Benefits Granted		Benefits Received
	2020 (Min.)	2020 (Max.)	2020
Christoph Barchewitz			
Fixed Remuneration	100%	24%	70%
Variable Remuneration	0%	76%	30%
Patrick Schmidt [1]			
Fixed Remuneration	100%	21%	67%
Variable Remuneration	0%	79%	33%
Matthew Price			
Fixed Remuneration	100%	34%	69%
Variable Remuneration	0%	66%	31%

[1] The benefits granted under the 2016 LTIP and Legacy LTIP and received by Mr. Patrick Schmidt during the reporting period are not included in the Management Board Remuneration Mix for 2020 as such benefits relate to the period of 2013-2018, inclusively, and are associated with Mr. Patrick Schmidt's role as Chief Executive Officer of The Iconic and not as the GFG Co-CEO or Management Board member (see section "Benefits granted and received in 2020 for previous financial years"). Such grants are not recurring events and no further grants will be made under the 2016 LTIP and Legacy LTIP. If the benefits granted and received under the 2016 LTIP and Legacy LTIP during the reporting period would be included, the remuneration mix for Mr. Patrick Schmidt will consist of 9% fixed remuneration and 91% variable remuneration.

The diverse footprint over which GFG operates, combined with more than 13,700 employees and its decentralised approach to defining appropriate remuneration, makes it difficult for the Company to establish an average remuneration for GFG for the purpose of comparing the remuneration of the Management Board. GFG strives to provide remuneration packages that are both competitive externally and proportionate internally. For comparison externally against peers that are comparable and representative of the common market in which GFG operates, the remuneration of the Management Board is in line with market median total cash levels.

The Management Board focuses on driving the long-term sustainable growth of the company aligning the interest with those of its stakeholders, including shareholders. The remuneration granted to the Management Board during the reporting period relating to financial year 2020 (excluding the remuneration relating to previous financial years granted to one member) aligned with our Remuneration Policy with a fixed remuneration component representing one third of compensation and two thirds in variable pay consisting of STI and LTI for benefits granted.

Our approach aims to ensure that annual compensation is competitive with the market whilst placing stronger emphasis on long term compensation components to enable our ongoing ability to attract, retain and motivate the members of the Management Board. The sufficient emphasis in long term compensation focuses the efforts of the Management Board on the achievement of objectives culminating in sustainable value creation and delivery of long-term returns for shareholders and other stakeholders. Our pay-out structure aligns fixed remuneration and performance-related remuneration with short- and long-term focuses of the company through deferred compensation and clawback and malus arrangements. The remuneration policy also ensures alignment to our company stance on upholding our vision, values and behaviours expected and supports a progressive and inclusive workplace.

Benefits granted and received in 2020 for previous financial years

As previously disclosed in the 2019 Annual Report[1] the Company intended to make certain awards to a member of the Management Board under pre-IPO long-term incentive plans. Such awards were made to Mr. Patrick Schmidt during the reporting period and the vast majority relate to previous financial years 2013 to 2018 during which he held the role of Chief Executive Officer of our ANZ business THE ICONIC. A smaller portion relates to his role of Co-CEO of Global Fashion Group during financial years 2018, 2019 and 2020.

[1] On Page 45 and 46

The afore-mentioned awards include Synthetic Stock Options under the 2016 LTIP with strike prices ranging from €0.01 to €7.99, Regional Cash Awards under the 2016 LTIP converting into cash based on an achieved level of a Management Performance Score (MPS) and Individual Call Options under the Legacy LTIP.

The number of Synthetic Stock Options granted during the reporting period under the 2016 LTIP relating to financial years 2018, 2019 and 2020 are set out in the table below. As the Synthetic Stock Options relate largely to previous financial years and to quarters already elapsed, they have been granted fully vested with the exception of 77,055 options which completed vesting by 31 December 2020.

2016 LTIP: Synthetic Stock Options[1] Patrick Schmidt (Co-Chief Executive Officer)[2]

	2020				
Exercise Price (in €)					
Outstanding Number of Options at the beginning of the reporting period	**€ 0.01**	**€ 1.00**	**€ 5.99**	**€ 6.15**	**€ 7.99**
Granted during the reporting period	-	553[3]	-	-	-
Vested during the reporting period	157,565	0	62,825	250,899	199,675
Forfeited/expired during the reporting period	157,565	0	62,825	250,899	199,675
Exercised during the reporting period	-	-	-	-	-
Outstanding at the end of the reporting period	-	-	-	-	-
Exercisable at the end of the reporting period	157,565	553	62,825	250,899	199,675
Total Remuneration	**157,565**	**553**	**62,825**	**250,899**	**199,675**

[1] All stock options reported in this table are "synthetic" options by definition except the 553 stock options outstanding at the beginning and at the end of the reporting period. Post IPO, all "synthetic" options have ceased to be synthetic and therefore the distinction between synthetic and non-synthetic has ceased to exist. Consequently, for simplicity, the table refers to Synthetic Stock Options but this invariably covers both.

[2] The Synthetic Stock Options granted to Mr. Patrick Schmidt bring his remuneration in line with the one of Co-CEO Mr. Christoph Barchewitz who was granted a similar grant in size and value prior to the IPO .

[3] This relates to stock options granted to Mr. Patrick Schmidt in 2015 relating to 2015-2018 inclusively when he was Chief Executive Officer of THE ICONIC. The stock options were fully vested at the start of the reporting period.

The Synthetic Stock Options reported above hold a maximum benefit of €3,008,316 based on fair market value at time of grant which is similar to the maximum benefit applicable to Mr. Christoph Barchewitz relating to the same financial years of 2018, 2019 and 2020 as reported in page 206 the Company's IPO prospectus.

During the reporting period, 409,199 matured Regional Cash Awards with a minimum value of €1 each were granted and received by Mr. Patrick Schmidt in relation to his role as CEO of THE ICONIC which he held during financial years 2015 to 2018. The Regional Cash Award units converted to a value of €4,591,205 as a result of the application of the pre-IPO defined management performance scores (MPS) of 12.48 and 2.75 which in turns are largely based on THE ICONIC NMV performance during 2015-2018. Mr. Patrick Schmidt received the value of €4,591,205 during the reporting period in connection with such Regional Cash Awards.

During 2020, Mr. Patrick Schmidt was granted 125,644 fully vested Individual Call Options relating to Mr. Patrick Schmidt's role as CEO of THE ICONIC for the years 2013 to 2015.

The options were exercised by Mr. Patrick Schmidt during the reporting period pursuant to his participation in the pre-IPO Internal Liquidity Events resulting in a value of €1,100,984 received by Mr. Patrick Schmidt in 2020.

The table below represents all the afore-mentioned benefits granted and received by Mr. Patrick Schmidt in 2020 relating to previous financial years.

All the afore-mentioned benefits granted under the 2016 LTIP and Legacy LTIP received by Mr. Patrick Schmidt during the reporting period are excluded from the Management Board Remuneration Mix for 2020 presented in the previous section *"Management Board Remuneration for Financial Year 2020"* as such benefits were granted in 2020 but were intended already prior to the IPO as reported in the Company's prospectus and 2019 Annual Report. Such grants are not recurring events and no further grants will be made under the 2016 LTIP and Legacy LTIP. If we include the benefits granted and received under the 2016 LTIP and Legacy LTIP during the reporting period, the remuneration mix for Mr. Patrick Schmidt will consist of 9% fixed remuneration and 91% variable remuneration.

Patrick Schmidt (Co-Chief Executive Officer)[1]
Year of Appointment to the Management Board: 2019

	Benefits Granted			Benefits Received	
In €	2020 (Min.)	2020 (Max.)	2019	2020	2019
Long-Term Incentive[2]	409,199	8,697,253	-	5,692,189	-
2016 LTIP	409,199	7,596,269	-	4,591,205	-
Synthetic Stock Options[3]	-	3,005,064	-	0	-
Cash Awards[4]	409,199	4,591,205	-	4,591,205	-
Legacy LTIP[5]	-	1,100,984	-	1,100,984	-
Total (Long-Term Incentive)	**409,199**	**8,697,253**	**-**	**5,692,189**	**-**

1 Mr. Patrick Schmidt was appointed as Co-CEO on the 01 February 2018.Prior to that, he held the role of CEO of THE ICONIC from 2013 until January 2018.

2 The numbers disclosed under the Long Term Incentive relate to the contribution of Mr. Patrick Schmidt to prior financial years but for which the grants and their receipt took place during the reporting period 2020.

3 The value of 2016 LTIP Synthetic Stock Options are based on the fair value determined at the grant date. The grant which was made during the reporting period relates in large part to previous financial years 2018 and 2019 and a small portion relates to 2020. Such grant brings the remuneration of Mr. Patrick Schmidt for such financial years in line with the one of Mr. Christoph Barchewitz who received a similar grant prior to the IPO. All synthetic stock options are fully vested at 31 December 2020.

4 This Cash Award was granted and received during the reporting period but relates entirely to the contribution of Mr. Patrick Schmidt to prior financial years 2015-2018 as Chief Executive Officer of THE ICONIC.

5 This Legacy LTIP award was granted and received during the reporting period but relates entirely to the contribution of Mr. Patrick Schmidt to prior financial years 2013-2015 as Chief Executive Officer of THE ICONIC. During the reporting period these vested award was liquidated in full by Mr. Patrick Schmidt following his participation in the pre-IPO Internal Liquidity Events.

1.7.2 Supervisory Board Remuneration for Financial Year 2020

The remuneration of the members of the Supervisory board is established by the Shareholders of the Company in accordance with its Articles of Association.

The remuneration of the Supervisory Board members was approved at the Annual General Assembly of Shareholders held on 26 June 2020, in which it was approved:

- that each member of the Supervisory Board shall receive an annual compensation of €35,000;
- the Chairman of the Supervisory Board shall receive an additional annual compensation of €45,000;
- the Vice Chairman of the Supervisory Board shall receive an additional annual compensation of €25,000;
- the Chair of the Audit Committee shall receive an additional annual compensation of € 40,000;
- the members of the Audit Committee shall receive an additional annual compensation of €10,000;
- the Chair of the Sustainability Committee shall receive an additional annual compensation of €35,000; and
- the members of the Sustainability Committee shall receive an annual compensation of €10,000.

The remuneration is payable in monthly installments through the reporting period. The table below sets out the total remuneration paid to each Supervisory Board member individually for the 2020 financial year.

Supervisory Board member individually for the Financial Year 2020

Board Member	Supervisory Board	Audit Committee	Sustainability Committee	Total Remuneration for Financial Year 2020
Cynthia Gordon	Chairman	-	Member	€90,000. Cynthia Gordon has waived her entitlement to remuneration for the reporting period. However, this waiver can be removed for future reporting periods.
Georgi Ganev	Vice Chairman	-	-	€60,000. Georgi Ganev has waived his entitlement to remuneration for the reporting period. However, this waiver can be removed for future reporting periods.
Alexis Babeau	Member	Chairman	-	€75,000
Victor Herrero	Member	Member	Chairman	€80,000
Carol Shen	Member	-	Member	€45,000
Laura Weil	Member	Member	-	€45,000

Additionally, GFG reimburses the Supervisory Board members their expenses related to their 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.

1.8 FINANCIAL REPORTING

At the AGM on 26 June 2020, Ernst & Young ("EY") were re-elected as the independent auditor of the separate and consolidated financial statements. In preparation, Ernst & Young presented a statement of compliance with the relevant ethical requirements on independence and disclosed that there are no business, financial, personal or other relationships between the auditor, its governing bodies and audit managers, on the one hand, and the Company and its directors, on the other, which could give cause to doubt the auditor's independence.