

REMUNERATION REPORT DEAR SHARE- HOLDERS

2015 was a transformational year for Dufry. The integration of the Nuance acquisition on one hand and the acquisition of WDF on the other hand, were the key topics for both Management and the Board of Directors along 2015. The final result of these transformational transactions will be only seen in 2017 and 2018, once all businesses are fully integrated and all synergies have been implemented. Nevertheless, important work has been done by Dufry in 2015, and 2016 will be critical to achieve the stated targets which are expected to reflect value creation in the coming years.

In 2015, the Nomination and Remuneration Committee of Dufry focused to further improve the compensation programs for both the Board of Directors as well as the Group Executive Committee and to adapt them to the new increased size of the Group.

In this context, the Nomination and Remuneration Committee mandated PwC to carry out a compensation benchmarking for the Board of Directors and the Group Executive Committee, based on a group of 18 companies, which are comparable in size, geographic reach and market profile. At the same time, we also asked external expert opinion to review our compensation systems. Such benchmarking and external advice is requested periodically to update and adjust compensation to current market trends.

After the successful implementation of the Ordinance against Excessive Compensation (Minder Initiative) in the 2015 Annual General Meeting, Dufry plans also to hold a consultative vote on the Compensation Report 2015 in the Annual General Meeting 2016. We believe that this step provides shareholders with a further option to express their views on Dufry's compensation model.

In 2015, the Board of Directors approved a proposal by the Nomination and Remuneration Committee to increase the compensation for Board members of Dufry, based on the PwC benchmarking. Dufry has almost tripled its size in the last few years and has further expanded its global reach. As a consequence, the level of preparation has increased on one hand and the complexity of risk assessment has risen on the other hand. These two points, as well as the increased number of meetings, have made the Dufry Board mandate more time consuming and the new Board fees are designed to compensate for this. The Board of Directors held 13 meetings, the Audit Committee 5 meetings and the Nomination and Remuneration Committee 4 meetings in 2015. The average attendance ratio was 100% for the Board and each of the Committee meetings.

In 2015, we abolished a project started the year before to partially compensate Board members with shares. After a detailed review, this option was considered not to be best practice for compensation and therefore Dufry's Board of Directors decided not to pursue this option any longer.

We also launched a project in 2015 to split the Nomination and Remuneration Committee in two separate bodies, which will become effective in 2016. Given the higher intensity of each of the functions in today's environment, we believe that it is more effective to address the two topics separately. It will allow the Committee members to dedicate more time to their respective topic, and with this, to assess a broader range of aspects including current market trends.

Last but not least, we also adapted the long-term incentive plan (PSU plan) for Dufry management. In order to recognize the broader management team as well as to ensure that we can attract the best talents in our industry, we have broadened the PSU plan to include

about 60 senior managers below the Group Executive Committee. The second change in the PSU plan was done in relation to the PSU calculation. Whereas the old program was based on a normalized Cash EPS of a given year, the new plan uses a three year Cumulative normalized Cash EPS. We implemented the change because the previous plan proved to be very volatile partially due to consolidation effects of the acquisitions and had a very low visibility along the vesting period. The new metric results in a flatter pay-out curve, i.e. the likelihood of both, the plan not vesting and the plan vesting at maximum is considerably lower. We are convinced that the new metric will provide a better measure to reflect the long-term value creation of the Group.

2016 and beyond will be important years for Dufrey, as the enlarged group will become fully integrated. Dufrey's Nomination and Remuneration Committees

will carefully monitor the compensation aspects of this transformation. Furthermore, we also will review the regulatory and industry developments in relation to compensation. In both cases, we plan to address any points pro-actively in case any change is warranted.

We would like to thank our shareholders for their contribution and the trust they have put in Dufrey.

Yours Sincerely,



Jorge Born

INTRODUCTION

The success of Dufrey is dependent on its ability to attract, motivate and retain outstanding individuals. It is Dufrey's aim to provide appropriate and competitive remuneration to its employees and to support their development in a high performance environment.

This Remuneration Report provides information on the remuneration system and compensation paid to the members of the Board of Directors and of the Group Executive Committee in fiscal year 2015. The Report is prepared in accordance with Articles 13-17 of the Ordinance against excessive Compensation (OaEC) and item 5 of the Annex to the Corporate Governance Directive (DCG) of the SIX Swiss Exchange, governing disclosure of remuneration systems and compensation paid to members of the Board of Directors and the Group Executive Committee.

The Remuneration Report will be presented to the General Meeting of Shareholders on April 28, 2016, for a consultative vote.

GOVERNANCE

Based on Dufrey's Articles of Incorporation and in line with the OaEC, the Board of Directors has the overall responsibility for defining the personnel and remuneration policy used for the entire Group, as well as the general terms and conditions of employment for members of the Group Executive Committee. It approves the individual compensation of the members of the Board of Directors and of the Group Executive

Committee. Since January 1, 2015, the Meeting of Shareholders has to approve the proposal of the Board of Directors in relation to the maximum aggregate amount of compensation of the Board of Directors for the period until the next Ordinary Meeting of Shareholders and of the Group Executive Committee for the following financial year. The vote at the Ordinary Meeting of Shareholders has binding effect for these total maximum amounts of compensation. Thereafter, the approval of the individual compensation to the members of the Board of Directors and of the Group Executive Board (within the limits approved by the Meeting of Shareholders) is directly with the Board of Directors.

The Nomination and Remuneration Committee supports the Board of Directors in fulfilling its nomination and remuneration related matters. The Committee consists of four non-executive members of the Board of Directors. The General Meeting of Shareholders held on April 29, 2015, elected Messrs. Jorge Born and Xavier Bouton, and re-elected Messrs. James Cohen and Andrés Holzer Neumann (all individually elected) as members of the Nomination and Remuneration Committee for a term of office until completion of the next Ordinary Meeting of Shareholders in 2016. Jorge Born has been appointed by the Board of Directors as Chairman of the Nomination and Remuneration Committee.

COMMITTEES AND COMMITTEE MEMBERSHIPS AS OF DECEMBER 31, 2015

MEMBER OF THE BOARD OF DIRECTORS	NOMINATION & REMUNERATION COMMITTEE	AUDIT COMMITTEE
Juan Carlos Torres Carretero, Chairman	-	Committee Member
Andrés Holzer Neumann, Vice-Chairman	Committee Member	-
Jorge Born, Director	Committee Chairman	Committee Member
Xavier Bouton, Director	Committee Member	-
James S. Cohen, Director	Committee Member	-
Julián Díaz González, Director / CEO	-	-
José Lucas Ferreira de Melo, Director	-	Committee Chairman
George Koutsolioutsos, Director	-	-
Joaquín Moya-Angeler Cabrera, Director	-	Committee Member

For further details regarding the responsibilities of the Nomination and Remuneration Committee and the meetings held in fiscal year 2015, please refer to

section 3.5 Internal Organizational Structure of the Corporate Governance Report.

COMPENSATION COMPARISONS

During the course of 2015, the Board of Directors of Dufrey consulted PricewaterhouseCoopers AG (PwC) on the structure and level of Executive compensation arrangements, with a particular focus on the Executive PSU plan. PwC also conducted a benchmark analysis on compensation levels for both members of the Board of Directors and of the Group Executive Committee using third party compensation survey data and disclosed information from 18 companies with a similar size, geographical reach and/or complexity, mostly from the SMI and SMIM universe. Other divisions of PwC also provided services as Tax and HR Advisors for other internal projects.

REMUNERATION TO THE MEMBERS OF THE BOARD OF DIRECTORS

REMUNERATION SYSTEM

The remuneration of the members of the Board of Directors is set to attract and retain highly qualified individuals to serve on the Board of Directors. The Board of Directors determines the amount of remuneration of its members, taking into account their responsibilities, experience and the time they invest in their activity as members of the Board of Directors.

The total compensation to the members of the Board of Directors, except for the Chief Executive Officer who does not receive any compensation in relation to his position as member of the Board, included the following elements in fiscal year 2015:

- Fixed fee in cash as member of the Board of Directors and members of Board Committees; and
- Mandatory social security contributions

In addition, the Chairman of the Board of Directors, who due to his intense involvement with the Company's management is considered an executive Chairman, may also receive a performance bonus. This performance bonus is related to financial performance of the Company (performance objective: EBITDA) and is capped at 130% of the target bonus. The target bonus for fiscal year 2015 was set at 100% of the Chairman's board fee (2014: target bonus also 100% of Chairman's board fee). With the exception of the variable compensation to the Chairman and to the CEO (each in their capacity as Chairman and Chief Executive Officer), the

POSITION / RESPONSIBILITY	FEE 2015 IN THOUSANDS OF CHF	FEE 2014 IN THOUSANDS OF CHF
Chairman ¹	1,914.8	1,665.0
Vice-Chairman ²	250.0	175.0
Member of the Board of Directors ^{2, 3}	250.0	175.0
Member of the Audit Committee	50.0	50.0
Member of the Nomination and Remuneration Committee	50.0	50.0

¹ The Chairman receives no fees as a Committee member.

² Increased Board fee of TCHF 250 for period from AGM 2015 to AGM 2016.

³ The CEO does not receive additional compensation as a Board member.

compensation for the members of the Board of Directors is not tied to particular targets. Extraordinary assignments or work which a member of the Board of Directors would perform for the Company outside of his activity as a Board member can be specifically remunerated and has to be approved by the Board of Directors. No extraordinary assignments outside Board activities have taken place in fiscal year 2015. In addition, the members of the Board of Directors are reimbursed all reasonable cash expenses incurred by them in the discharge of their duties.

The Nomination and Remuneration Committee ("NRC") discusses the annual compensation (board fees, committee fees, target bonus for Chairman) in separate NRC meetings. The Chairman usually participates as a guest in these meetings without any voting rights. The Nomination and Remuneration Committee then makes proposals in relation to the compensation of each Board member to the entire Board of Directors. Thereafter, the Board of Directors decides collectively on the compensation of its members once per year, with all Board members being present during such meeting (CEO compensation reviewed and decided separately as described in section Remuneration to the members of the Group Executive Committee).

In fiscal year 2015, the Board of Directors decided to raise the fee for the Chairman to TCHF 1,915 (increase of TCHF 250 compared to previous fee for the Chairman). The Board of Directors further decided to increase the Board fee for the members of the Board of Directors for the period from the Annual General Meeting of Shareholders, held on April 29, 2015, to the next Annual General Meeting in 2016. Each member of the Board of Directors (except the Chairman and the CEO) receives a Board membership fee of TCHF 250 in cash (representing an increase of TCHF 75 compared to the previous Board fee) and an additional TCHF 50 in cash as a member of a Board Committee (no increase in the Committee fee). The Chairman fee and Board fee were raised to reflect the complexity of tasks and high intensity of the work done by the Board, also due to the increased size of the Company (see also section

"Changes in the Remuneration System in 2015 – Board of Directors" below). For fiscal year 2015, the Chairman of the Board of Directors will receive a cash bonus of TCHF 1,943, based on profit targets (EBITDA) of the Group. The bonus amounts to 101.5% of the Chairman's board fee (2014: TCHF 1,595 and 96% of board fee).

CHANGES IN THE REMUNERATION SYSTEM IN 2015 – BOARD OF DIRECTORS

The Nomination and Remuneration Committee had analyzed in a project whether to include share-based remuneration by granting shares of Dufrey AG to the members of the Board of Directors in the amount of TCHF 75 per Board member (except for the Chairman and the CEO). After a thorough analysis, the Nomination and Remuneration Committee concluded that it will not introduce such share grants for the members of the Board of Directors. Due to the high intensity of the work done by the Board, and due to the increased size and geographical diversification of the Company, as well as the monitoring of risks becoming more extensive, the Board of Directors approved a proposal by the Nomination and Remuneration Committee to increase the cash fees for membership in the Board to TCHF 250 (as of AGM 2015). The CEO (who does not receive a fee as Board member) is excluded from such increase in the Board fees.

SUMMARY OF REMUNERATION IN FISCAL YEAR 2015 AND 2014

On December 31, 2015, the Board of Directors comprised 9 members (December 31, 2014: also 9 Board members). For fiscal year 2015 and 2014, covering the period between January 1 and December 31, the remuneration for the members of the Board of Directors is shown in the table below. The remuneration difference compared to the previous year is mainly due to the increased remuneration for the Chairman and the Board members as explained above.

COMPENSATION TO THE BOARD OF DIRECTORS (AUDITED)

NAME, FUNCTION IN THOUSANDS OF CHF	2015			2014		
	REMUNERATION	POST- EMPLOYMENT BENEFITS ⁵	TOTAL	REMUNERATION	POST- EMPLOYMENT BENEFITS ⁵	TOTAL
Juan Carlos Torres Carretero, Chairman ¹	3,857.8	197.1	4,054.9	3,260.2	169.5	3,429.7
Andrés Holzer Neumann, Vice-Chairman	275.4	14.8	290.2	225.0	13.5	238.5
Jorge Born, Director	309.0	18.2	327.2	213.7	12.8	226.5
Xavier Bouton, Director ²	259.0	15.4	274.4	425.0	10.6	435.6
James S. Cohen, Director	275.4	16.3	291.7	225.0	13.5	238.5
Julián Díaz González, Director and CEO ³	-	-	-	-	-	-
José Lucas Ferreira de Melo, Director	275.4	16.3	291.7	225.0	13.5	238.5
George Koutsolioutsos, Director ⁴	225.4	13.5	238.9	117.6	7.2	124.8
Joaquín Moya-Angeler Cabrera, Director	275.4	13.3	288.7	225.0	12.8	237.8
Total	5,752.8	304.9	6,057.7	4,916.5	253.4	5,169.9

¹ The remuneration for Mr. Torres Carretero includes Board fee of CHF 1.915 million and bonus of CHF 1.943 million (2014: CHF 1.665 million Board fee and CHF 1.595 million bonus).

² In 2014, the remuneration for Mr. Bouton included fees for consulting services of CHF 0.25 million. These consulting services have been terminated as per December 31, 2014.

³ Mr. Díaz González (CEO of the Company) does not receive any additional compensation as Board member.

⁴ Director as of April 29, 2014.

⁵ Amount includes mandatory employer social security contributions.

RECONCILIATION BETWEEN REPORTED BOARD COMPENSATION FOR 2015 AND THE AMOUNT APPROVED BY THE SHAREHOLDERS AT THE AGM 2015 UNTIL THE AGM 2016

of office from the AGM 2015 to the AGM 2016 of CHF 7.4 million. The following table shows the reconciliation between the reported Board compensation for fiscal year 2015 and the amount approved by the shareholders at the AGM 2015.

The Ordinary Meeting of Shareholders held on April 29, 2015, approved a maximum aggregate amount of compensation of the Board of Directors for the term

IN THOUSANDS OF CHF	BOARD COMPENSATION IN FISCAL YEAR 2015 AS REPORTED	LESS BOARD COMPENSATION TO BE ACCRUED FOR THE PERIOD JANUARY 1, 2015 TO THE AGM IN APRIL 2015 (4 MONTHS)	PLUS BOARD COMPENSATION TO BE ACCRUED FOR THE PERIOD JANUARY 1, 2016 TO THE AGM IN APRIL 2016 (4 MONTHS)	TOTAL BOARD COMPENSATION FOR THE PERIOD FROM AGM 2015 TO AGM 2016	TOTAL MAXIMUM AMOUNT AS APPROVED BY SHAREHOLDERS AT THE AGM 2015 FOR PERIOD OF AGM 2015 TO AGM 2016	COMPEN- SATION RATIO
Total Board of Directors	6,057.7	1,190.4	1,409.8	6,277.1	7,400	84.8%

OTHER COMPENSATION, LOANS OR GUARANTEES (AUDITED)

In the years 2015 and 2014, there was no other compensation paid directly or indirectly to active or former members of the Board of Directors, or to their related parties. There are also no loans or guarantees received or provided to these Board members, nor to their related parties.

REMUNERATION TO THE MEMBERS OF THE GROUP EXECUTIVE COMMITTEE

REMUNERATION SYSTEM

Dufrey aims to provide internationally competitive compensation to the members of its Group Executive Committee (as of January 1, 2016, CEO, CFO, GCOO, GC, GCCO, GRD, five Divisional CEOs and one GM Brazil & Bolivia; for the structure during fiscal year 2015 see also Corporate Governance Report on page 225) that reflects the experience and the area of responsibility of each individual member. Members of the Group Executive Committee (GEC) receive compensation packages, which consist of a fixed basic salary in cash, social benefits, allowances in kind, a performance related bonus and share-based incentive plans.

BASIC SALARY

The annual basic salary is the fixed compensation reflecting the scope and key areas of responsibilities of the position, the skills required to perform the role and the experience and competencies of the individual person. The basic salary is reviewed annually.

ANNUAL BONUS

The annual bonus is defined once per year and is based on a bonus target expressed in percentage of the annual basic salary. The target bonus corresponds to the bonus award at 100% achievement of the pre-defined objectives. Each member of the Group Executive Committee has its own bonus. In case that an executive

reaches the objectives in full, the bonus pay-out will correspond to the targeted level. If one or more objectives are not reached, the bonus will be reduced. The bonus pay-out can be between a minimum of zero and the maximum capped amount of 130% of the target bonus for all members of the Group Executive Committee, including the CEO.

PERFORMANCE OBJECTIVES

GROUP EXECUTIVE COMMITTEE (2015)	EBITDA	NON-FINANCIAL
Chief Executive Officer		
Chief Financial Officer		
Global Chief Operating Officer	100%	-
Global Chief Corporate Officer		
General Counsel		
2 Regional Chief Operating Officers (one of them until March 31, 2015)		
2 Regional Chief Operating Officers (one of them until October 31, 2015)	50%	50%

The target bonus amounted to 200% of the basic salary for the CEO and to between 60% and 200% of the basic salary for the other members of the Group Executive Committee in fiscal year 2015 (Fiscal Year 2014: 200% for the CEO and between 60% and 200% for the other members of the Group Executive Committee).

The main part of the bonus is related to measures regarding financial performance, which in fiscal year 2015 and 2014 was based on EBITDA, for both, the Group and the respective Region in the case of the Regional Chief Operating Officers (RCOOs). Such financial measures were weighted for the CEO, CFO, GCOO,

REMUNERATION COMPONENTS

	INSTRUMENT	PURPOSE	INFLUENCED BY
Basic salary	- Basic compensation - Paid in cash on monthly basis	- To attract and retain management	- Position - Competitive market environment - Experience of the person
Bonus	- Annual bonus - Usually paid in cash after completion of the relevant year	- Pay for performance	- Achievement of financial results of the Group and of specific Regions and of defined goals by each individual person
Share-based incentives PSUs	- Performance Share Units (PSU) if any, vesting conditional on performance	- Rewarding long-term performance - Aligning compensation to shareholder interests	- PSU Awards 2013/2014: Cash EPS growth over 3 years - PSU Awards 2015/following years: Cumulative Cash EPS in CHF over 3 years
Other indirect benefits, post-employment benefits	- Allowances in kind - Social pension and insurance prerequisites	- To attract and retain management	- Market practice and position - Legal requirements of social benefits

GC, GCCO and 2 of the 4 RCOOs (one of these two RCOOs was a GEC member until March 31, 2015) as follows: 100% EBITDA; for 2 of the 4 RCOOs (one of these two RCOOs was a GEC member until October 31, 2015) 50% EBITDA and 50% non-financial oriented targets in form of individual and general performance of the business as evaluated by the CEO (Fiscal Year 2014: 100% EBITDA for the CEO, CFO, GCOO, GC, GCCO and 2 of the 4 RCOOs. 50% EBITDA and 50% non-financial oriented targets for 2 of the 4 RCOOs).

The bonus accrued as part of the compensation for the members of the Group Executive Committee represented in 2015 between 61% and 203% of their basic salary and amounted to CHF 9.7 million in the aggregate (2014: between 55% and 201% of their basic salary and an amount of CHF 9.9 million in the aggregate). The achievement ratio regarding the EBITDA target was 101.5% for fiscal year 2015.

RANGE OF BONUS COMPONENTS

IN % OF BASIC SALARY	2015	2014	2013
Group Executive Committee	61 – 203%	55 – 201%	17 – 100%

The bonus compensation for each of the members of the Group Executive Committee, other than the CEO bonus, is approved by the Nomination and Remuneration Committee in coordination with the CEO. The

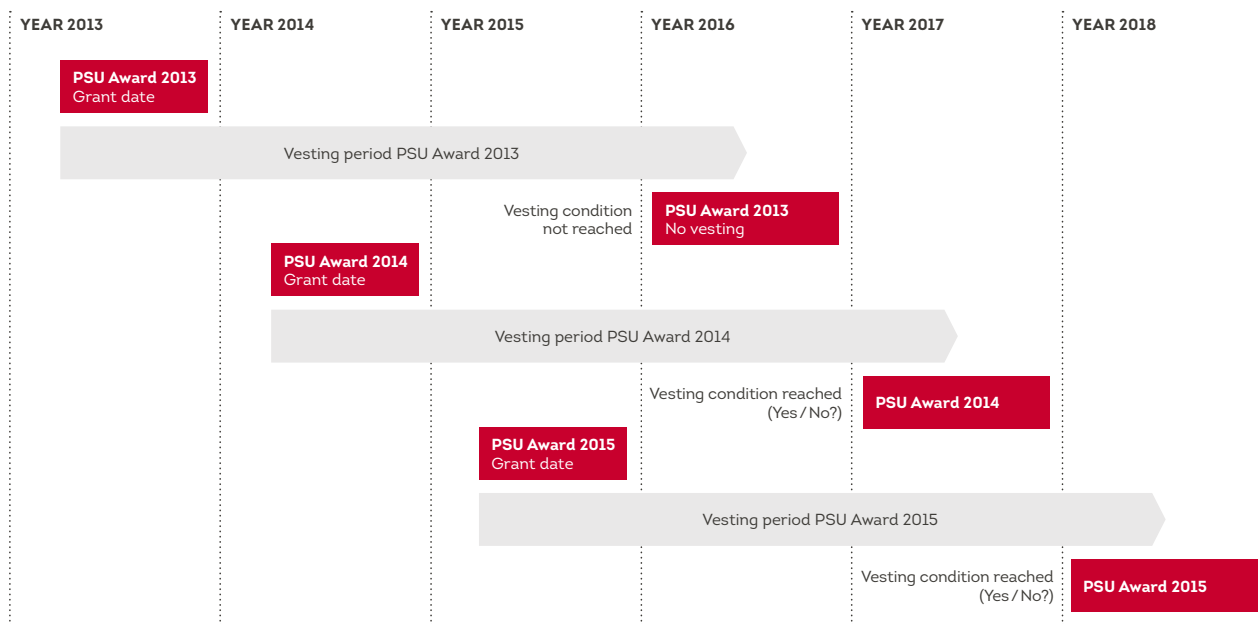
CEO's bonus compensation is determined based on achieved targets and proposed by the Nomination and Remuneration Committee and decided by the Board of Directors once per year. The Nomination and Remuneration Committee as well as the Board of Directors review the compensation of the CEO, CFO, GCOO, GCCO and the GC (as of January 1, 2016 also the GRD) yearly. The compensation of the RCOOs is reviewed once per year by the CEO (as of January 1, 2016 all five Divisional CEOs including the GM Brazil & Bolivia).

SHARE-BASED INCENTIVES (PSU)

In 2013, the Company introduced a Performance Share Unit (PSU) plan for the members of the Group Executive Committee. The purpose of the plan is to provide the members of the Group Executive Committee (and since fiscal year 2015 also selected members of the Senior Management team) with an incentive to make significant and extraordinary contributions to the long-term performance and growth of Dufry Group, enhancing the value of the shares for the benefit of the shareholders of the Company. The share-based incentive is also increasing the ability of Dufry Group to attract and retain persons of exceptional skills.

From an economic point of view, the PSUs are stock options with an exercise price of nil. However, they are expected to have no dilutive effect, as the shares for

TIMING OF THE PSU PLANS



share-based incentives historically have been sourced from treasury shares, held by the Company.

Details of the Performance Share Units (PSU)

The number of PSUs allocated to each member of the Group Executive Committee in any given year takes into account the base salary as well as the prevailing share price, i.e. an assumption of one share for every PSU. The accrued value of the PSU awards 2015 represented about 119% of the basic salary for the CEO and between 62% and 117% of the basic salary for the other members of the Group Executive Committee (2014: 89% for the CEO and between 62% and 90% for the other members of the Group Executive Committee). The PSU awards will only vest in the third year of the award and are linked to specific performance criteria (see below).

Vesting conditions of the PSUs are:

- The participant's ongoing contractual relationship on the vesting date; and
- The achievement of the performance target as described below.

Performance target for 2013 and 2014 PSU grants

The number of shares allocated for each PSU for the 2013 and 2014 PSU grants directly depends on the average growth rate reached of the Company's basic earnings per share adjusted for acquisition-related amortization and normalized for non-recurring effects (Cash EPS). For the calculation of the relevant EPS growth for the PSU awards 2013 and 2014, the following metrics are used:

- Cash EPS of the fiscal year directly preceding the grant date (i.e. for the PSU Award 2014 Cash EPS of 2013; for the PSU Award 2013 Cash EPS of 2012) is used as a basis and is compared to the Cash EPS of the fiscal year preceding the vesting date (i.e. for the PSU Award 2014: respective metric in 2016; for the PSU Award 2013: respective metric in 2015).

Depending on the average growth achieved, each PSU will convert according to the following grid:

- Minimum threshold of average Cash EPS growth of 3.5% per annum must be achieved; otherwise the PSU shall not vest and will become nil and void. The participant will not be allocated any shares from the PSU.
- For a Cash EPS growth of 7% per annum (target), the participant shall be allocated one share for every PSU that has vested.
- For a Cash EPS growth of 10.5% per annum or above (maximum threshold), the participant shall be allocated two shares for every PSU that has vested.

- For a Cash EPS growth of between 3.5% and 7% per annum or between 7% and 10.5% per annum the number of shares allocated from vested PSUs is calculated on a linear basis.
- The maximum number of shares allocated is capped at two shares per vested PSU.

CASH EPS GROWTH PER ANNUM PSU GRANTS 2013/2014	PSU VESTING
< 3.5% (minimum threshold)	No vesting
Between 3.5% and 7%	Linear calculation (between 0% and 100% vesting)
=7% (at target)	100% vesting (1 share per PSU)
Between 7% and 10.5%	Linear calculation (between 100% and 200% vesting)
≥ 10.5% (maximum threshold)	200% vesting (2 shares per PSU)

Performance target for 2015 and following years' grants

The number of shares allocated for each PSU for the 2015 grants (and following years' grants) directly depends on the Company's Cumulative Normalized Cash EPS as a nominal amount in Swiss Francs of the three year period preceding the vesting date (see also section "Changes in the Remuneration System in 2015 - Group Executive Committee" on page 241).

- For the 2015 grants, the Target Cumulative Cash EPS has been set at a nominal amount in Swiss Francs that was based on the cumulative cash EPS of the years 2012 to 2014 and applied a growth rate of 5% per annum. This amount which is about CHF 24, and the derived figures below are subject to change from year to year by the Nomination and Remuneration Committee.

Depending on the Cumulative Normalized Cash EPS achieved, each PSU will convert according to the following grid:

- Minimum threshold of 50% of target must be achieved; otherwise the PSU shall not vest and will become nil and void. The participant will not be allocated any shares from the PSU.
- For a Cumulative Cash EPS at target, the participant shall be allocated one share for every PSU that has vested.
- For a Cumulative Cash EPS of 150% of target or above, which represents the maximum threshold, the participant shall be allocated two shares for every PSU that has vested.
- For a Cumulative Cash EPS higher than the minimum threshold but lower than the maximum threshold, the number of shares allocated from vested PSUs is calculated on a linear basis.
- The maximum number of shares allocated is capped at two shares per vested PSU.

CUMULATIVE CASH EPS PSU GRANTS 2015	PSU VESTING
< minimum threshold (50 % of target)	No vesting
at target	100 % vesting (1 share per PSU)
≥ maximum threshold (150 % of target)	Maximum vesting (2 shares per PSU)
Between minimum threshold and maximum threshold	Linear calculation (between 0 and maximum 2 shares per PSU)

In 2015, the members of the Group Executive Committee have been granted, in the aggregate 56,965 PSU. Out of this amount, 18,347 PSU were granted to the CEO. The total maximum number of shares that can be allocated to the members of the Group Executive Committee (maximum 2 shares per vested PSU) would amount to 113,930 shares for the PSU Award 2015, 89,134 shares for the PSU Award 2014 and to nil shares for the PSU Award 2013 (as the PSU Award 2013 will not vest).

The PSU plans have been approved by the Nomination and Remuneration Committee and the Board of Directors. The Nomination and Remuneration Committee reviews achievement of the respective performance target at a specific vesting date, upon proposal of the CEO, who as plan administrator will analyze and adjust potential exceptional and non-recurring events to normalize Cash EPS in relation to the PSU plan. The CEO acts as Plan Administrator and therefore proposes the amount of each specific grant to each individual plan participant, which are reviewed by the Nomination and Remuneration Committee. The grants made to the CEO are decided by the Nomination and Remuneration Committee.

OTHER INDIRECT BENEFITS

The Company limits further benefits to a minimum. Fringe benefits such as health insurance, company car, or housing allowances have been granted to certain members of the Group Executive Committee. The total amounted to CHF 0.54 million in the aggregate in fiscal year 2015 (2014: CHF 0.66 million).

CHANGES IN THE REMUNERATION SYSTEM IN 2015 - GROUP EXECUTIVE COMMITTEE

The Nomination and Remuneration Committee has decided on some changes to the remuneration system in fiscal year 2015:

The Restricted Share Units (RSU) program that was in place from 2005 until 2013 was terminated in 2013 and no awards were made since. In 2015, the Nomination and Remuneration Committee considered an alternative program going forward, but decided that the share-based compensation for the members of the Group Executive Committee should consist of Performance Share Units (PSUs) only.

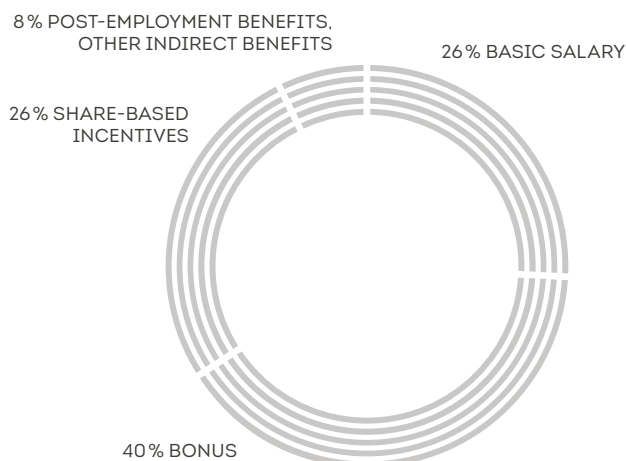
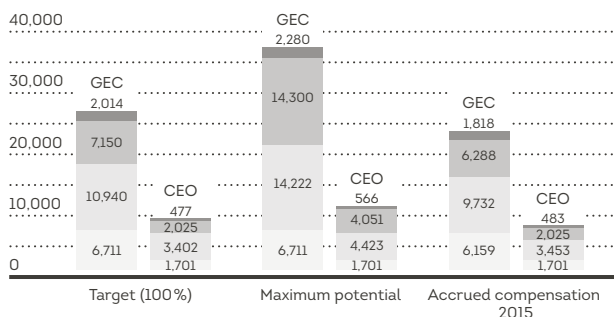
Based on a proposal by the Nomination and Remuneration Committee, the Board of Directors decided to adapt the metrics for the PSU plan from fiscal year 2015 onwards. As described above the adaption to the PSU plan was to change from the annual growth rate of Cash EPS of the one year directly preceding the date of grant and the vesting date, respectively, to the Cumulative Cash EPS in Swiss Francs of the three years preceding the vesting date. The change is intended to reduce the volatility of the PSU plan as the original plan has a very steep pay-out curve, which is likely to result in the maximum or non-vesting scenario, respectively. The new metric also rewards continuous and sustainable improvements in the Cash EPS generation over time. The duration of the PSU plan (PSUs vest in the third year of the award) remained unchanged.

The number of persons qualified to PSU awards has been broadened and includes since fiscal year 2015 not only the members of the Group Executive Committee, but also further selected members of the Senior Management team of Dufry (about 60 senior managers). In addition to the PSUs awarded to the members of the Group Executive Committee as detailed above, this further group of Senior Managers received in aggregate 65,838 PSU from the Award 2015. The conditions of the PSU plans are identical for all plan participants (whether members of the Group Executive Committee or Senior Managers). The total maximum number of shares that can be allocated to all participants of the PSU Awards 2015 and 2014 (maximum 2 shares per vested PSU) would amount to 334,740 shares, representing together a total of 0.62% of outstanding shares as at December 31, 2015. The PSU Awards 2013 will not vest as the vesting conditions were not reached. Historically, Dufry has always sourced its share based compensation from treasury shares, so that no dilutive effect is expected from the PSUs.

REMUNERATION STRUCTURE GROUP EXECUTIVE COMMITTEE IN 2015



IN THOUSANDS OF CHF



COMPARISON AND COMPOSITION OF REMUNERATION TO THE GROUP EXECUTIVE COMMITTEE IN FISCAL YEAR 2015

The charts above reflect the composition of the different remuneration components as well as the actual remuneration of the seven active members and two former members of the Group Executive Committee (as of December 31) for fiscal year 2015. In the chart, this actual remuneration is also compared to the potential compensation (for all nine members) if 100% of the target bonus was reached, and the maximum potential of compensation possible based on the capped bonus and the share-based compensation.

PAY-OUT COMPONENTS FOR FISCAL YEAR 2015

For fiscal year 2015, the achievement ratio in conjunction with the EBITDA target was 101.5%. Based on this, the pay-out of the bonus component for the CEO amounts to CHF 3.5 million, which represents 203% of the CEO's basic salary. As mentioned before, the PSU Awards 2013 have not vested and there will be no pay-out for the CEO or any other members of the Group Executive Committee from the PSU Awards 2013. Therefore, the pay-out for the entire Group Executive Committee for fiscal year 2015 amounts to a total of CHF 17.7 million, of which CHF 5.6 million is the pay-out to the CEO.

SUMMARY OF REMUNERATION IN FISCAL YEAR 2015

For fiscal year 2015, the remuneration of the Group Executive Committee includes the compensation to the seven active GEC members (as of December 31) for the entire year, and to the two former GEC members on a pro rata basis up to the dates on which they left the GEC (fiscal year 2014: includes compensation to the nine Executives for the entire year). The remuneration for fiscal years 2015 and 2014, mentioned in the table on the opposite page covers the period between January 1 and December 31.

The remuneration difference compared to the previous year are mainly due to the change in the number of the Executives during the year, regular salary increases based on annual performance review and individual bonus payments based on achievement of yearly objectives set in advance, as well as the different values of the PSU awards.

The Ordinary Meeting of Shareholders held on April 29, 2015, approved a maximum aggregate amount of compensation for the members of the Group Executive Committee for the financial year 2016 of CHF 50.5 million. The approved maximum aggregate amount reflects the maximum possible pay-out calculated for each compensation element and takes into account twelve members of the Group Executive Committee in fiscal year 2016. As of January 1, 2016, the Group Executive Committee has been expanded to a total of twelve members (see also page 225 in the Corporate Governance section of this Annual Report), taking into account the larger group structure as a result of the

COMPENSATION TO THE MEMBERS OF THE GROUP EXECUTIVE COMMITTEE (AUDITED)

REMUNERATION COMPONENT IN THOUSANDS OF CHF	2015		2014	
	GEC ¹	CEO ²	GEC	CEO ²
Basic salary	6,158.7	1,701.2	6,264.0	1,675.1
Bonus	9,732.3	3,452.6	9,935.0	3,209.9
Post-employment benefits ³	1,281.0	447.1	1,896.9	527.3
Other indirect benefits	537.1	35.5	660.7	35.0
Share-based payments ⁴	6,288.4	2,025.3	5,370.9	1,497.7
Total compensation accrued	23,997.5	7,661.7	24,127.5	6,945.0
Total compensation pay-out	17,709.1	5,636.3	18,756.6	5,447.3
Number of performance share units awarded (in thousands)	57.0	18.3	51.5	14.4

¹ Compensation in 2015 includes remuneration of Mr. Rossinyol (former COO Region EMEA & Asia until March 31, 2015) and Mr. Rosa (former COO Region America II until October 31, 2015) on a pro rata basis up to these dates.

² The CEO has the highest compensation of the Group Executive Committee.

³ Amount includes employer social security contributions and pension contributions.

⁴ For valuation details see Note 28 of the consolidated financial statements.

recent acquisitions of the Nuance Group and World Duty Free. The compensation ratio, including the distribution among the different compensation components, will be disclosed in detail in the Remuneration Report 2016.

OTHER COMPENSATION, LOANS OR GUARANTEES (AUDITED)

In the years 2015 and 2014, there were no other compensations paid directly or indirectly to active or former members of the Group Executive Committee, or to their related parties. There are also no loans or guarantees received or provided to the Group Executive Committee members, or to related parties.

CONTRACTS OF EMPLOYMENT TERMS

According to Article 23 of the Articles of Incorporation, employment and other agreements with the members of the Group Executive Committee may be concluded for a fixed term or for an indefinite term. Agreements for a fixed term may have a maximum duration of one year. Renewal is possible. Agreements for an indefinite term may have a notice period of maximum twelve months. The current contracts with the members of the Group Executive Committee contain termination periods of twelve months or less.

PARTICIPATIONS IN DUFREY AG

The following members of the Board of Directors or of the Group Executive Committee of Dufrey AG (including related parties) hold directly or indirectly shares or share options of the Company as at December 31, 2015 or December 31, 2014 (members not listed do not hold any shares or options):

IN THOUSANDS	DECEMBER 31, 2015			DECEMBER 31, 2014		
	SHARES	FINANCIAL INSTRUMENTS ¹	PARTICIP.	SHARES	FINANCIAL INSTRUMENTS ¹	PARTICIP.
MEMBERS OF THE BOARD OF DIRECTORS						
Juan Carlos Torres Carretero, Chairman	982.2	257.1	2.38%	743.0	164.4	2.53%
Andrés Holzer Neumann, Vice-Chairman	4,291.3	463.6	9.13%	3,708.8	468.2	11.63%
Jorge Born, Director	21.9	30.9 ²	0.10%	-	30.9 ²	0.09%
James S. Cohen, Director	2,059.3	-	3.96%	2,089.0	93.4	6.08%
Julián Díaz González, Director and CEO	284.5	92.6	0.72%	286.9	43.8	0.92%
George Koutsolioutsos, Director ³	1,608.4	200.0	3.47%	1,536.1	272.3	5.04%
Joaquín Moya-Angeler Cabrera, Director	-	-	0.00%	6.0	-	0.02%
Total Board of Directors	9,247.6	1,044.2	19.77%	8,369.8	1,073.0	26.31%
MEMBERS OF THE GROUP EXECUTIVE COMMITTEE						
Julián Díaz González, CEO	284.5	92.6	0.72%	286.9	43.8	0.92%
Andreas Schneider, CFO	6.1	-	0.01%	6.1	-	0.02%
José Antonio Gea, GCOO	4.1	-	0.01%	4.1	-	0.01%
Luis Marin, CCO	1.5	-	0.00%	1.5	-	0.00%
Xavier Rossinyol, COO Region EMEA & Asia ⁴	n/a	n/a	n/a	27.0	-	0.08%
José C. Rosa, COO America II ⁵	n/a	n/a	n/a	4.6 ⁶	-	0.01%
Joseph DiDomizio, COO United States & Canada	-	-	0.00%	9.5	-	0.03%
Total Group Executive Committee	296.2	92.6	0.73%	339.7	43.8	1.07%

¹ The detailed terms of the various financial instruments disclosed below are as disclosed to the SIX Swiss Exchange and published on July 9, 2015, for the year 2015 and on November 26, 2014, for the year 2014.

² European Capped Calls on 30,940 shares of Dufrey AG. The transaction is divided into 5 tranches of 6,188 shares each, which expire on 29.07.2019, 30.07.2019, 31.07.2019, 04.08.2019, and 05.08.2019, respectively. Each tranche is automatically exercised, and the differences are to be cash settled. The strike price for each option is CHF 160, and the cap is CHF 260 per option.

³ Director as of April 29, 2014.

⁴ Member until March 31, 2015.

⁵ Member until October 31, 2015.

⁶ Includes 4.5 shares and 0.1 BDRs.

In addition to the above, the shareholders' group consisting of different legal entities controlled by Andrés Holzer Neumann, Juan Carlos Torres, Julián Díaz González, James S. Cohen, James S. Cohen Family Dynasty Trust and Dimitrios Koutsolioutsos holds sale positions of 8.81% through options (4,589,120 voting rights) as of December 31, 2015 (as of December 31, 2014: sale positions of 10.80% through options (3,877,480 voting rights)).

The detailed terms of these financial instruments are as disclosed to the SIX Swiss Exchange and published on July 9, 2015 (for sale position as of December 31, 2014: publication of disclosure notice on November 26, 2014).

Disclosure notices are available on the SIX Swiss Exchange website:

<https://www.six-exchange-regulation.com/en/home/publications/significant-shareholders.html>



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To the General Meeting of
Dufry AG, Basel

Basel, 8 March 2016

Report of the statutory auditor on the remuneration report

We have audited the remuneration report of Dufry AG for the year ended 31 December 2015. The audit was limited to the information according to articles 14–16 of the Ordinance against Excessive Compensation in Stock Exchange Listed Companies (Ordinance) contained in the tables labeled “audited” on pages 237 to 243 of the remuneration report.

Responsibility of the Board of Directors

The Board of Directors is responsible for the preparation and overall fair presentation of the remuneration report in accordance with Swiss law and the Ordinance. The Board of Directors is also responsible for designing the remuneration system and defining individual remuneration packages.

Auditor's responsibility

Our responsibility is to express an opinion on the accompanying remuneration report. We conducted our audit in accordance with Swiss Auditing Standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the remuneration report complies with Swiss law and articles 14 – 16 of the Ordinance.

An audit involves performing procedures to obtain audit evidence on the disclosures made in the remuneration report with regard to compensation, loans and credits in accordance with articles 14 – 16 of the Ordinance. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements in the remuneration report, whether due to fraud or error. This audit also includes evaluating the reasonableness of the methods applied to value components of remuneration, as well as assessing the overall presentation of the remuneration report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the remuneration report for the year ended 31 December 2015 of Dufry AG complies with Swiss law and articles 14 – 16 of the Ordinance.

Ernst & Young Ltd

Bruno Chiomento
Licensed audit expert
(Auditor in charge)

Christian Krämer
Licensed audit expert