

# COMPENSATION REPORT

Presentation and description of the compensation of the Managing Board and the Supervisory Board

Compensation system geared towards long-term success of HUGO BOSS

Report complies with the requirements of Sec. 162 AktG and is based on the German Corporate Governance Code

HUGO BOSS considers transparent and comprehensible reporting on the compensation of the Managing Board and the Supervisory Board to be an **important element of good corporate governance**. The following compensation report pursuant to Sec. 162 AktG ["Aktiengesetz": German Stock Corporation Act] presents and describes the compensation of the current and former members of the Managing Board and of the Supervisory Board of HUGO BOSS AG in fiscal year 2021. In order to facilitate the context of the information provided and to promote understanding, the main features of the compensation systems for the Managing Board and the Supervisory Board applicable in fiscal year 2021 are also presented. A detailed description of the compensation systems for the Managing Board and the Supervisory Board can be found at [compensation.hugoboss.com](https://www.compensation.hugoboss.com).

## Review of compensation in fiscal year 2021

### Resolution on the approval of the compensation system for the Managing Board

In view of the Act Implementing the Shareholder Rights Directive II ("SRD II") and the revision of the German Corporate Governance Code (GCGC), structural changes to the compensation system for the members of the Managing Board became necessary. Based on the recommendation of its Personnel Committee, the Supervisory Board decided to submit the **changes to the compensation system for the members of the Managing Board** to the Annual Shareholders' Meeting. This amended compensation system was approved by the shareholders at the Annual Shareholders' Meeting on May 11, 2021, by a majority of 93.83% of the represented capital. An overview of the major changes to the formerly applicable compensation system is published on the Company's website at the above link.

### Application of the compensation system for the Managing Board in fiscal year 2021

The **amended compensation system for the Managing Board**, for which the main features are presented later in this report, was approved at the Annual Shareholders' Meeting on May 11, 2021, and applies to all new appointments and agreement extensions. In addition, the existing service agreements of the current members of the Managing Board of HUGO BOSS are to be adapted accordingly, although they already largely correspond to the compensation system described. If adjustments are only made in the context of new appointments or agreement extensions, this is expressly indicated in the following. In addition, individual

compensation was granted to the members of the Managing Board within the meaning of Sec. 162 AktG in fiscal year 2021, which had been agreed in previous fiscal years under the compensation system applicable at the time. This compensation is also presented and explained below, where relevant.

The Personnel Committee regularly reviews the **appropriateness and customarily nature of the compensation** of the Managing Board members and, if necessary, proposes adjustments to the Supervisory Board in order to ensure that compensation for the members of the Managing Board is customary for the market and competitive within the applicable framework. The suitability was last reviewed when developing the current compensation system. In this context, the compensation of the members of the Managing Board was compared with the companies of the DAX and MDAX, taking into account the size criteria of revenues, employees and market capitalization (**horizontal comparison**). The review led to the conclusion that the compensation of the members of the HUGO BOSS Managing Board continues to be considered in line with the market. The appropriateness of the Managing Board compensation within the Group is reviewed annually based on the development of the Managing Board compensation compared to the development of the senior management compensation, defined as the first management level below the Managing Board, and to the development of the compensation of the employees as a whole, defined as the average compensation of the Group's full-time employees (**vertical comparison**).

In accordance with the applicable compensation system, the Supervisory Board has set specific **target compensation** for each member of the Managing Board. The target compensation set for the members of the Managing Board was not adjusted in fiscal year 2021, nor is any adjustment planned for fiscal year 2022 – with the exception of possible adjustments in the context of individual agreement extensions.

In fiscal year 2021, there were two key personnel changes on the Managing Board of HUGO BOSS. Effective June 1, 2021, Daniel Grieder joined the Managing Board of HUGO BOSS as new **Chief Executive Officer (CEO)**. The Supervisory Board of HUGO BOSS AG had appointed Daniel Grieder as Chief Executive Officer for a period of five years on June 16, 2020. Chief Financial Officer (CFO) Yves Müller had temporarily assumed the role of Spokesperson of the Managing Board effective July 16, 2020. Correspondingly, Daniel Grieder receives a pro-rata compensation for fiscal year 2021. Yves Müller received a performance-related allowance for the interim assumption of the additional responsibility. In addition, effective January 1, 2021, Oliver Timm joined the Managing Board of HUGO BOSS AG as the new **Chief Sales Officer (CSO)**. Oliver Timm was appointed CSO on June 29, 2020.

**Chief Brand Officer (CBO)** Ingo Wilts informed the Supervisory Board of HUGO BOSS AG on February 23, 2022 that he will resign from his office as a member of the Managing Board for personal reasons with effect from February 28, 2022 and will thus leave the Managing Board of HUGO BOSS AG. The duties falling under the responsibility of Ingo Wilts shall be assumed by Chief Executive Officer Daniel Grieder.

The **"CLAIM 5" growth strategy**, presented on August 4, 2021, is aimed at significantly accelerating top- and bottom-line growth by 2025. The compensation of the Managing Board is closely linked to this strategy, as the performance-related compensation components (STI and LTI) are based on the development of financial performance criteria such as sales, operating profit (EBIT) and relative total shareholder return (RTSR), among other things. The inclusion of two non-financial performance criteria also emphasizes the Company's social and environmental responsibility as well as the objective of a sustainable, long-term successful business performance, which is also firmly anchored in "CLAIM 5". Overall, the design of the compensation system thus provides **important incentives for the successful execution of the Group strategy**.

In the case of the **short-term incentive (STI)**, the strong sales and earnings development in fiscal year 2021, which, in addition to the general market recovery, is due to the successful execution of the "CLAIM 5" strategy, resulted in a financial outperformance of criteria targets set for fiscal year 2021 at the beginning of the reporting year. The average level of target achievement for the STI 2021 amounted to 139%. The payment due for fiscal year 2021 from the **long-term incentive (LTI)** tranche issued in fiscal year 2018 amounts to 60% of the target value (payment in fiscal year 2022).

In the past fiscal year, the Supervisory Board **did not make use** of the options provided by the compensation system in accordance with legal provisions to temporarily deviate from the compensation system or to make adjustments to the target achievement in certain circumstances.

This compensation report is prepared jointly by the Managing Board and the Supervisory Board. The compensation report is reviewed separately by the **external auditor**. In addition to the formal audit required by law pursuant to Sec. 162 (1) and (2) AktG, the content of the compensation report is also audited. The corresponding **report on the audit of the compensation report** is attached to this compensation report.

> **Independent Auditor's Report on the Audit of the Content of the Remuneration Report prepared to comply with Sec. 162 AktG**

## Application of the compensation system for the Supervisory Board in fiscal year 2021

The **compensation system for the Supervisory Board**, which is **unchanged from the prior year**, was applied in full as set out in Art. 12 of the Company's Articles of Association.

Effective August 31, 2021, Antonio Simina, the long-serving **Deputy Chairman of the Supervisory Board**, retired. Bernd Simbeck, who had previously been a member of the Supervisory Board of HUGO BOSS AG from 2010 to 2015, re-joined the Supervisory Board on September 1, 2021, as the **successor** to the retired Antonio Simina. As set out in Art. 12 of the Company's Articles of Association, both receive pro-rata compensation for their activities in fiscal year 2021.

## Compensation of the members of the Managing Board in fiscal year 2021

### Overview of the structure of the compensation system for the Managing Board

The compensation system complies with the requirements of the German Stock Corporation Act, in particular the requirements of the Act Implementing the Shareholder Rights Directive II (SRD II), and is based on the recommendations of the GCGC as amended on December 16, 2019. The compensation system of the Managing Board is an important element of the Group's orientation and is intended to significantly **contribute to driving operational performance** and the **successful execution of the Group strategy**, and thus to the long-term success of HUGO BOSS. It is intended to support successful and sustainable corporate management. The compensation of the members of the Managing Board is therefore linked to the short- and long-term development of the Company. By selecting suitable performance criteria, important incentives are simultaneously set for the successful execution of the "CLAIM 5" strategy.

This means that the compensation of the members of the Managing Board is made up of non-performance-related and performance-related components. The **target total compensation** of the Managing Board consists of fixed compensation, fringe benefits, pension commitments, the target amount of the short-term incentive (STI) and the target amount of the long-term incentive (LTI), and thus mainly comprises performance-related compensation elements. The aim is to strengthen the performance aspect of the compensation system. The proportion of the target amount of the LTI, which has a total term of four years, in the total target compensation exceeds that of the STI (ratio of around 60:40). This is intended to ensure that the compensation structure as a whole is geared toward a **sustainable and long-term successful business development**.

**Malus and clawback regulations** are provided for the variable compensation components. The total annual compensation of the members of the Managing Board is also limited to a **maximum compensation**. In addition, the **Share Ownership Guidelines** form another essential element of the compensation system. The compensation system also regulates **further compensation-related legal matters**, such as agreement terms and commitments upon termination of Managing Board activities.

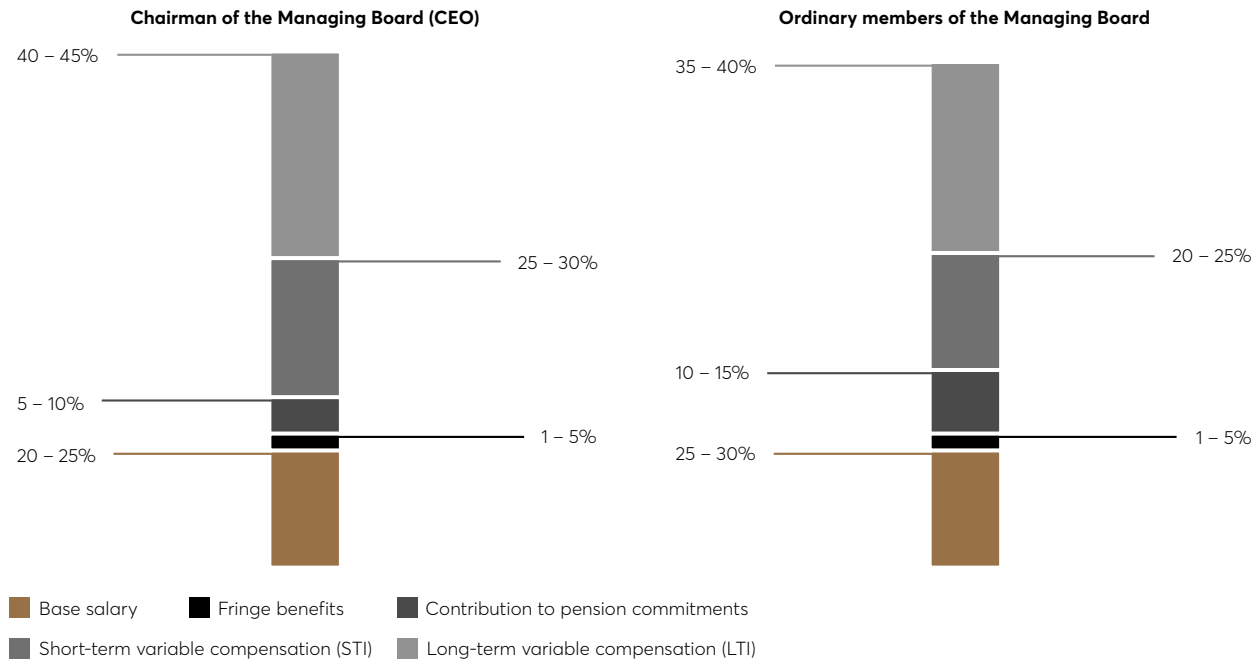
The following table shows the **basic components of the compensation system for the Managing Board and their structure**. The components and their specific application in fiscal year 2021 are explained in detail below.

#### OVERVIEW OF THE COMPENSATION SYSTEM

Fixed compensation	Base salary	Annual fixed compensation, paid as a monthly salary	
	Fringe benefits	Benefits in kind, which include the use of a company car, insurance allowances and, to a lesser extent, other equipment and benefits required for the performance of Managing Board duties.	
	Contributions to pension commitments	<ul style="list-style-type: none"> <li>• Contribution plan (payment into a reinsurance policy)</li> <li>• Contribution: 40% of the fixed base salary</li> <li>• Fixed age limit: 65 years</li> </ul>	
Performance-related (variable) compensation	Short-term variable compensation (STI)	Plan type	Target bonus system
		Plan term	1 year
		Performance targets	<ul style="list-style-type: none"> <li>• 40% EBIT (target achievement: 0%–150%)</li> <li>• 30% sales (target achievement: 0%–150%)</li> <li>• 30% trade net working capital as a percentage of sales (target achievement: 0%–150%)</li> </ul>
		Payout	In cash at the end of the fiscal year (cap: 150% of the individual target amount)
	Long-term variable compensation (LTI)	Plan type	Performance share plan
Plan term		4 years	
Performance targets		<ul style="list-style-type: none"> <li>• 1/3 relative total shareholder return (RTSR) (target achievement: 0%–200%)</li> <li>• 1/3 return on capital employed (ROCE) (target achievement: 0%–200%)</li> <li>• 1/6 employee satisfaction (target achievement: 0%–200%)</li> <li>• 1/6 performance in the field of sustainability (target achievement: 0%–200%)</li> </ul>	
	Payout	In cash at the end of the four-year plan term (cap: 250% of the individual target amount)	
<b>Special compensation (sign-on; allowance)</b>	<ul style="list-style-type: none"> <li>• No possibility of special compensation at the discretion of the Supervisory Board in the event of extraordinary performance</li> <li>• Granting of further, special compensation elements on a temporary basis (payments to new members of the Managing Board, for example to compensate for the loss of variable compensation from former employers, or for taking on additional responsibility on an interim basis)</li> </ul>		
<b>Malus and clawback</b>	Withholding or reclaiming part or all of variable compensation (STI and LTI) in the event of compliance violations or incorrect consolidated financial statements		
<b>Share ownership guidelines (SOG)</b>	<ul style="list-style-type: none"> <li>• 200% of annual gross base salary for the Chairman of the Managing Board (CEO)</li> <li>• 100% of annual gross base salary for ordinary members of the Managing Board</li> </ul>		
<b>Maximum compensation</b>	<ul style="list-style-type: none"> <li>• EUR 11,000,000 for the Chairman of the Managing Board (CEO)</li> <li>• EUR 5,500,000 for ordinary members of the Managing Board</li> </ul>		

The **relative proportions of the individual compensation components** in relation to the total target compensation (i.e., assuming a target achievement of 100% for the two variable compensation components) are detailed as follows:

**COMPENSATION STRUCTURE OF THE MANAGING BOARD**



**Non-performance-related (fixed) compensation components**

The fixed compensation components consist of the fixed basic compensation, fringe benefits and contributions to retirement benefits.

The **fixed basic compensation** is paid as a monthly salary. It takes into account the role assigned to the member of the Managing Board and the associated duties and responsibilities of that member. The current annual basic compensation is EUR 1,300 thousand for Daniel Grieder, EUR 750 thousand for Yves Müller, EUR 725 thousand for Dr. Heiko Schäfer, EUR 750 thousand for Oliver Timm and EUR 725 thousand for Ingo Wilts.

In addition to the basic compensation, members of the Managing Board also receive **fringe benefits** to a lesser extent which they tax individually in accordance with the applicable tax regulations to the extent that a non-cash benefit arises for them from private use. The fringe benefits primarily include private use of the company car, contributions to health and nursing care insurance, the conclusion of and contributions to accident and D&O insurance (with deductible in accordance with Sec. 93(2) sentence 3 AktG), a minor clothing allowance for purchasing HUGO BOSS products for representative purposes, the reimbursement of reasonable tax consultancy costs as well as, to a lesser extent, other equipment and benefits required for the performance of the duties of the Managing Board. In addition, for new members of the Managing Board, reasonable costs for accommodation in Metzingen, home and return flights and relocation costs in the event of moving to Metzingen (or the surrounding area) will be reimbursed.

The **pension commitments** to the members of the Managing Board are defined contribution pension commitments. HUGO BOSS pays an annual pension contribution of 40% of the individual basic compensation into an employer's pensions liability insurance policy for the members of the Managing Board. The amount of retirement benefit in this regard corresponds to the amount accumulated by means of the individual employer's pension liability insurance. This results from the total annual pension contributions plus an annual interest rate depending on the respective insurance tariff. An entitlement to retirement benefits arises on or after reaching a fixed age of 65 or in the event that the Managing Board member becomes permanently unable to work due to illness or accident before reaching the age limit and leaves the Company. In the event of the death of the member of the Managing Board, their spouse or registered partner under the German Civil Partnership Act and their orphans are entitled to a survivor's pension. If the member of the Managing Board leaves the Company before retirement, the entitlement to pension benefits is retained for a pensionable service period of more than three years. If the member of the Managing Board leaves the Company before reaching the fixed retirement age, the entitlement amount corresponds to the benefits from the non-contributory reinsurance policy at the time of departure. Ongoing pension payments are adjusted annually by at least 1%. The Supervisory Board received guidance from an independent compensation expert when designing the contribution-based pension scheme for the current members of the Managing Board.

A pension commitment exists through the Company for Mark Langer, former Chairman of the Managing Board (CEO), in the form of a **benefit-based pension commitment**. The amount of the subsequent post-employment benefit is limited to 60% of the pensionable income in this regard. A post-employment benefit shall be paid to the surviving dependents in the form of a widow's or an orphan's pension. If the Chairman of the Managing Board (CEO) leaves the Company before becoming eligible for a pension, the period by which the benefits become vested has been agreed in accordance with the statutory regulations. However, there was no pro rata temporis reduction of the pension entitlement as provided for under legal provisions. For pension purposes, Mark Langer is placed in the position as if the employment had lasted until December 31, 2021 as originally planned. Ongoing pension payments are adjusted annually by at least 1%.

In addition, HUGO BOSS offers the members of the Managing Board the option of acquiring **additional pension benefits** under deferred compensation agreements. This supplementary pension plan can take the form of retirement benefits or, alternatively, the form of occupational incapacity benefits and/or surviving dependents' benefits and/or the form of a lump-sum death grant. The pension benefits take the form of monthly payments, while surviving dependents' benefits can also be granted in the form of a lump-sum capital payment. The contributions from deferred compensation agreements are included in the statement of the non-performance-related compensation awarded and due for the respective fiscal year. Provisions and plan assets are recognized at the same amount.

## PENSION COMMITMENTS (IN EUR THOUSAND)

	Daniel Grieder Chairman of the Managing Board (since June 1, 2021)		Yves Müller Member of the Managing Board (since December 1, 2017) Spokesperson of the Managing Board (from July 16, 2020 until May 31, 2021)		Dr. Heiko Schäfer Member of the Managing Board (since March 16, 2020)		Oliver Timm Member of the Managing Board (since January 1, 2021)	
	2021	2020	2021	2020	2021	2020	2021	2020
Service cost under IFRS	303	0	380	315	290	215	300	0
Pension provision under IFRS	0	0	0	0	0	0	0	0

	Ingo Wilts Member of the Managing Board (from August 15, 2016 until February 28, 2022)		Mark Langer Chairman of the Managing Board (from May 19, 2016 until July 15, 2020) Member of the Managing Board (from January 15, 2010 until May 18, 2016)		Total	
	2021	2020	2021	2020	2021	2020
Service cost under IFRS	290	280	0	706	1,563	1,516
Pension provision under IFRS	0	0	0	3,735	0	3,735

## Performance-related (variable) compensation components

The compensation system of the Managing Board comprises two performance-related components: short-term variable compensation (STI) and long-term variable compensation (LTI). Both are linked to the performance of the Company and are intended to provide **incentives for the successful execution of the Group strategy** and for the **value-creating and long-term development of HUGO BOSS**. The performance criteria and the key indicators used in fiscal year 2021 for the performance assessment in the context of variable compensation are consistent with the Group strategy, and derived from the strategic targets as well as operational performance indicators of HUGO BOSS. In addition, they correspond to the applicable compensation system.

### Short-term incentive (STI) for 2021

#### General functioning

The STI is the short-term variable compensation component, with its general functioning and structure remaining unchanged from the previous compensation system, which was applicable up to and including April 1, 2021. The term is one fiscal year. The amount of the STI is based on the development of financial performance criteria. In accordance with the Group's management system, the Supervisory Board has defined the following **three financial performance criteria as target components**:

- Sales (the sales proceeds recognized in the consolidated financial statements using the exchange rates underlying the budget)
- EBIT (the Group's net income before interest and taxes)
- Trade net working capital (TNWC; the total of raw and finished goods as well as trade receivables less trade payables) as a percentage of sales > **Group Management**

EBIT contributes a **weighting** of 40% to the overall target achievement of the STI, while sales and TNWC each contribute 30% to the overall target achievement.

The STI **payout** is calculated, on the basis of an individual target amount for each member of the Managing Board as defined in the respective service agreement and the overall target achievement, as follows:

**STI TARGET BONUS SYSTEM**



The **maximum payout** from the STI is capped at a total of 150% of the target amount. There is no guaranteed minimum target achievement. Consequently, the payout can also be waived completely. The STI is payable within a week of the Supervisory Board approving the consolidated financial statements for the respective fiscal year.

**Contribution to the long-term development of the Group**

The STI is intended to ensure the **ongoing execution of the operational targets**, the achievement of which is of material importance for the long-term success of the Group. In light of the "CLAIM 5" strategy, which aims at achieving significant top- and bottom-line improvements by 2025, sales and EBIT are key target figures of the STI. At the same time, the TNWC is the most important indicator for managing the efficient use of capital and is therefore taken as the third financial performance criterion in the STI.

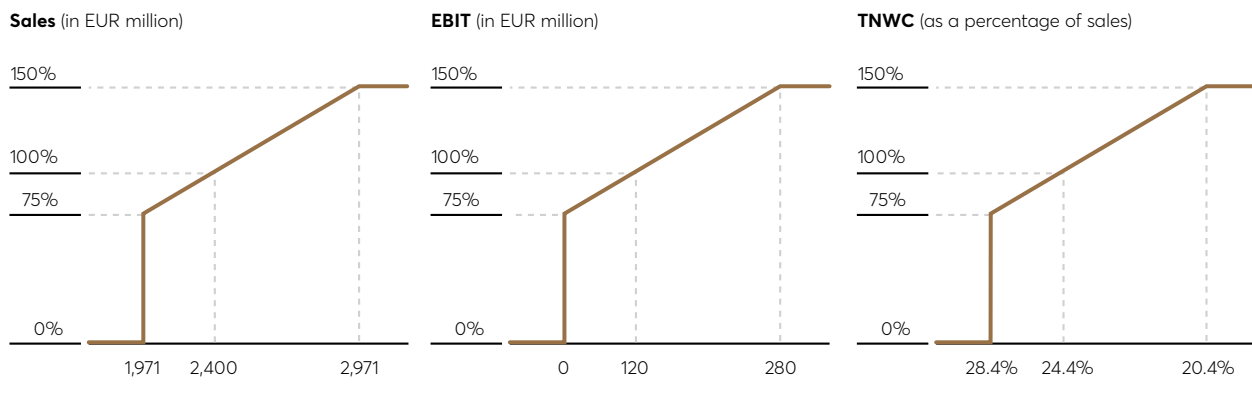
**Financial performance criteria**

At the beginning of the fiscal year, the Supervisory Board decided on a **target**, a **minimum target** and a **maximum target** for the three financial performance criteria of sales, EBIT and TNWC. The target for the respective financial performance criterion is derived from the budget plan approved by the Supervisory Board. If the target is reached, target achievement is 100%. If the target value is greater than or equal to the maximum target, target achievement is 150%. In this case, a further increase in the target value does not lead to a further increase in target achievement. If the minimum target is reached, target achievement is 75%. If the target value is below the minimum target, target achievement is 0%. Target achievement between the specified targets (75%; 100%; 150%) is interpolated on a linear basis.



For fiscal year 2021, the Supervisory Board has set the following **target achievement corridors** at the beginning of the fiscal year with regard to the respective financial targets:

**STI TARGET ACHIEVEMENT CORRIDORS FOR FISCAL YEAR 2021**



In the event of **100% target achievement** for the STI 2021, a total amount of EUR 3,015 thousand would be paid out (Daniel Grieder EUR 875 thousand, Yves Müller EUR 500 thousand, Dr. Heiko Schäfer EUR 500 thousand, Oliver Timm EUR 650 thousand and Ingo Wilts EUR 490 thousand). For Daniel Grieder, the target value is calculated pro rata temporis from the start of his Managing Board activities on June 1, 2021. On a one-off basis, Daniel Grieder was guaranteed a target achievement of 100% for fiscal year 2021.

With regard to the financial performance criteria relevant for fiscal year 2021, the Supervisory Board determined the following **target achievement** based on the performance corridors defined at the beginning of the fiscal year:

**TARGET ACHIEVEMENT STI 2021 (IN EUR MILLION)**

Target component	Target weighting	Target value 2021 (based on target achievement of 100%)	Performance corridor (Min/Max) 2021	Actual value 2021	Target achievement 2021
Sales <sup>1</sup>	30%	2,400	1,971 to 2,971	2,781	133%
EBIT	40%	120	0 to 280	228	134%
Trade net working capital as a percentage of sales	30%	24.4%	28.4% to 20.4%	17.2%	150%
<b>Total</b>	<b>100%</b>				<b>139%</b>

<sup>1</sup> Using the exchange rates underlying the budget.

For fiscal year 2021, the **average target achievement** is therefore 139%.

### Target achievement STI 2021

The **individual payout amounts** for the STI 2021, which are allocated to the compensation awarded and due in fiscal year 2021, are therefore as follows:

#### PAYOUT FOR THE STI 2021

	Target amount (in EUR thousand)	Total target achievement	Payout amount (in EUR thousand)
Daniel Grieder, Chairman of the Managing Board since June 1, 2021	875	139%	1,212
Yves Müller, Member of the Managing Board since December 1, 2017, Spokesperson of the Managing Board from July 16, 2020 until May 31, 2021	500	139%	693
Dr. Heiko Schäfer, Member of the Managing Board since March 16, 2020	500	139%	693
Oliver Timm, Member of the Managing Board since January 1, 2021	650	139%	900
Ingo Wilts, Member of the Managing Board from August 15, 2016 until February 28, 2022	490	139%	679
<b>Total</b>	<b>3,015</b>	<b>139%</b>	<b>4,176</b>

To settle the entitlement from the STI 2021, the former Chairman of the Managing Board (CEO) Mark Langer will receive a payment of EUR 725 thousand based on a target compensation of EUR 750 thousand and a maximum amount of EUR 725 thousand agreed in the separation agreement dated April 2020. Payment will be made at the same time as the payment of the STI 2021 to the current members of the Managing Board in fiscal year 2022.

### Outlook for the STI for fiscal year 2022

For the **STI for fiscal year 2022**, the three financial performance criteria described above, together with their respective weighting, remain unchanged. The specific targets for the three performance criteria will be disclosed and described in the compensation report for fiscal year 2022.

### Long-term incentive (LTI) for 2021

#### General functioning

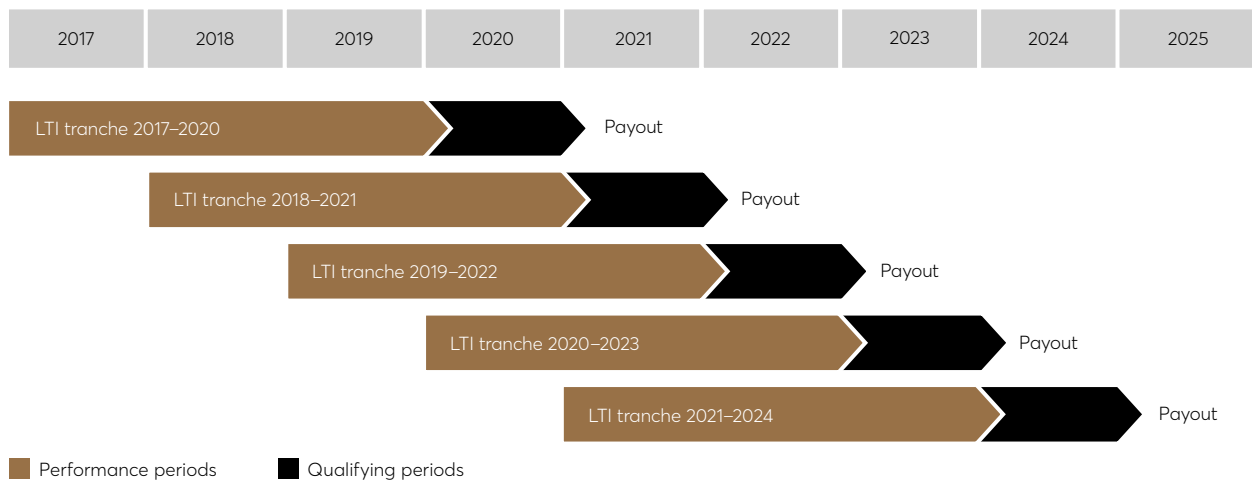
The LTI is the long-term variable compensation component with its general functioning and structure remaining largely unchanged from the previous compensation system, which was applicable up to and including April 1, 2021. Differences from the previous compensation system are indicated as such. The LTI is designed in the form of a **performance share plan** that takes into account both financial targets relevant to the Group strategy and non-financial ESG (environment, social, governance) targets. Consequently, the LTI is intended to ensure that the members of the Managing Board of HUGO BOSS pursue a sustainable business policy which is aligned to the interests of the Company. Accordingly, the Supervisory Board has determined the following **four performance criteria as additively linked target figures** for the LTI:

- Relative total shareholder return (RTSR) of the HUGO BOSS share
- Return on capital employed (ROCE)
- Employee satisfaction
- The Company's performance in the field of sustainability

The targets for the RTSR and ROCE performance criteria each account for one third of the LTI, while the targets for employee satisfaction and sustainability each account for one sixth.

The LTI is granted in annual tranches. Each tranche has a **three-year performance period**, which corresponds to the Group’s medium-term planning horizon and which is followed by an **additional qualifying period of one year**, during which the performance of the share price continues to be taken into account. This results in a total term of four years.

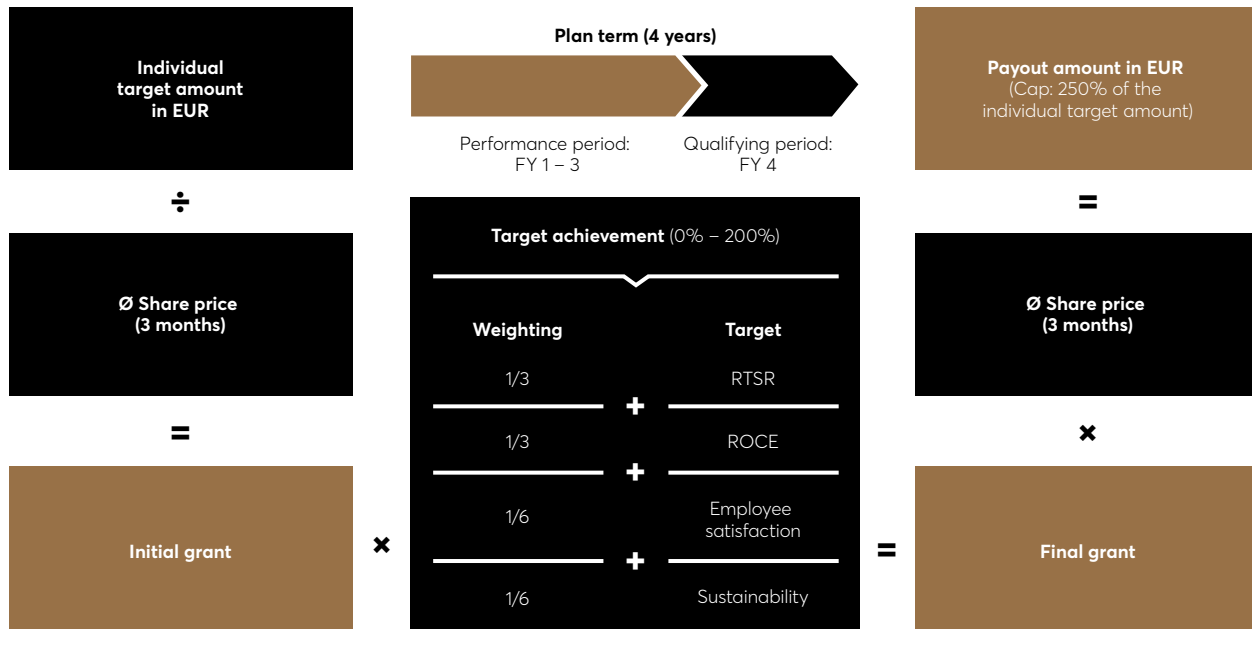
**PERFORMANCE PERIODS AND QUALIFYING PERIOD OF LTI TRANCHES**



The LTI provides that the members of the Managing Board receive a **defined number ("initial grant") of virtual shares ("tranches")** at the beginning of the plan or at the start of their activity. The initial grant is determined by the size of **a target amount ("LTI budget")** defined in the respective service agreement divided by the price of the HUGO BOSS share for the last three months prior to the date of granting the initial grant. After the end of the performance period, the **final number of virtual shares ("final grant")** is calculated based on the achievement of certain targets. The **final payout entitlement** is calculated by multiplying the final grant by the Company’s share price during the last three months of the qualifying period and is paid out in cash.

The **actual payout from the LTI** is therefore calculated as follows:

**LTI TARGET ACHIEVEMENT SYSTEM**



The **target achievement** of the individual LTI target components is limited to a maximum of 200%, while the resulting LTI payout is capped at a total of 250% of the individual target amount.

**Contribution to the long-term development of the Group**

The long-term goal of HUGO BOSS is to **sustainably increase the enterprise value**. In this regard, the share price performance of HUGO BOSS is of particular importance. The RTSR therefore takes into account the relative shareholder return of HUGO BOSS compared to the relevant competitive environment. This is intended to provide an incentive to outperform competitors in the long term. The ROCE, another financial performance criterion, also sets incentives for increasing the profitability of HUGO BOSS and using capital efficiently. The inclusion of two non-financial performance criteria in the LTI emphasizes social and environmental responsibility and the goal of sustainable corporate development. As a result, the Managing Board compensation is closely aligned with the interests of shareholders and other stakeholders.

**Individual LTI budget for the LTI 2021–2024 issued in fiscal year 2021**

The following table shows the **grants** for the LTI 2021–2024 issued in fiscal year 2021. It includes the target amount, the number of provisionally granted virtual shares, the payout cap and the fair value at grant date in accordance with "IFRS 2 Share-based Payment". In the case of Daniel Grieder, the LTI budget is determined pro-rata temporis from the start of his Managing Board activities on June 1, 2021.

## ALLOCATION OF LTI 2021–2024

	Target amount ("LTI budget") in EUR thousand	Average share price of HUGO BOSS in Q4 2020 in EUR	Provisionally granted number of virtual shares ("initial grant")	Payout cap (250% of target amount) in EUR thousand	Fair value at grant date in EUR thousand
Daniel Grieder, Chairman of the Managing Board since June 1, 2021	1,400	24.56	57,004	3,500	2,418
Yves Müller, Member of the Managing Board since December 1, 2017, Spokesperson of the Managing Board from July 16, 2020 until May 31, 2021	750	24.56	30,538	1,875	787
Dr. Heiko Schäfer, Member of the Managing Board since March 16, 2020	725	24.56	29,520	1,813	760
Oliver Timm, Member of the Managing Board since January 1, 2021	1,000	24.56	40,717	2,500	1,049
Ingo Wilts, Member of the Managing Board from August 15, 2016 until February 28, 2022	740	24.56	30,131	1,850	776

## Financial and non-financial performance criteria for the LTI 2021–2024 issued in fiscal year 2021

The targets and thresholds set out below for the LTI's four performance criteria apply throughout the entire performance period of the tranche.

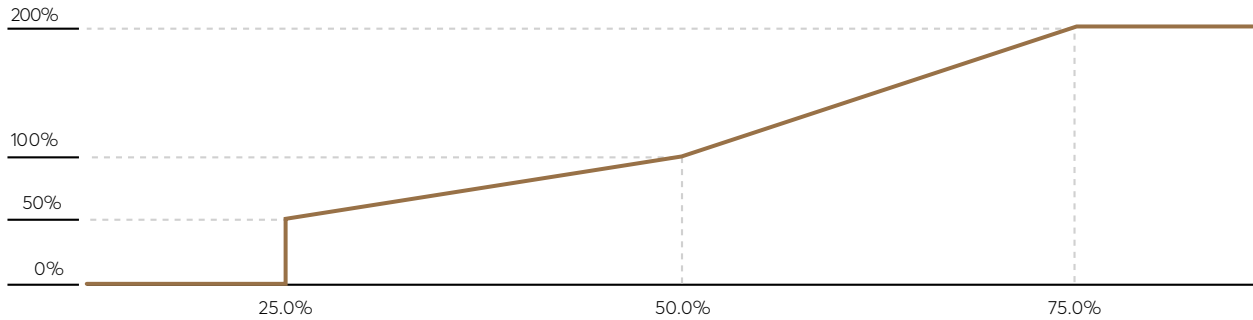
The **RTSR** is a benchmark for the sustainable increase in enterprise value. It measures the share price performance and notionally reinvested dividends of HUGO BOSS compared to a selected group of relevant competitors in the premium segment of the global apparel industry over the performance period. The composition of the peer group is shown in the following table:

## RELATIVE TOTAL SHAREHOLDER RETURN (RTSR) – PEER GROUP

Burberry Group plc	Levi Strauss & Co.	SMCP Group
Capri Holdings Ltd.	Moncler Group	Tapestry Inc.
G-III Apparel Group	PVH Corp.	VF Corp.
Guess Inc.	Ralph Lauren Corp.	

The Supervisory Board is convinced that the comparison with relevant competitors in the premium segment of the global apparel industry best reflects the strategic positioning of the two brands BOSS and HUGO. In the previous compensation system applicable up to and including April 1, 2021, the RTSR was based on a comparison with the MSCI World Textiles, Apparel & Luxury Goods Performance Index.

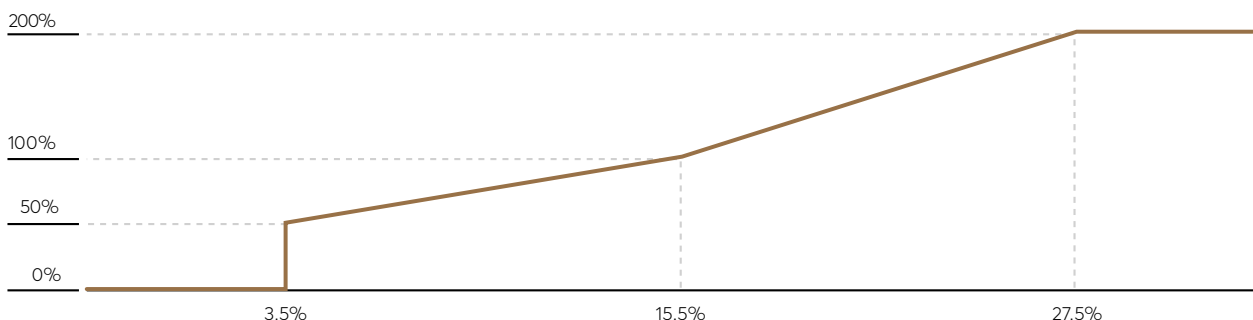
**RTSR TARGET ACHIEVEMENT CORRIDOR FOR LTI TRANCHE 2021-2024**



To **determine the target achievement level of the RTSR**, the TSR (share price performance and notionally reinvested dividends) of HUGO BOSS and the peer companies is determined for each year of the performance period. The TSR values of the individual companies are then ranked by size and assigned to percentile ranks. The average value of the percentile ranks of HUGO BOSS in the three years of the performance period determines the target achievement. If the 50th percentile (median) is achieved, i.e., HUGO BOSS is exactly in the middle of the ranking of the peer companies, target achievement corresponds to 100%. If the TSR of HUGO BOSS is in the 75th percentile or higher, i.e., HUGO BOSS is among the 25% best companies, target achievement is 200%. Higher percentile ranks do not lead to any further increase in target achievement. If the 25th percentile is achieved, target achievement corresponds to 50%. If the TSR of HUGO BOSS is below the 25th percentile, i.e., HUGO BOSS is among the bottom 25% of companies, target achievement is 0%. Target achievement between the specified targets (50%; 100%; 200%) is interpolated on a linear basis.

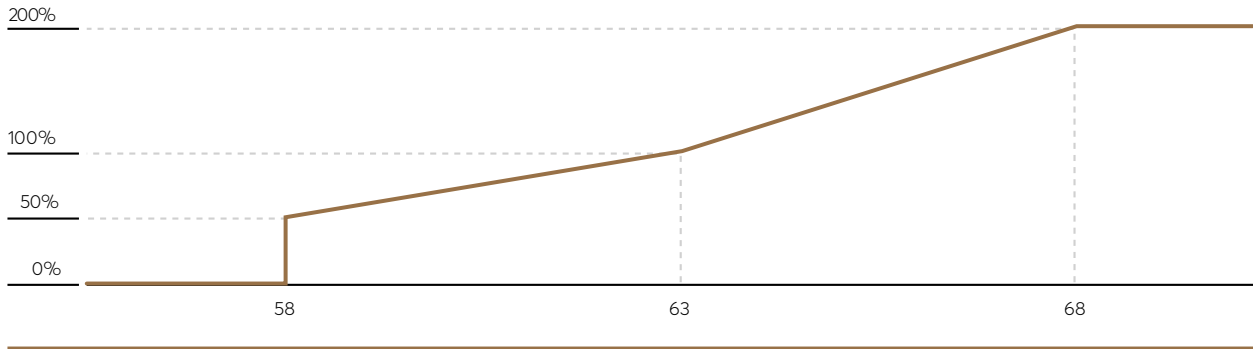
The **ROCE** represents the return on capital employed and is determined by dividing the EBIT by average capital invested.

**ROCE TARGET ACHIEVEMENT CORRIDOR FOR LTI TRANCHE 2021-2024**



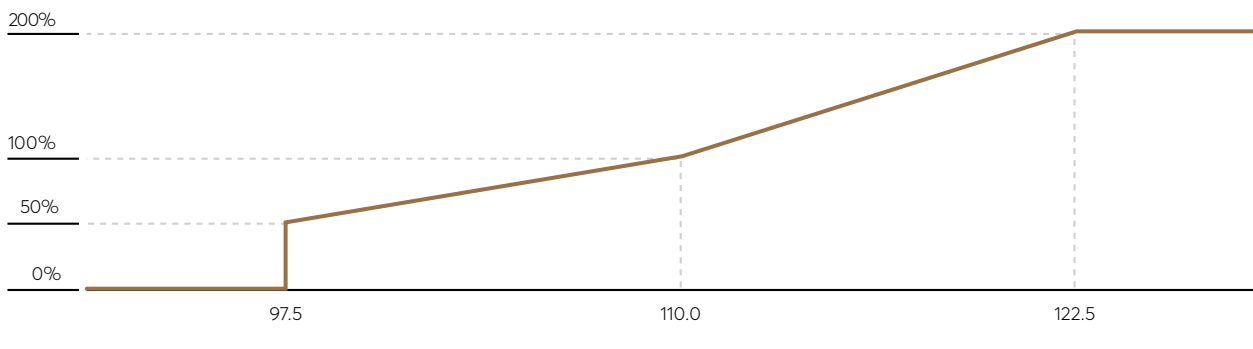
The degree of **employee satisfaction** is measured by the "Employee Trust Index", part of an employee survey conducted annually by an independent institute. For the LTI 2018-2021, the degree of employee satisfaction is also compared with the top 100 companies in Germany.

**EMPLOYEE SATISFACTION TARGET ACHIEVEMENT CORRIDOR FOR LTI TRANCHE 2021-2024**



The **sustainability performance** is determined by the Company's ranking in the Dow Jones Sustainability Indices (DJSI) DJSI World and DJSI Europe, in which the sustainability performance of listed companies is assessed by an independent index provider.

**SUSTAINABILITY TARGET ACHIEVEMENT CORRIDOR FOR LTI TRANCHE 2021-2024**



**Target achievement for the performance criteria ROCE, employee satisfaction and sustainability performance** is measured for each fiscal year during the three-year performance period against the respective target value set before the start of the tranche and determined using of the above performance corridors.

The Supervisory Board sets a **target**, a **minimum target** and a **maximum target** for ROCE, employee satisfaction and sustainability in each case. If the target is reached, the target achievement is 100%. If the target value is greater than or equal to the maximum target, target achievement is 200%. A further increase in the target value does not lead to a further increase in the target achievement above 200%. When the minimum target is reached, target achievement is 50%. If the target value is below the minimum target, target achievement is 0%. Target achievement between the specified targets (50%; 100%; 200%) is interpolated on a linear basis.

### Annual target achievement levels of the performance criteria for the LTI 2021–2024 issued in fiscal year 2021

As shown, target achievement for the LTI's performance criteria is determined on an annual basis. For fiscal year 2021, the Supervisory Board has determined the following **target achievement for the LTI 2021–2024**:

#### TARGET ACHIEVEMENT 2021 OF THE LTI 2021-2024 (ON A PRELIMINARY BASIS)

Target component	Target weighting	Target value (based on target achievement of 100%)	Performance corridor (Min/Max)	Actual value 2021	Target achievement 2021
RTSR	33%	50.0%	25.0% to 75.0%	100.0%	200%
ROCE	33%	15.5%	3.5% to 27.5%	15.2%	99%
Employee satisfaction	17%	63	58 to 68	71	200%
Sustainability performance	17%	110.0	97.5 to 122.5	144.1	200%
<b>Total</b>	<b>100%</b>				<b>166%</b>

For fiscal year 2021, the **target achievement level** (on a preliminary basis) of the LTI 2021–2024 is 166%.

### Payout from the LTI 2018–2021 issued in fiscal year 2018

The following table provides an overview of the **overall target achievement** of the LTI 2018–2021 awarded in fiscal year 2021 (payout in fiscal year 2022):

#### FINAL TARGET ACHIEVEMENT LTI 2018–2021

Target component	Target weighting	Target value (based on target achievement of 100%)	Performance corridor (Min/Max)	Actual value 2018	Actual value 2019	Actual value 2020	Actual value (average 2018–2020)	Final target achievement
RTSR	33%	2.5%	(10.0)% to 15.0%	(17.1)%	(54.8)%	(58.8)%	(43.6)%	0%
ROCE	33%	42.0%	30.0% to 55.0%	43.4%	35.3%	33.5%	37.4%	81%
Employee satisfaction	17%	90	80 to 100	76	78	78	77	0%
Sustainability performance	17%	105.0	92.5 to 117.5	125.0	111.6	130.3	122.3	200%
<b>Total</b>	<b>100%</b>							<b>60%</b>

The final target achievement level of the LTI 2018–2021 is 60%. The **individual payout amounts resulting from the LTI 2018–2021** (payout in fiscal year 2022) are as follows:



## PAYOUT FOR THE LTI 2018–2021

	Target amount ("LTI budget") in EUR thousand	Average share price of HUGO BOSS in Q4 2017 in EUR	Provisionally granted number of virtual shares ("initial grant")	Final target achievement	Finally granted number of virtual shares ("Final Grant")	Average share price of HUGO BOSS in Q4 2021 in EUR	Payout amount in EUR thousand
<b>Members of the Managing Board as of December 31, 2021</b>							
Yves Müller, Member of the Managing Board since December 1, 2017, Spokesperson of the Managing Board from July 16, 2020 until May 31, 2021	654	72.19	9,062	60%	5,465	53.78	294
Ingo Wilts, Member of the Managing Board from August 15, 2016 until February 28, 2022	638	72.19	8,831	60%	5,326	53.78	286
<b>Former Members of the Managing Board</b>							
Mark Langer, Chairman of the Managing Board from May 19, 2016 until July 15, 2020, Member of the Managing Board from January 15, 2010 until May 18, 2016	900	72.19	12,468	60%	7,519	53.78	404
<b>Total</b>	<b>2,192</b>		<b>30,361</b>		<b>18,310</b>		<b>985</b>

Daniel Grieder, Dr. Heiko Schäfer and Oliver Timm will not receive any payment from the LTI 2018–2021, as they were not yet members of the Managing Board in fiscal year 2018.

Under the separation agreement of September 2019, former member of the Managing Board Bernd Hake was entitled payments for the pro-rata earned tranches of the LTI 2018–2021, LTI 2019–2022 and LTI 2020–2023 totaling EUR 664 thousand, in accordance with the service agreement and the agreed severance payment cap, which became due on February 29, 2020.

**Total number of virtual shares outstanding at the end of fiscal year 2021**

The following overview shows the total number of **virtual shares (initial grant)** held by the members of the Managing Board at the end of fiscal year 2021:

**TOTAL NUMBER OF VIRTUAL SHARES (INITIAL GRANT) AT THE END OF FISCAL YEAR 2021 (IN UNITS)**

	LTI 2021–2024	LTI 2020–2023	LTI 2019–2022	LTI 2018–2021	Balance at the end of fiscal year 2021
Daniel Grieder, Chairman of the Managing Board since June 1, 2021	57,004	0	0	0	57,004
Yves Müller, Member of the Managing Board since December 1, 2017, Spokesperson of the Managing Board from July 16, 2020 until May 31, 2021	30,538	17,016	11,482	9,062	68,098
Dr. Heiko Schäfer, Member of the Managing Board since March 16, 2020	29,520	12,766	0	0	42,286
Oliver Timm, Member of the Managing Board since January 1, 2021	40,717	0	0	0	40,717
Ingo Wilts, Member of the Managing Board from August 15, 2016 until February 28, 2022	30,131	17,745	11,666	8,831	68,373
<b>Total</b>	<b>187,910</b>	<b>47,527</b>	<b>23,148</b>	<b>17,893</b>	<b>276,478</b>

## Outlook on the financial and non-financial performance criteria of LTI 2022–2025

The Supervisory Board is convinced that the four target components described above promote the **sustainable and long-term development of the Company**. For this reason, the four target components also apply to the LTI 2022–2025 to be issued in fiscal year 2022.

## Special compensation (sign-on, bonuses)

The compensation system does not provide for the possibility of special compensation for extraordinary performance, which may be granted at the discretion of the Supervisory Board. Under certain circumstances, it may be necessary to grant additional special compensation elements on a temporary basis. These involve one-off payments to new members of the Managing Board, for example to compensate for the loss of variable compensation from former employers, in order to attract the Managing Board member to HUGO BOSS (**sign-on**). In addition, the Supervisory Board is able to compensate a member of the Managing Board in the event they take on additional responsibility on an interim basis for these temporary increased duties (**bonus**). Any special compensation is limited in its amount, as it falls under the maximum compensation defined in section III in accordance with Sec. 87a (1) sentence 2 No. 1 AktG.

Following the departure of Mark Langer in July 2020, Yves Müller, in addition to his role as Chief Financial Officer, also assumed the position of **Spokesperson of the Managing Board** and was thus responsible for part of Mark Langer's former duties (Corporate Strategy, Corporate Communication, Group's own retail business, and Wholesale). These responsibilities were then handed over again when Oliver Timm joined the Managing Board on January 1, 2021, (handover of the Group's own retail business and Wholesale) and when Daniel Grieder joined as Chairman of the Managing Board (CEO) on June 1, 2021 (handover of Corporate Strategy and Corporate Communication). Against this backdrop, the Supervisory Board had decided to grant a performance-related **bonus** of up to EUR 600 thousand for the additional duties and responsibilities, at the sole discretion of the Supervisory Board. Non-financial criteria were chosen for the performance assessment in the form of successful performance of the office of Spokesperson and a smooth handover to Daniel Grieder. A partial amount of EUR 200 thousand was already paid out in fiscal year 2020. Following the handover of Yves Müller to Daniel Grieder, the Supervisory Board, on the recommendation of the Personnel Committee, determined a maximum target achievement of 100% and therefore a total bonus of EUR 600 thousand in view of the excellent work and smooth handover. The remaining EUR 400 thousand was paid out in fiscal year 2021.

The Supervisory Board also decided to grant a **one-off payment (sign-on)** of EUR 500 thousand to Oliver Timm, who has been a member of the Managing Board since January 1, 2021. This serves to partially **compensate for the loss of variable compensation components** (restricted stock units) from his former employer. A partial amount of EUR 300 thousand was already paid out in fiscal year 2021. A further EUR 100 thousand will be paid out in each of the fiscal years 2022 and 2023.

## Malus and clawback regulations

Under the current compensation system, the service agreements of the members of the HUGO BOSS Managing Board shall contain malus and clawback regulations that enable the Supervisory Board, under certain conditions, to reduce **variable compensation components that have not yet been paid out (malus)** or to **reclaim variable compensation components that have already been paid out (clawback)**. The Supervisory Board

is therefore able, at its reasonable discretion, to withhold or reclaim part or all of the variable compensation if the member of the Managing Board is in breach of a material obligation to exercise due diligence within the meaning of Sec. 93 AktG, a material obligation under the service agreement or of the essential rules and conduct principles laid down in the Company's Code of Conduct (compliance malus and compliance clawback). The Supervisory Board is also entitled to claim back a variable compensation that has already been paid if it becomes apparent after the payment that the audited and approved consolidated annual financial statements on which the calculation of the amount of the payment was based were incorrect and therefore had to be corrected in accordance with the relevant accounting rules (performance clawback).

In fiscal year 2021, the Supervisory Board **did not make use** of the option to reduce or reclaim variable compensation components.

## Share Ownership Guidelines

The Share Ownership Guidelines (SOG) are an essential part of the Managing Board compensation system. In order to further align the interests of the Managing Board and shareholders, the SOG are intended to oblige the members of the Managing Board to **buy and hold shares in HUGO BOSS AG**. The size of the share ownership obligation (SOG target) is measured based on the individual gross base salary of each member of the Managing Board. The Chairman of the Managing Board must invest two times and all other ordinary members of the Managing Board must invest one time their gross basic compensation and maintain these shares for the entire duration of their Managing Board activities.

The required number of shares must be held within five years, with the **required number of shares** being built up on a linear basis and reviewed annually by the Group General Counsel at the end of each year. The annual minimum holding may be exceeded at any time. The rules and time limits of the Market Abuse Regulation must be observed when buying and selling the shares.

According to the compensation system, **the number of shares to be held** is determined based on the average closing price of the HUGO BOSS shares in Deutsche Börse's Xetra trading in the month prior to the appointment of the respective member of the Managing Board or prior to the respective last adjustment of the basic salary of the Managing Board member.

The members of the Managing Board are entitled to contribute any **existing pre-held shares**. The following table shows the **shares held** by the members of the Managing Board as of December 31, 2021:

#### SHARE OWNERSHIP OF THE MANAGING BOARD MEMBERS

	Contributed existing pre-held shares acquired prior to Managing Board activity	Shares acquired during Managing Board activity	Number of shares as of December 31, 2021	XETRA closing price on December 30, 2021	Total value of shares as of December 31, 2021 (in EUR thousand)
Daniel Grieder, Chairman of the Managing Board since June 1, 2021	40,000	31,000	71,000	53.50	3,799
Yves Müller, Member of the Managing Board since December 1, 2017, Spokesperson of the Managing Board from July 16, 2020 until May 31, 2021	0	16,000	16,000	53.50	856
Dr. Heiko Schäfer, Member of the Managing Board since March 16, 2020	1,500	8,430	9,930	53.50	531
Oliver Timm, Member of the Managing Board since January 1, 2021	1,333	16,500	17,833	53.50	954
Ingo Wilts, Member of the Managing Board from August 15, 2016 until February 28, 2022	0	5,350	5,350	53.50	286
<b>Total</b>	<b>42,833</b>	<b>77,280</b>	<b>120,113</b>	<b>53.50</b>	<b>6,426</b>

## Maximum compensation

#### MAXIMUM LIMITS OF COMPENSATION (LIMITATION OF VARIABLE COMPENSATION AND MAXIMUM COMPENSATION)

Compensation component	Cap
Short-term variable compensation	150% of the target amount
Long-term variable compensation	250% of the target amount
Maximum compensation	Chairman of the Managing Board: EUR 11,000,000 Ordinary Managing Board member: EUR 5,500,000

The compensation of the members of the Managing Board is limited in two respects. Firstly, the **performance-related components are subject to maximum limits**, which amount to 150% of the target amount for the STI and 250% for the LTI. These limits were complied with in all cases with respect to the performance-related compensation awarded and due in fiscal year 2021, as shown in the following table:

## Compliance with the maximum compensation for the performance-related compensation of the Managing Board awarded and due in fiscal year 2021

		Daniel Grieder Chairman of the Managing Board (since June 1, 2021)			Yves Müller Member of the Managing Board (since December 1, 2017) Spokesperson of the Managing Board (from July 16, 2020 until May 31, 2021)			Dr. Heiko Schäfer Member of the Managing Board (since March 16, 2020)		
		Target compen- sation	Max.	Payout	Target compen- sation	Max.	Payout	Target compen- sation	Max.	Payout
(in EUR thousand)										
Short-term variable compensation	STI 2021	875	1,313	1,212	500	750	693	500	750	693
Long-term variable compensation	LTI 2018–2021	–	–	–	654	1,635	294	–	–	–
		Oliver Timm Member of the Managing Board (since January 1, 2021)			Ingo Wilts Member of the Managing Board (from August 15, 2016 until February 28, 2022)			Mark Langer Chairman of the Managing Board (from May 19, 2016 until July 15, 2020) Member of the Managing Board (from January 15, 2010 until May 18, 2016)		
		Target compen- sation	Max.	Payout	Target compen- sation	Max.	Payout	Target compen- sation	Max.	Payout
Short-term variable compensation	STI 2021	650	975	900	490	735	679	750	725 <sup>1</sup>	725
Long-term variable compensation	LTI 2018–2021	–	–	–	638	1,594	286	900	2,250	404

<sup>1</sup> In accordance with the separation agreement of April 2020.

Secondly, in accordance with Sec. 87a (1) sentence 2 No. 1 AktG, the Supervisory Board has determined a **maximum compensation** that limits the total amount actually payable for the compensation awarded for a particular fiscal year, consisting of basic compensation, fringe benefits, expenses for the pension commitment, any special compensation and short-term variable and long-term variable compensation. This maximum compensation can only be reviewed retrospectively once payment has been made from the LTI tranche issued in the respective fiscal year.

The **maximum compensation valid** for fiscal year 2021 is EUR 11.0 million for the Chairman of the Managing Board and EUR 5.5 million for the ordinary members of the Managing Board. Compliance with the maximum compensation for fiscal year 2021 can only be reported in the compensation report for fiscal year 2024, since the final payout for the LTI 2021–2024 depends on the share price performance of HUGO BOSS in the fourth quarter of 2024.

## Compensation-related legal matters

### Regulations for the termination of Managing Board activity

In the event of premature termination of the service agreement (in the absence of due cause for terminating the service agreement by the Company), the respective member of the Managing Board is entitled to a **severance payment** which is always limited to the amount of the total compensation, including fringe benefits, for a

period of 24 months, but is not compensated more than the remaining term of the agreement ("severance payment cap"). In the current Managing Board agreements, the period for calculating the severance pay varies, but in no case exceeds 24 months. When agreements are extended, the severance pay scheme is also standardized for all members of the Managing Board. For these purposes, the total compensation is calculated on the basis of the total compensation received for the last full fiscal year and, where appropriate, on the basis of the predicted total compensation for the current fiscal year. In the event of termination of a Managing Board agreement, the payment of any outstanding variable compensation components is made in accordance with the originally agreed targets and comparison parameters and according to the due dates or holding periods specified in the agreement.

The service agreements do not provide for any severance payment in the event of premature termination of the service agreement for due cause for which the respective member of the Managing Board is responsible. In the event of regular termination, the service agreements do not include a severance payment scheme.

The service agreements with the members of the Managing Board Yves Müller, Dr. Heiko Schäfer and Ingo Wilts contain a provision under which, in the event of a **change of control** (acquisition of more than 30% of the voting rights in HUGO BOSS AG), the respective member of the Managing Board is granted an extraordinary right to termination and, if the service agreement is indeed terminated, a severance payment to the respective member of the Managing Board. In principle, the amount of severance pay corresponds to the severance payment to be made in the event of the service agreement being terminated prematurely and is therefore subject to the same severance payment cap. The agreements of Daniel Grieder and Oliver Timm do not provide for any corresponding provisions for a change of control.

For new appointments or extension agreements with members of the Managing Board, provisions for a change of control are waived for all members of the Managing Board. There are no other compensation agreements.

### **Post-contractual non-compete clause**

A **post-contractual non-compete clause** has been agreed for the members of the Managing Board. For a period of 12 months after termination of the service agreement, members of the Managing Board are not entitled, directly or indirectly, to work for or to form or invest in any other company in the area of premium or luxury brand fashion and/or accessories. This post-contractual non-compete clause applies to the countries in which HUGO BOSS and the affiliated companies of HUGO BOSS within the meaning of Sec. 15 et seq. AktG are operating at the time of termination of the service agreement. HUGO BOSS is obliged to pay the member of the Managing Board a monthly amount of one twenty-fourth (Daniel Grieder, Oliver Timm) or one twelfth (Yves Müller, Dr. Heiko Schäfer, Ingo Wilts) of the annual target compensation (basic compensation as well as STI and LTI with a respective target achievement of 100% each) for the duration of this post-contractual non-compete clause.

For new appointments or extension agreements, the regulations are standardized and an agreement is reached for any severance payments to be credited to the payment for the post-contractual non-compete clause.

## Individualized disclosure of the compensation of the Managing Board

### Compensation awarded and due to current members of the Managing Board in the past fiscal year pursuant to Sec. 162 AktG

The following table shows the non-performance-related and performance-related compensation components awarded and due to **current members of the Managing Board** (active as of December 31, 2021) in the past fiscal year, including the respective relative share in accordance with Sec. 162 AktG. These include the basic compensation paid in the fiscal year, the fringe benefits accrued in the fiscal year, the pension allowance paid in the fiscal year, the STI 2021 awarded in fiscal year 2021 (payout in fiscal year 2022), the LTI 2018–2021 awarded in fiscal year 2021 (payout in fiscal year 2022), and any special compensation.

#### COMPENSATION AWARDED AND DUE

		<b>Daniel Grieder</b> Chairman of the Managing Board (since June 1, 2021)				<b>Yves Müller</b> Member of the Managing Board (since December 1, 2017) Spokesperson of the Managing Board (from July 16, 2020 until May 31, 2021)			
		2021		2020		2021		2020	
		in EUR thousand	in %	in EUR thousand	in %	in EUR thousand	in %	in EUR thousand	in %
Fixed compensation	Basic compensation	758	37	–	–	750	35	641	50
	Fringe benefits	68	3	–	–	30	1	13	1
	Pension allowance	0	0	–	–	0	0	0	0
<b>Total</b>		<b>826</b>	<b>41</b>	<b>–</b>	<b>–</b>	<b>780</b>	<b>36</b>	<b>654</b>	<b>51</b>
Short-term incentive	STI 2021	1,212	59	–	–	693	32	0	0
	STI 2020	0	0	–	–	0	0	411	32
Long-term incentive	LTI 2018–2021	0	0	–	–	294	14	0	0
	LTI 2017–2020	0	0	–	–	0	0	12	1
<b>Total</b>		<b>1,212</b>	<b>59</b>	<b>–</b>	<b>–</b>	<b>986</b>	<b>46</b>	<b>423</b>	<b>33</b>
Other	Special compensation	0	0	–	–	400	18	200	16
<b>Total compensation</b>		<b>2,038</b>	<b>100</b>	<b>–</b>	<b>–</b>	<b>2,166</b>	<b>100</b>	<b>1,277</b>	<b>100</b>

**Dr. Heiko Schäfer**  
Member of the Managing Board  
(since March 16, 2020)

**Oliver Timm**  
Member of the Managing Board  
(since January 1, 2021)

		2021		2020		2021		2020	
		in EUR thousand	in %	in EUR thousand	in %	in EUR thousand	in %	in EUR thousand	in %
Fixed compensation	Basic compensation	725	50	509	57	750	38	–	–
	Fringe benefits	19	1	5	1	45	2	–	–
	Pension allowance	0	0	0	0	0	0	–	–
<b>Total</b>		<b>744</b>	<b>52</b>	<b>515</b>	<b>57</b>	<b>795</b>	<b>40</b>	<b>–</b>	<b>–</b>
Short-term incentive	STI 2021	693	48	0	0	900	45	–	–
	STI 2020	0	0	386	43	0	0	–	–
Long-term incentive	LTI 2018–2021	0	0	0	0	0	0	–	–
	LTI 2017–2020	0	0	0	0	0	0	–	–
<b>Total</b>		<b>693</b>	<b>48</b>	<b>386</b>	<b>43</b>	<b>900</b>	<b>45</b>	<b>–</b>	<b>–</b>
Other	Special compensation	0	0	0	0	300	15	–	–
<b>Total compensation</b>		<b>1,436</b>	<b>100</b>	<b>901</b>	<b>100</b>	<b>1,995</b>	<b>100</b>	<b>–</b>	<b>–</b>

**Ingo Wilts**  
Member of the Managing Board  
(from August 15, 2016 until February 28, 2022)

		2021		2020	
		in EUR thousand	in %	in EUR thousand	in %
Fixed compensation	Basic compensation	725	42	653	52
	Fringe benefits	22	1	12	1
	Pension allowance	0	0	0	0
<b>Total</b>		<b>747</b>	<b>44</b>	<b>665</b>	<b>53</b>
Short-term incentive	STI 2021	679	40	0	0
	STI 2020	0	0	434	34
Long-term incentive	LTI 2018–2021	286	17	0	0
	LTI 2017–2020	0	0	161	13
<b>Total</b>		<b>965</b>	<b>56</b>	<b>595</b>	<b>47</b>
Other	Special compensation	0	0	0	0
<b>Total compensation</b>		<b>1,712</b>	<b>100</b>	<b>1,261</b>	<b>100</b>



## Compensation awarded and due to former members of the Managing Board in the past fiscal year

The following table shows the non-performance-related and performance-related compensation components awarded and due to **former members of the Managing Board** who terminated their activities within the last ten fiscal years, including the respective relative share in accordance with Sec. 162 AktG:

### COMPENSATION AWARDED AND DUE

		Mark Langer Chairman of the Managing Board (from May 19, 2016 until July 15, 2020) Member of the Managing Board (from January 15, 2010 until May 18, 2016)				Bernd Hake Member of the Managing Board (from March 1, 2016 until July 2, 2019)			
		2021		2020		2021		2020	
		in EUR thousand	in %	in EUR thousand	in %	in EUR thousand	in %	in EUR thousand	in %
Fixed compensation	Basic compensation	0	0	0	0	–	–	0	0
	Fringe benefits	0	0	0	0	–	–	0	0
	Pension allowance	0	0	0	0	–	–	0	0
<b>Total</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>–</b>	<b>–</b>	<b>0</b>	<b>0</b>
Short-term incentive	STI 2021	725	64	0	0	–	–	0	0
	STI 2020	0	0	656	72	–	–	0	0
Long-term incentive	LTI 2018–2021	404	36	0	0	–	–	0	0
	LTI 2017–2020	0	0	255	28	–	–	167	100
<b>Total</b>		<b>1,129</b>	<b>100</b>	<b>911</b>	<b>100</b>	<b>–</b>	<b>–</b>	<b>167</b>	<b>100</b>
Other	Pension payments	0	0	0	0	–	–	0	0
	Deferred compensation payments	0	0	0	0	–	–	0	0
<b>Total compensation</b>		<b>1,129</b>	<b>100</b>	<b>911</b>	<b>100</b>	<b>–</b>	<b>–</b>	<b>167</b>	<b>100</b>

No non-performance-related or performance-related compensation components were awarded and due to the former members of the Managing Board Claus-Dietrich Lahrs (Chairman of the Managing Board from August 1, 2008 to February 29, 2016) and Christoph Auhagen (ordinary member of the Managing Board from December 1, 2009 to April 22, 2016) in fiscal year 2021 or in fiscal year 2020.

## Target compensation and actual compensation of the members of the Managing Board for the past fiscal year

The following table shows the respective **target compensation** of the members of the Managing Board active as of December 31, 2021 for fiscal year 2021. This includes the target compensation agreed for the fiscal year in the event of a target achievement of 100%, supplemented by details of the minimum and maximum compensation achievable on an individual basis. In addition, the allocation for the fiscal year are stated as **actual compensation** according to the GCGC. This actual compensation comprises the fixed compensation paid out in the fiscal year, the fringe benefits accrued in the fiscal year, the pension allowance due for the fiscal year, the payout due in March 2022 from the STI 2021, and the payout due in March 2022 from the LTI 2018–2021. The ongoing pension commitments also include the service costs incurred for the fiscal year in accordance with IFRS.

## TARGET COMPENSATION AND ACTUAL COMPENSATION ACCORDING TO GCGC IN FISCAL YEAR 2021

		<b>Daniel Grieder</b> Chairman of the Managing Board (since June 1, 2021)				<b>Yves Müller</b> Member of the Managing Board (since December 1, 2017) Spokesperson of the Managing Board (from July 16, 2020 until May 31, 2021)			
(in EUR thousand)		Target compensation	Minimum compensation	Maximum compensation	Allocation	Target compensation	Minimum compensation	Maximum compensation	Allocation
Fixed compensation	Basic compensation 2021	758	758	758	758	750	750	750	750
	Fringe benefits 2021	68	68	68	68	30	30	30	30
	Pension allowance 2021	0	0	0	0	0	0	0	0
<b>Total</b>		<b>826</b>	<b>826</b>	<b>826</b>	<b>826</b>	<b>780</b>	<b>780</b>	<b>780</b>	<b>780</b>
Short-term incentive	STI 2021	875	875 <sup>1</sup>	1,313	1,212	500	0	750	693
Long-term incentive	LTI 2021–2024	1,400	0	3,500	0	750	0	1,875	0
	LTI 2018–2021	–	–	–	0	–	–	–	294
<b>Total</b>		<b>2,275</b>	<b>875</b>	<b>4,813</b>	<b>1,212</b>	<b>1,250</b>	<b>0</b>	<b>2,625</b>	<b>986</b>
Pension	Service costs 2021	303	303	303	303	380	380	380	380
Other	Special compensation 2021	0	0	0	0	400	0	400	400
<b>Total compensation</b>		<b>3,404</b>	<b>2,004</b>	<b>5,941</b>	<b>2,341</b>	<b>2,810</b>	<b>1,160</b>	<b>4,185</b>	<b>2,546</b>

		<b>Dr. Heiko Schäfer</b> Member of the Managing Board (since March 16, 2020)				<b>Oliver Timm</b> Member of the Managing Board (since January 1, 2021)			
(in EUR thousand)		Target compensation	Minimum compensation	Maximum compensation	Allocation	Target compensation	Minimum compensation	Maximum compensation	Allocation
Fixed compensation	Basic compensation 2021	725	725	725	725	750	750	750	750
	Fringe benefits 2021	19	19	19	19	45	45	45	45
	Pension allowance 2021	0	0	0	0	0	0	0	0
<b>Total</b>		<b>744</b>	<b>744</b>	<b>744</b>	<b>744</b>	<b>795</b>	<b>795</b>	<b>795</b>	<b>795</b>
Short-term incentive	STI 2021	500	0	750	693	650	0	975	900
Long-term incentive	LTI 2021–2024	725	0	1,813	0	1,000	0	2,500	0
	LTI 2018–2021	–	–	–	0	–	–	–	0
<b>Total</b>		<b>1,225</b>	<b>0</b>	<b>2,563</b>	<b>693</b>	<b>1,650</b>	<b>0</b>	<b>3,475</b>	<b>900</b>
Pension	Service costs 2021	290	290	290	290	300	300	300	300
Other	Special compensation 2021	0	0	0	0	300	300	300	300
<b>Total compensation</b>		<b>2,259</b>	<b>1,034</b>	<b>3,596</b>	<b>1,726</b>	<b>3,045</b>	<b>1,395</b>	<b>4,870</b>	<b>2,295</b>

## Ingo Wilts

Member of the Managing Board  
(from August 15, 2016 until February 28, 2022)

(in EUR thousand)		Target compen- sation	Minimum compen- sation	Maximum compen- sation	Allo- cation
Fixed compensation	Basic compensation 2021	725	725	725	725
	Fringe benefits 2021	22	22	22	22
	Pension allowance 2021	0	0	0	0
<b>Total</b>		<b>747</b>	<b>747</b>	<b>747</b>	<b>747</b>
Short-term incentive	STI 2021	490	0	735	679
Long-term incentive	LTI 2021–2024	740	0	1,850	0
	LTI 2018–2021	–	–	–	286
<b>Total</b>		<b>1,230</b>	<b>0</b>	<b>2,585</b>	<b>965</b>
Pension	Service costs 2021	280	280	280	280
Other	Special compensation 2021	0	0	0	0
<b>Total compensation</b>		<b>2,257</b>	<b>1,027</b>	<b>3,612</b>	<b>1,992</b>

1 Target achievement of 100% guaranteed on a one-off basis for fiscal year 2021.

## Compensation of the members of the Supervisory Board in fiscal year 2021

### Principles of the compensation system for the Supervisory Board

The **compensation of the members of the Supervisory Board** as determined by the Annual Shareholders' Meeting is governed by Art. 12 of the Articles of Association of HUGO BOSS AG and provides both the abstract and the specific framework for the compensation of the members of the Supervisory Board. This ensures that the compensation of the members of the Supervisory Board always complies with the compensation system adopted by the Annual Shareholders' Meeting on May 27, 2020 and adjusted with effect from July 30, 2020.

The compensation of the members of the Supervisory Board comprises **only fixed components**. The compensation consists of two components: a fixed compensation, depending on the position of the respective Supervisory Board member, and additional compensation for the respective committee activities. The compensation regulation thus also takes into account the requirements of the GCGC.

Until July 30, 2020, the members of the Supervisory Board were compensated in accordance with the **previously applicable compensation regulation** of Art. 12 of the Articles of Association of HUGO BOSS AG. According to this regulation, compensation of Supervisory Board members was divided into a fixed and a variable component. The variable component was based on the amount of earnings per share in the consolidated financial statements. The position of Chairman of the Supervisory Board, that of the Deputy Chairman, as well as membership of the committees, were taken into account when calculating the compensation.

## Structure and application of the compensation system of the Supervisory Board in fiscal year 2021

Each ordinary member of the Supervisory Board receives a **fixed annual compensation** of EUR 80 thousand (base amount). The Chairman receives 2.5 times (EUR 200 thousand) and the Deputy Chairman receives 1.75 times (EUR 140 thousand) this base amount.

In addition, **members of the Working Committee, the Audit Committee, and the Personnel Committee** will be paid an additional EUR 30 thousand each, and the Chairman of one of these committees will receive an additional EUR 60 thousand each. Members of the Nomination Committee receive an additional EUR 20 thousand. No compensation is paid for the Chairman and members of the Mediation Committee. However, additional compensation will only be paid for the three most highly remunerated positions on committees. This regulation leads to the setting of an individual **maximum compensation** for each member of the Supervisory Board in accordance with the positions held by the respective member in the committees.

### COMPENSATION FOR SUPERVISORY BOARD ACTIVITY AND MEMBERSHIP IN A COMMITTEE

Compensation for Supervisory Board function			
Chairman	Deputy Chairman	Ordinary Member	
EUR 200,000 2.5 times the base amount	EUR 140,000 1.75 times the base amount	EUR 80,000 Base amount	
Compensation for membership in a committee			
Working Committee	Audit Committee	Personnel Committee	Nomination Committee
Chairman EUR 60,000	Chairman EUR 60,000	Chairman EUR 60,000	Chairman -
Ordinary Member EUR 30,000	Ordinary Member EUR 30,000	Ordinary Member EUR 30,000	Ordinary Member EUR 20,000

**No further compensation** is granted beyond the compensation described above. Consequently, the current system does not provide for a variable compensation component or for attendance fees.

The compensation is **paid out** after the end of the Annual Shareholders' Meeting that decides on the approval of the Supervisory Board for the respective past fiscal year. Members of the Supervisory Board who have only been members of the Supervisory Board or a committee for part of the fiscal year receive pro rata compensation for each month of service or part thereof. Members of the Supervisory Board are reimbursed expenses incurred in connection with the performance of their duties. Any value-added tax (VAT) is reimbursed by the Company if the members of the Supervisory Board are entitled to invoice the Company separately for the VAT and exercise this right.

In fiscal year 2021, the compensation system for the Supervisory Board was applied in full as set out in Art. 12 of the Company's Articles of Association. In fiscal year 2021, the members of the Supervisory Board **did not receive any further compensation or benefits** for services provided individually, in particular consulting and mediation services. Furthermore, no loans or advances were granted to the members of the Supervisory Board, nor were there any contingent liabilities in their favor.

## Individualized disclosure of the compensation of the Supervisory Board

The following table shows the **fixed and variable compensation components which were awarded and due to current and former members of the Supervisory Board in the past fiscal year**, including the respective relative share in accordance with Sec. 162 AktG. In accordance with Art. 12 of the Company's Articles of Association, the total amount of the compensation of the Supervisory Board is due after the end of the Annual Shareholders' Meeting that decides on the approval of the Supervisory Board for the respective past fiscal year. The disclosure for fiscal year 2021 relates to the fixed compensation awarded for the Supervisory Board's activities in fiscal year 2021 (payout in fiscal year 2022) and the compensation awarded for committee membership in fiscal year 2021 (payout in fiscal year 2022).

### COMPENSATION AWARDED AND DUE

Current members of the Supervisory Board		Fixed compensation (base amount)		Variable compensation <sup>1</sup>		Compensation for committee work		Total compensation	
		2021	2020	2021	2020	2021	2020	2021	2020
<b>Hermann Waldemer</b> Chairman	in EUR thous.	200	108	–	0	150	115	350	223
	in %	57	48	–	0	43	52	100	100
<b>Sinan Piskin</b> Deputy Chairman	in EUR thous.	140	78	–	0	90	64	230	142
	in %	61	55	–	0	39	45	100	100
<b>Iris Epple-Righi</b>	in EUR thous.	80	38	–	0	30	17	110	55
	in %	73	69	–	0	27	31	100	100
<b>Katharina Herzog</b>	in EUR thous.	80	38	–	0	30	17	110	55
	in %	73	69	–	0	27	31	100	100
<b>Anita Kessel</b>	in EUR thous.	80	48	–	0	30	25	110	74
	in %	73	66	–	0	27	34	100	100
<b>Gaetano Marzotto</b>	in EUR thous.	80	48	–	0	50	24	130	72
	in %	62	67	–	0	38	33	100	100
<b>Luca Marzotto</b>	in EUR thous.	80	48	–	0	60	48	140	97
	in %	57	50	–	0	43	50	100	100
<b>Tanja Silvana Nitschke</b>	in EUR thous.	80	48	–	0	30	17	110	65
	in %	73	74	–	0	27	26	100	100
<b>Christina Rosenberg</b>	in EUR thous.	80	38	–	0	30	15	110	53
	in %	73	71	–	0	27	29	100	100
<b>Martin Sambeth</b>	in EUR thous.	80	48	–	0	30	15	110	64
	in %	73	76	–	0	27	24	100	100
<b>Bernd Simbeck</b> (since Sep. 1, 2021)	in EUR thous.	27	–	–	0	20	–	47	–
	in %	57	–	–	0	43	–	100	–
<b>Robin J. Stalker</b>	in EUR thous.	80	38	–	0	60	33	140	71
	in %	57	54	–	0	43	46	100	100

## COMPENSATION AWARDED AND DUE

Former members of the Supervisory Board		Fixed compensation (base amount)		Variable compensation <sup>1</sup>		Compensation for committee work		Total compensation	
		2021	2020	2021	2020	2021	2020	2021	2020
Antonio Simina until Aug. 31, 2021	in EUR thous.	53	58	–	0	40	53	93	111
	in %	57	53	–	0	43	47	100	100
Kirsten Kistermann- Christophe until May 27, 2020	in EUR thous.	–	10	–	0	–	0	–	10
	in %	–	100	–	0	–	0	–	100
Fridolin Klumpp until May 27, 2020	in EUR thous.	–	10	–	0	–	6	–	16
	in %	–	63	–	0	–	38	–	100
Michel Perraudin until May 27, 2020	in EUR thous.	–	30	–	0	–	55	–	85
	in %	–	36	–	0	–	64	–	100
Axel Salzmann until May 27, 2020	in EUR thous.	–	10	–	0	–	0	–	10
	in %	–	100	–	0	–	0	–	100

<sup>1</sup> From the compensation system valid until July 30, 2020.

The employee representatives, who are members of a trade union, have declared they will pass their compensation to the Hans Böckler Foundation in accordance with the guidelines of the German Trade Union Confederation.

## Comparative presentation of compensation and earnings development

The following comparative presentation shows the annual change in the compensation awarded and due to current and former members of the Managing Board and Supervisory Board, the **Company's earnings development** (in terms of sales, EBIT, the Group's net income, and net income of HUGO BOSS AG) and the **compensation of employees on a full-time equivalent basis**, the latter being based on the average wages and salaries of HUGO BOSS employees throughout the Group in the respective fiscal year.

### COMPARATIVE INFORMATION – MANAGING BOARD AND SUPERVISORY BOARD COMPENSATION IN COMPARISON WITH EMPLOYEE COMPENSATION AND EARNINGS DEVELOPMENT

(Annual change in %)	2021 vs. 2020	2020 vs. 2019	2019 vs. 2018	2018 vs. 2017	2017 vs. 2016
<b>Key earnings figures</b>					
Group sales	43%	(33)%	3%	2%	1%
Group's operating result (EBIT)	197%	(169)%	(1)%	2%	30%
Group's net income	166%	(207)%	(13)%	2%	19%
Net income of HUGO BOSS AG	163%	(191)%	(14)%	(17)%	10%
<b>Employee compensation<sup>1</sup></b>					
Employees HUGO BOSS Group	9% <sup>2</sup>	–	–	–	–

(Annual change in %)	2021 vs. 2020	2020 vs. 2019	2019 vs. 2018	2018 vs. 2017	2017 vs. 2016
<b>Compensation of the Managing Board</b>					
<b>Members of the Managing Board as of December 31, 2021</b>					
Daniel Grieder (Chairman since 06/2021)	–	–	–	–	–
Yves Müller (since 12/2017; Spokesperson of the Managing Board from 07/2020 until 05/2021)	70%	7%	(27)%	1647%	–
Dr. Heiko Schäfer (since 03/2020)	59%	–	–	–	–
Oliver Timm (since 01/2021)	–	–	–	–	–
Ingo Wilts (from 08/2016 until 02/2022)	36%	1%	(25)%	39%	227%
<b>Former members of the Managing Board</b>					
Mark Langer (Chairman from 05/2016 until 07/2020, Ordinary member from 01/2010 until 2005/16)	24%	(46)%	(27)%	25%	76%
Bernd Hake (from 03/2016 until 07/2019)	–	(48)%	(81)%	48%	215%
Christoph Auhagen (from 12/2009 until 04/2016)	–	–	–	–	–
Claus-Dietrich Lahrs (Chairman from 08/2008 until 02/2016)	–	–	–	–	–
<b>Compensation of the Supervisory Board</b>					
<b>Members of the Supervisory Board as of December 31, 2021</b>					
Hermann Waldemer (since 05/2015; Chairman since 05/2020)	57%	47%	(18)%	4%	(9)%
Sinan Piskin (since 11/2008; Deputy Chairman since 05/2020)	62%	37%	(18)%	4%	(9)%
Iris Epple-Righi (since 05/2020)	99%	–	–	–	–
Katharina Herzog (since 05/2020)	99%	–	–	–	–
Anita Kessel (since 05/2015)	49%	(8)%	(18)%	4%	(9)%
Gaetano Marzotto (since 02/2010)	80%	81%	(18)%	4%	(9)%
Luca Marzotto (since 02/2010)	45%	(7)%	(18)%	4%	(9)%
Tanja Silvana Nitschke (since 05/2015)	68%	64%	(18)%	4%	(9)%
Christina Rosenberg (since 05/2020)	106%	–	–	–	–
Martin Sambeth (since 08/2016)	73%	59%	(18)%	4%	142%
Bernd Simbeck (since 09/2021)	–	–	–	–	–
Robin J. Stalker (since 05/2020)	96%	–	–	–	–
<b>Former members of the Supervisory Board</b>					
Antonio Simina (until 08/2021, Deputy Chairman until 05/2020)	(16)%	(44)%	(22)%	4%	(9)%
Kirsten Kistermann-Christophe (until 05/2020)	–	(75)%	(18)%	4%	(9)%
Fridolin Klumpp (until 05/2020)	–	(75)%	(18)%	4%	(9)%
Michel Perraudin (Chairman until 05/2020)	–	(72)%	(15)%	3%	(8)%
Axel Salzmann (until 05/2020)	–	(75)%	(18)%	4%	(9)%

1 In accordance with Sec. 26J (2) sentence 2 EGAktG [“Einführungsgesetz zum Aktiengesetz”: German Introductory Act to the Stock Corporation Act], a comparison of the average employee compensation on a full-time equivalent basis over the last five fiscal years in pursuant to Sec. 162(1) sentence 2 No. 2 AktG is not yet to be included in the compensation report.

2 The increase in employee compensation in fiscal year 2021 also reflects the measures implemented in the prior year in connection with COVID-19 to reduce working hours and personnel costs.

## CEO Investment Opportunity

Prior to Daniel Grieder assuming his duties, a so called CEO Investment Opportunity was agreed between Daniel Grieder and the Marzotto family, the aim of which is to provide an **incentive for a substantial and sustainable increase in the share price of HUGO BOSS**. This is classified as compensation by a third party. The Supervisory Board discussed the CEO Investment Opportunity agreement at a plenary meeting and noted it with approval in a resolution. There are no conflicts of interest arising from the CEO Investment Opportunity, which is tied to the share price performance of HUGO BOSS. All shareholders in the Company benefit from a sustainable increase in the share price. In addition, attention is paid to the long-term development of the share price.

As compensation by a third party, the CEO Investment Opportunity is **explicitly not part of the compensation system** in accordance with Sec. 87a AktG. Therefore, it is not to be included in the maximum compensation.

Metzingen, March 9, 2022

HUGO BOSS AG

The Managing Board      The Supervisory Board