

CORPORATE GOVERNANCE

INTRODUCTION

This Report is prepared in accordance with the Corporate Governance Directive (DCG) of the SIX Swiss Exchange. All information within this Corporate Governance Report and within the Remuneration Report (see page 233) refers to the Company Organization, Internal Regulations and Articles of Incorporation that were in effect as of December 31, 2015 (if not specifically mentioned otherwise).

Dufrey is
committed to
good Corporate
Governance,
Openness and
Transparency.

The Articles of Incorporation are available on the Company website www.dufrey.com section Investors - Articles of Incorporation.

Direct link:

<http://www.dufrey.com/en/Investors/Articlesofincorporation/index.htm>

1. GROUP STRUCTURE AND SHAREHOLDERS

1.1 GROUP STRUCTURE

In fiscal year 2015, the Group was operationally structured in 4 regions, with the newly acquired businesses of Nuance (acquired in 2014) and World Duty Free (acquired in 2015) being reported as additional separate entities, as shown in Note 5 "Segment information" of the Consolidated Financial Statements on page 119.

As of January 1, 2016, the Group operates in 5 geographic divisions as shown in the management organizational chart on page 16 of this Annual Report.

Listed company

COMPANY

Dufrey AG, Brunngässlein 12, 4052 Basel, Switzerland
(hereinafter "Dufrey AG" or the "Company")

LISTING

Registered shares: SIX Swiss Exchange
Brazilian Depositary Receipts (BDRs):
São Paulo Stock Exchange
(BM & FBOVESPA - Bolsa de Valores de São Paulo), Brazil

MARKET CAPITALIZATION

CHF 6,464,604,840 as of December 31, 2015

PERCENTAGE OF SHARES HELD BY DUFREY AG

0.18% of Dufrey AG share capital as of December 31, 2015

SECURITY NUMBERS

Registered shares:
ISIN-Code CH0023405456, Swiss Security-No. 2340545
Ticker Symbol DUFN

Brazilian Depositary Receipts (BDRs):
ISIN-Code BRDAGBBDR008
Ticker Symbol DAGB33

Non-listed companies

For a table of the operational non-listed consolidated entities please refer to page 196 in the section Financial Statements of this Annual Report*.

* Including the company names, locations, percentage of shares held, share capital.

1.2 SIGNIFICANT SHAREHOLDERS

Pursuant to the information provided to the Company by its shareholders in compliance with the Swiss Stock Exchange Act during 2015, the following significant shareholders disclosed positions of more than 3% of the voting rights as of December 31, 2015⁽¹⁾.

| SHAREHOLDER | DISCLOSURE OF PURCHASE POSITIONS | | DISCLOSURE OF SALE POSITIONS ⁽³⁾ | |
|---|----------------------------------|--|---|-------|
| | Through registered shares | Through other financial instruments ⁽²⁾ | Total | Total |
| Group of shareholders consisting of various companies and legal entities including Travel Retail Investment S.C.A., Folli Follie Commercial Industrial and Technical S.A. and Hudson Media, Inc., such group representing the interests of Andrés Holzer Neumann, Julián Díaz González, Juan Carlos Torres Carretero, James S. Cohen, James S. Cohen Family Dynasty Trust, Dimitrios Koutsolioutsos and Nucleo Capital Co-Investment Fund I Ltd. ⁽⁴⁾ | 20.5% | 1.94% | 22.44% | 8.86% |
| Morgan Stanley Group ⁽⁵⁾ | 0.27% | 9.76% | 10.03% | 3.68% |
| Temasek Holdings (Private) Limited ⁽⁶⁾ | 8.55% | - | 8.55% | - |
| Government of Singapore ⁽⁷⁾ | 7.79% | - | 7.79% | - |
| State of Qatar ⁽⁸⁾ | 6.92% | - | 6.92% | - |
| BlackRock, Inc. ⁽⁹⁾ | 3.06% | 0.00001% | 3.06% | 1.76% |

⁽¹⁾ The percentage of voting rights has to be read in context with the relevant and applicable stock exchange and disclosure rules. The actual shareholdings may differ from the figures indicated in the table, as the Company must only be notified by its shareholders if one of the thresholds defined in Article 120 of the Financial Market Infrastructure Act is crossed. Percentages have been calculated on the basis of the number of shares recorded in the Commercial Register.

⁽²⁾ Financial instruments such as conversion and share purchase rights, granted (written) share sale rights.

⁽³⁾ Share sale rights (especially put options) and granted (written) conversion and/or share purchase rights as well as financial instruments that provide for or permit cash settlement as well as other differential transactions (e.g. contracts for difference and/or financial futures).

⁽⁴⁾ Shares held through:

^{a)} Travel Retail Investment S.C.A. (Luxembourg / Grand Duchy of Luxembourg) holds shares and financial instruments. Shares in Travel Retail Investment S.C.A. are held by: 1) Petrus Pte. Ltd. (Singapore), which in turn is held by The Bingo Trust (New Zealand). Travel Retail S.á.r.l. is the general partner and sole manager of Travel Retail Investment S.C.A. Petrus Pte. Ltd. holds the majority of the shares in Travel Retail Investment S.C.A. and Travel Retail S.á.r.l. Mr. Andrés Holzer Neumann is the settlor of The Bingo Trust and exercises indirect control over the trust. 2) Witherspoon Investments LLC (Wilmington, DE/USA), which is held directly by Mr. Juan Carlos Torres Carretero. 3) Mr. Julián Díaz González (Lachen / Switzerland).

^{b)} Mr. Julián Díaz González holds certain shares directly.

^{c)} Mr. Juan Carlos Torres Carretero holds certain shares directly.

^{d)} Petrus Pte. Ltd., Grupo Industrial Omega, S.A. de C.V. (Cuidad de Mexico / Mexico), various companies held directly by Grupo Industrial Omega, S.A. de C.V., and Consorcio Ann Taylor S.A. de C.V., all of which are controlled by Mr. Andrés Holzer Neumann.

^{e)} Mr. James S. Cohen holds his shares partly directly, partly through Hudson Media, Inc. (East Rutherford, NJ / USA), which he controls.

^{f)} James S. Cohen Family Dynasty Trust (East Rutherford, NJ / USA) holds all its shares directly. Mr. James S. Cohen is the Grantor of this trust, but is not a beneficiary of the trust.

^{g)} Dimitrios Koutsolioutsos holds his shares and financial instruments indirectly through Folli Follie Commercial Industrial and Technical S.A. (Agios Stephanos / Greece), which he controls, and Strenaby Finance Ltd. (British Virgin Islands), fully controlled by Folli Follie Commercial Industrial and Technical S.A. Dimitrios Koutsolioutsos holds shares in Folli Follie Commercial Industrial and Technical S.A. through Cordial Worldwide Ltd (British Virgin Islands), which he fully owns.

^{h)} Nucleo Capital Co-Investment Fund I Ltd (Grand Cayman / Cayman Islands), which holds the shares directly.

⁽⁵⁾ Morgan Stanley, The Corporation Trust Company (Wilmington, DE / USA) holds the shares and financial instruments indirectly through several subsidiaries.

⁽⁶⁾ Shares held through Kinder Investments Pte. Ltd. (Singapore). The indirect holder of the shares is Temasek Holdings (Private) Limited (Singapore). Temasek Holdings (Private) Limited is owned by the Minister of Finance of the Republic of Singapore. Kinder Investment Pte. Ltd. is wholly owned by Tembusu Capital Pte. Ltd., which in turn is wholly owned by Temasek Holdings (Private) Limited (Singapore).

⁽⁷⁾ Shares held through GIC Private Limited ("GIC") (Singapore) and Purple Green Investment Pte. Ltd. (Singapore). Both companies are owned (directly and indirectly) by the Government of Singapore ("GoS"). GIC is wholly owned by the GoS and manages the reserves of Singapore. GIC acts as the fund manager for GoS and the Monetary Authority of Singapore. Purple Green Investment Pte. Ltd. is an investment holding company wholly owned by GIC Blue Holdings Pte. Ltd., which in turn is wholly owned by GIC (Ventures) Pte. Ltd., which in turn is wholly owned by the GoS. Purple Green Investment Pte. Ltd. is managed by GIC.

⁽⁸⁾ Shares held through Qatar Holding LLC. The indirect holder of the shares is the State of Qatar (Qatar). Qatar Holding LLC is owned by the Qatar Investment Authority, which was founded and is owned by the State of Qatar.

⁽⁹⁾ BlackRock, Inc. (New York, NY/USA) holds the shares, financial instruments and sale positions (contracts of difference) indirectly through several subsidiaries.

Further details regarding these shareholders and shareholder groups as well as additional information regarding the individual disclosures notices in 2015 are available on the website of SIX Swiss Exchange on:

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

Shareholders agreements

The group of shareholders consisting of various companies and legal entities representing the interests of Andrés Holzer Neumann, Julián Díaz González, Juan Carlos Torres Carretero, James S. Cohen, James S. Cohen Family Dynasty Trust, Dimitrios Koutsolioutsos and Nucleo Capital Co-Investment Fund I Ltd have four different shareholders agreements.

Shareholders agreement among Petrus Pte. Ltd., Wither-
spoon Investment LLC, Mr. Díaz González, Mr. Torres and
Travel Retail S.à.r.l.

Shareholders agreement among Travel Retail Invest-
ment S.C.A., James S. Cohen, James S. Cohen Family
Dynasty Trust, and Hudson Media, Inc.

Shareholders agreement between Travel Retail Invest-
ment S.C.A. and Folli Follie Commercial Industrial and
Technical S.A.

Shareholders agreement among Travel Retail Invest-
ment S.C.A., Mr. Torres and Nucleo Capital Co-Invest-
ment Fund I Ltd. Nucleo Capital Ltda. is only a party to
that agreement as investment manager of Nucleo
Capital Co-Investment Fund I Ltd.

Travel Retail Investment S.C.A. (interests of Messrs.
Holzer Neumann, Torres and Díaz González), Mr. Torres,
Nucleo Capital Co-Investment Fund I Ltd, Nucleo
Capital Ltda., James S. Cohen, James S. Cohen Family
Dynasty Trust, Hudson Media, Inc. (interests of Mr. Cohen)
and Folli Follie Commercial Industrial and Technical
S.A. (interests of Mr. Koutsolioutsos) entered into an
additional agreement that limits the number of equity
securities these parties and their affiliates may hold
in Dufrey AG to prevent that a mandatory offer thresh-
old is crossed, and provides for an automatic exclu-
sion of shareholders from the group reported herein
in case of a breach of such a limit. Under this additional
agreement, Nucleo Capital Ltda. has to make sure that
other funds for which it is the investment manager
comply with such limit as well.

1.3 CROSS-SHAREHOLDINGS

Dufrey AG has not entered into cross-shareholdings
with other companies in terms of capital sharehold-
ings or voting rights in excess of 5%.

2. CAPITAL STRUCTURE

2.1 SHARE CAPITAL

As of December 31, 2015 the Company's capital struc-
ture is as follows:

ORDINARY SHARE CAPITAL

CHF 269,358,535 (nominal value) divided in 53,871,707 fully paid registered
shares with nominal value of CHF 5 each

CONDITIONAL SHARE CAPITAL

CHF 4,442,160 (nominal value) divided in 888,432 fully paid registered
shares with nominal value of CHF 5 each

AUTHORIZED SHARE CAPITAL

None

2.2 DETAILS TO CONDITIONAL AND AUTHORIZED SHARE CAPITAL

Conditional share capital

Article 3bis of the Articles of Incorporation, dated
June 24, 2015, reads as follows:

1. The share capital may be increased in an amount not
to exceed CHF 13,488,100 by the issuance of up to
2,697,620 fully paid registered shares with a nominal
value of CHF 5 each through the exercise of conver-
sion and/or option rights granted in connection
with the issuance of newly or already issued con-
vertible debentures, debentures with option rights
or other financing instruments by the Company or
one of its group companies.
2. The preferential subscription rights of the share-
holders shall be excluded in connection with the
issuance of convertible debentures, debentures
with option rights or other financing instruments.
The then current owners of conversion and/or
option rights shall be entitled to subscribe for the
new shares.
3. The acquisition of shares through the exercise of
conversion and/or option rights and each subse-
quent transfer of the shares shall be subject to the
restrictions set forth in Article 5 of these Articles
of Incorporation.

4. The Board of Directors may limit or withdraw the right of the shareholders to subscribe in priority to convertible debentures, debentures with option rights or similar financing instruments when they are issued, if
- an issue by firm underwriting by a consortium of banks with subsequent offering to the public without preferential subscription rights seems to be the most appropriate form of issue at the time, particularly in terms of the conditions or the time plan of the issue; or
 - the financing instruments with conversion or option rights are issued in connection with the financing or refinancing of the acquisition of an enterprise or parts of an enterprise or with participations or new investments of the Company.
5. If advance subscription rights are denied by the Board of Directors, the following shall apply:
- Conversion rights may be exercised only for up to 15 years; and option rights only for up to 7 years from the date of the respective issuance.
 - The respective financing instruments must be issued at the relevant market conditions.

Authorized share capital

As of December 31, 2015, the Company has no authorized share capital.

2.3 CHANGES IN CAPITAL OF DUFREY AG

NOMINAL SHARE CAPITAL

| | |
|-------------------|-----------------|
| December 31, 2013 | CHF 154,525,280 |
| December 31, 2014 | CHF 179,525,280 |
| December 31, 2015 | CHF 269,358,535 |

CONDITIONAL SHARE CAPITAL

| | |
|-------------------|----------------|
| December 31, 2013 | CHF 13,488,100 |
| December 31, 2014 | CHF 13,488,100 |
| December 31, 2015 | CHF 4,442,160 |

AUTHORIZED SHARE CAPITAL

| | |
|-------------------|---------------|
| December 31, 2013 | CHF 7,331,940 |
| December 31, 2014 | None |
| December 31, 2015 | None |

Changes in capital in 2013

On December 13, 2013, Dufrey issued 1,231,233 shares with nominal value of CHF 5 from the authorized capital. Hence, the existing authorized share capital decreased from CHF 13,488,105 to CHF 7,331,940, and the ordinary share capital increased from CHF 148,369,115 to CHF 154,525,280.

Changes in capital in 2014

At the Extraordinary General Meeting of Shareholders on June 26, 2014, shareholders approved the Board of Directors' proposal to increase the ordinary share capital of the Company from CHF 154,525,280 by up to CHF 27,269,160 to a maximum amount of up to CHF 181,794,440. This proposal by the Board of Directors was made in connection with the acquisition of The Nuance Group. On July 8, 2014, the Company issued 5,000,000 shares with nominal value of CHF 5, and the ordinary share capital increased from CHF 154,525,280 to CHF 179,525,280.

Changes in capital in 2015

At the Ordinary General Meeting of Shareholders on April 29, 2015, shareholders approved the Board of Directors' proposal to increase the ordinary share capital of the Company from CHF 179,525,280 by up to CHF 157,142,860 to a maximum amount of up to CHF 336,668,140. This proposal by the Board of Directors was made in connection with the acquisition of the World Duty Free Group.

In June 2015, Mandatory Convertible Notes matured and were converted into 1,809,188 shares with nominal value of CHF 5. On June 18, 2015, the Company issued 16,157,463 shares with nominal value of CHF 5 in connection with the capital increase mentioned above. From these two transactions, the ordinary share capital of the Company increased from CHF 179,525,280 to CHF 269,358,535. The conditional share capital decreased (due to the conversion of the Mandatory Convertible Notes) from CHF 13,488,100 to CHF 4,442,160. Note that the additional 1,809,188 shares, while validly issued, were not yet reflected in the Commercial Register as of December 31, 2015 (total number of shares as per the Commercial Register was 52,062,519). In line with Art. 653h of the Swiss Code of Obligations, this registration will occur in the course of March 2016, to reflect the total amount of 53,871,707.

2.4 SHARES

As of December 31, 2015, the share capital of Dufrey AG is divided into 53,871,707 fully paid in registered shares with a nominal value of CHF 5 each.

The Company has only one category of shares. The shares are issued in registered form. All shares are entitled to dividends if declared. Each share entitles its holder to one vote. The Company maintains a share register showing the name and address of the shareholders or usufructuaries. Only persons registered as shareholders or usufructuaries of registered shares in the share register shall be recognized as such by the Company.

2.5 PARTICIPATION CERTIFICATES AND PROFIT SHARING CERTIFICATES

The Company has not issued any non-voting equity securities, such as participation certificates ("Partizipationsscheine") or profit sharing certificates ("Genussscheine").

2.6 LIMITATION ON TRANSFERABILITY AND NOMINEE REGISTRATION OF REGISTERED SHARES

- Only persons registered as shareholders or usufructuaries of registered shares in the share register shall be recognized as such by the Company. In the share register the name and address of the shareholders or usufructuaries is recorded. Changes must be reported to the Company.
- Acquirers of registered shares shall be registered as shareholders with the right to vote, provided that they expressly declare that they acquired the registered shares in their own name and for their own account.
- The Board of Directors may register nominees with the right to vote in the share register to the extent of up to 0.2% of the registered share capital as set forth in the commercial register. Registered shares held by a nominee that exceed this limit may be registered in the share register with the right to vote if the nominee discloses the names, addresses and number of shares of the persons for whose account it holds 0.2% or more of the registered share capital as set forth in the commercial register. Nominees within the meaning of this provision are persons who do not explicitly declare in the request for registration to hold the shares for their own account and with whom the Board of Directors has entered into a corresponding agreement (see also Article 5 of the Articles of Incorporation). Nominees are only entitled to represent registered shares held by them at

a Meeting of Shareholders provided that they are registered in the share register and they hold a valid written proxy granted by the beneficial owner of the registered shares instructing the nominee how to vote at the Meeting of Shareholders. Shares held by a nominee for which it is not able to produce such a proxy count as not represented at the Meeting of Shareholders.

- Corporate bodies and partnerships or other groups of persons or joint owners who are interrelated to one another through capital ownership, voting rights, uniform management or otherwise linked as well as individuals or corporate bodies and partnerships who act in concert to circumvent the regulations concerning the nominees (esp. as syndicates), shall be treated as one single nominee within the meaning of the above mentioned regulation in terms of nominees.
- The Board of Directors may cancel the registration, with retroactive effect if appropriate, if the registration was effected based on false information or in case of breach of the agreement between the nominee and the Board of Directors.
- After consulting the party involved, the Company may delete entries in the share register if such entries occurred in consequence of false statements by the purchaser. The purchaser must be informed immediately of the deletion.

Exceptions granted in the year under review

The Company has registered with the CVM and listed its shares in the form of BDRs on the BM&F Bovespa. Each BDR issued by Itaú Unibanco S.A. ("Depositary Institution") of the BDR program represents one share issued by the Company and held in custody by the Bank of New York Mellon, in London ("Custodian").

BDR holders do not own, from a legal point of view, the Dufrey AG shares underlying their BDRs. As a consequence, BDR holders are prevented from directly exercising any of the shareholders' rights provided for by the Company's Articles of Incorporation and by Swiss corporate law. For example, BDR holders are not entitled to personally participate in the General Meetings of the Company. However, BDR holders are entitled to instruct the Depositary Institution to vote the Dufrey AG shares underlying their BDRs, according to the instructions sent to them by the Depositary Institution.

To facilitate voting by BDR holders, the Company entered into arrangements with the Depositary Institution and the Custodian to enable, by way of exception, registration of The Bank of New York Mellon in the share register as nominee with voting rights for the

number of registered shares corresponding to the total number of outstanding BDRs. Otherwise, no exceptions have been granted during the year under review.

BDR holders who wish to be in a position to directly exercise any of the shareholders' rights granted by Swiss corporate law or the Company's Articles of Incorporation must convert their BDRs into shares of Dufrey AG and ask to be registered in the share register of the Company, pursuant to Article 5 of the Company's Articles of Incorporation.

Required quorums for a change of the limitations of transferability

A change of the limitations on the transfer of registered shares or the removal of such limitations requires a resolution of the Meeting of Shareholders passed by at least two thirds of the votes represented and the absolute majority of the nominal value of shares represented.

2.7 CONVERTIBLE BONDS AND OPTIONS

As of December 31, 2015, there are no outstanding bonds that are convertible into, or warrants or options to acquire shares issued by or on behalf of the Company. Dufrey has a Performance Share Unit (PSU) plan, the essentials of which are disclosed in the "Remuneration Report" on page 233 ff.

3. BOARD OF DIRECTORS

3.1 MEMBERS OF THE BOARD OF DIRECTORS

| NAME | PROFESSION | NATIONALITY | POSITION WITH DUFREY | DATE OF FIRST ELECTION | OTHER POSITIONS WITH DUFREY |
|------------------------------|-------------------------------------|-------------|----------------------|------------------------|--------------------------------------|
| Juan Carlos Torres Carretero | Executive at Advent International | Spanish | Chairman | 2003 | AC ¹ |
| Andrés Holzer Neumann | President of Grupo Industrial Omega | Mexican | Vice-Chairman | 2004 | NRC ² |
| Jorge Born | CEO of Bomagra S.A. | Argentinian | Director | 2010 | AC ¹ NRC ^{2,3} |
| Xavier Bouton | Consultant | French | Director | 2005 | NRC ² |
| James S. Cohen | CEO of Hudson Media Inc | American | Director | 2009 | NRC ² |
| Julián Díaz González | CEO of Dufrey AG | Spanish | Director, CEO | 2013 | None |
| José Lucas Ferreira de Melo | Consultant | Brazilian | Director | 2010 | AC ^{1,3} |
| George Koutsolioutsos | CEO of Folli Follie Group | Greek | Director | 2014 | None |
| Joaquín Moya-Angeler Cabrera | Consultant | Spanish | Director | 2005 | AC ¹ |

¹ AC: Audit Committee

² NRC: Nomination and Remuneration Committee

³ Committee Chairman

3.2 EDUCATION, PROFESSIONAL BACKGROUND, OTHER ACTIVITIES AND FUNCTIONS



JUAN CARLOS TORRES CARRETERO

Chairman, born 1949

Education

MS in physics from Universidad Complutense de Madrid and MS in management from MIT's Sloan School of Management.

Professional Background

Many years of private equity and senior management operating experience. 1988 Joined Advent International, a private equity firm, in Boston as a partner. 1991–1995 Partner at Advent International in Madrid. Since 1995 Managing Director and Senior Partner in charge of Advent International Corporation's investment activities in Latin America.

Current Board Mandates

Dufrey AG, Latin American Airport Holding, Ltd., Aeropuertos Dominicanos Siglo XXI, S.A., TCP Participações S.A., InverCap Holdings, S.A. de C.V., Grupo Biotoscana, S.L.U.



ANDRÉS HOLZER NEUMANN

Vice-Chairman, born 1950

Education

Graduate of Boston University, holds an MBA from Columbia University.

Professional Background

Since 1973 President of Grupo Industrial Omega, S.A. de C.V., the holding company of Holzer y CIA, S.A. de C.V., Industria Nacional de Relojes Suizos, S.A. de C.V., Consorcio Metropolitan Inmobiliario, S.A. de C.V., Inmobiliara Coapa Larca, S.A. de C.V., Inmobiliara Castellanos, S.A. de C.V., and Negocios Creativos, S.A. de C.V.

Current Board Mandates

Dufrey AG, Latin American Airport Holding, Ltd. and Opequimar, S.A. de C.V.



JORGE BORN

Director, born 1962

Education

B.S. in economics from the Wharton School of the University of Pennsylvania.

Professional Background

2001–2010 Deputy Chairman of Bunge Ltd. 1992–1997 Head of Bunge's European operations. Before 1997 various capacities in the commodities trading, oil seeding processing and food products areas in Argentina, Brazil, the United States and Europe for Bunge Ltd. 2004–2005 Board member of Dufrey AG. Since 1997 President and Chief Executive Officer of Bomagra S.A., Argentina.

Current Board Mandates

Dufrey AG, Hochschild Mining, Ltd., Latin American Executive Board at Wharton Business School, Board of Governors of the Lauder Institute at Wharton Business School, Georgetown University and Fundación Bunge y Born (Chairman).

Mr. Born served as a member of the Board of Directors of Dufrey South America, Ltd. until its merger with Dufrey Holdings & Investments AG in March 2010.



XAVIER BOUTON

Director, born 1950

Education

Diploma in economics and finance from l'Institut d'Etudes Politiques de Bordeaux and doctorate in economics and business administration from the University of Bordeaux.

Professional Background

1978 - 1984 Director of C.N.I.L. (Commission Nationale de l'Informatique et des Libertés). 1985 - 1994 General Secretary of Reader's Digest Foundation. 1990 - 2005 Board member of Laboratoires Chemineau. Since 1999 Chairman of the Supervisory Board of FSDV (Fayenceries de Sarreguemines Digoin & Vitry le François based in Paris, France).

Current Board Mandates

Dufrey AG, ADL Partners and F.S.D.V. (Fayenceries de Sarreguemines, Digoin & Vitry le François) (Chairman of the Supervisory Board).



GEORGE KOUTSOLIOUTSOS

Director, born 1968

Education

Degree in Economics, University of Hartford, Hartford, USA / Paris and Master's degree in Business Administration and Marketing, University of Hartford, USA.

Professional Background

Mr. Koutsolioutsos' professional career started in New York working two years in the jewelry industry. 1992 - 2011 held various key positions at Folli Follie Group, including supervising and managing local and international distribution, investor relations, and leading the international expansion. Since January 2011 Chief Executive Officer of Folli Follie Group.

Current Board Mandates

Dufrey AG, Folli Follie Group.



JAMES S. COHEN

Director, born 1958

Education

Bachelor's degree in economics from the Wharton School of the University of Pennsylvania.

Professional Background

Since 1980 various positions at Hudson Media Inc. (President and CEO since 1994).

Current Board Mandates

Dufrey AG, Hudson Media, Inc.



JOAQUÍN MOYA-ANGELER CABRERA

Director, born 1949

Education

Master's degree in mathematics from the University of Madrid, diploma in economics and forecasting from the London School of Economics and Political Science and an MBA from MIT's Sloan School of Management.

Professional Background

Mr. Moya-Angeler has focused his career on the technology and real estate industries, including having founded a number of companies. He has been the Chairman of the Board of various companies: IBM Spain (1994 - 1997), Leche Pascual (1994 - 1997), Meta4 (1997 - 2002), TIASA (1996 - 1998), and Hildebrando (2003 - 2014). To date Chairman of Redsa (since 1997), Presenzia and Pulsar Technologies (since 2002), La Quinta Real Estate (since 2003), Inmoan (since 1989), Avalon Private Equity (since 1999) and Corporación Tecnológica Andalucía (since 2005).

Current Board Mandates

Dufrey AG, La Quinta Group (Chairman), Palamon Capital Partners, Corporación Tecnológica Andalucía (Chairman), Board of Trustees of the University of Almería (Chairman), Fundación Mediterránea (Honorary Chairman), Redsa S.A. (Chairman), Inmoan SL (Chairman), Avalon Private Equity (Chairman), Spanish Association of Universities Governing Bodies (Honorary Chairman), Calidad Pascual (Vice Chairman), Sarquavitae (Board of Advisors), AGS Nasoft (Board of Advisors) and Corporación Grupo Leche Pascual (Vice Chairman).



JULIÁN DÍAZ GONZÁLEZ

Director, Chief Executive Officer, born 1958

Education

Degree in business administration from Universidad Pontificia Comillas I.C.A.D.E., de Madrid.

Professional Background

1989 - 1993 General Manager at TNT Leisure, S.A. 1993 - 1997 Division Director at Aldeasa. 1997 - 2000 various managerial and business positions at Aeroboutiques de Mexico, S.A. de C.V. and Deor, S.A. de C.V. 2000 - 2003 General Manager of Latinoamericana Duty-Free, S.A. de C.V. Since 2004 Chief Executive Officer at Dufrey AG.

Current Board Mandates

Dufrey AG, Distribuidora Internacional de Alimentación, S.A. (DIA).



JOSÉ LUCAS FERREIRA DE MELO

Director, born 1956

Education

Bachelor's degree in accounting from Associação de Ensino Unificado do Distrito Federal, Brazil.

Professional Background

1979 - 1991 various positions at Pricewaterhouse Coopers Auditores Independentes. 1992 Director of Brazilian Exchange Commission (CVM). 1993 - 1997 Partner at Pricewaterhouse Coopers Auditores Independentes. 1998 Partner at Global Control Consultoria. 1999 - 2009 Executive Director and later Vice-President at Unibanco - União de Bancos Brasileiros, S.A. and Unibanco Holdings, S.A.

Current Board Mandates

Dufrey AG, International Meal Company Alimentação, S.A., Cetip S.A. - Balcão Mercados Organizados and Restoque Comércio e Confecções de Roupas S.A.

Mr. Ferreira de Melo served as a member of the Board of Directors of Dufrey South America, Ltd. until its merger with Dufrey Holdings & Investments AG in March 2010.

Messrs. Juan Carlos Torres Carretero (Chairman), Andrés Holzer Neumann (Vice-Chairman), Julián Díaz González, James S. Cohen and George Koutsolioutsos are members of a group of shareholders, which held a 22.44% purchase position of Dufrey AG as of December 31, 2015 (participation mentioned includes financial instruments). See for details the disclosure under "1.2 Significant Shareholders" on page 214 of this Annual Report.

Due to his intense involvement with the Company's management the Chairman of the Board of Directors, Mr. Juan Carlos Torres Carretero is considered an executive Chairman. Mr. Julián Díaz González acts as Chief Executive Officer of the Company. All other members of the Board of Directors are non-executive members. Mr. George Koutsolioutsos, in his function as CEO of the Folli Follie Group, oversaw the operations of Hellenic Duty Free Shops SA prior to its acquisition by Dufrey in 2013 (no executive function for Dufrey AG or any of its subsidiaries in 2014 or 2015). Otherwise, none of the members of the Board of Directors have ever been in a managerial position at Dufrey AG or any of its subsidiaries. For information on related parties and related party transactions please refer to Note 35 on page 173 and to the information provided in the Remuneration Report on page 233 ff. of this Annual Report.

3.3 RULES IN THE ARTICLES OF INCORPORATION REGARDING THE NUMBER OF PERMITTED MANDATES OUTSIDE THE COMPANY

In accordance with Article 24 para. 2 of the Articles of Incorporation, dated June 24, 2015, no member of the Board of Directors may hold more than four additional mandates in listed companies and ten additional mandates in non-listed companies. The following mandates are not subject to the limitations under para. 2 of this Article:

- a) mandates in companies which are controlled by the Company or which control the Company;
- b) mandates held at the request of the Company or any company controlled by it. No member of the Board of Directors may hold more than ten such mandates; and
- c) mandates in associations, charitable organizations, foundations, trusts and employee welfare foundations. No member of the Board of Directors may hold more than ten such mandates.

Mandates shall mean mandates in the supreme governing body of a legal entity which is required to be registered in the commercial register or a comparable

foreign register. Mandates in different legal entities that are under joint control or the same beneficial ownership are deemed one mandate.

3.4 ELECTION AND TERMS OF OFFICE

In accordance with Article 13 of the Articles of Incorporation, dated June 24, 2015:

- The Board of Directors shall consist of at least three and at most nine members.
- Members of the Board of Directors and the Chairman of the Board shall be elected for a term of office extending until completion of the next Ordinary Meeting of Shareholders.
- The members of the Board of Directors and the Chairman of the Board may be re-elected without limitation.
- If the office of the Chairman of the Board of Directors is vacant, the Board of Directors shall appoint a Chairman from among its members for a term of office extending until completion of the next Ordinary Meeting of Shareholders.
- Except for the election of the Chairman of the Board of Directors and the members of the Remuneration Committee by the Meeting of Shareholders, the Board of Directors determines its own organization. The Board of Directors shall elect a Vice-Chairman. It shall appoint a Secretary who does not need to be a member of the Board of Directors.

Article 24 para. 1 of the Articles of Incorporation stipulates the following: As members of the Board of Directors only persons may be elected who served a minimum of four years in aggregate on the Board of Directors or on the Executive Management of each of (i) one or several travel retail company(ies) with operations in more than one continent at the end of at least one year of the years of activity of such person, and (ii) one or several publicly listed retail company(ies) with an annual turnover of at least CHF 3 billion at the end of at least one year of the years of activity of such person. The requirements under (i) and (ii) above can be fulfilled by the same or several cumulated position(s) held by such person.

All members of the Board of Directors were elected in individual elections at the Ordinary General Meeting of Shareholders held on April 29, 2015. The same General Meeting elected Juan Carlos Torres Carretero as Chairman of the Board of Directors. Messrs. Jorge Born, Xavier Bouton, James Cohen and Andrés Holzer Neumann were elected in individual elections as members of the Nomination and Remuneration Committee.

3.5 INTERNAL ORGANIZATIONAL STRUCTURE

Except for the election of the Chairman of the Board of Directors and the members of the Nomination and Remuneration Committee (which are to be elected by the General Meeting of Shareholders), the Board of Directors determines its own organization. It shall elect its Vice-Chairman, the members of the Audit Committee, and appoint a Secretary who does not need to be a member of the Board of Directors.

The Board of Directors has established two committees: the Audit Committee and the Nomination and Remuneration Committee. Both Committees are assisting the Board of Directors in fulfilling its duties and have also decision authority to the extent described below.

Audit Committee

Members as of December 31, 2015: José Lucas Ferreira de Melo (Chairman Audit Committee), Jorge Born, Joaquín Moya-Angeler Cabrera, Juan Carlos Torres Carretero.

The members of the Audit Committee, with the exception of Juan Carlos Torres Carretero (who is considered an executive Chairman), are non-executive and independent members of the Board of Directors. Pursuant to item 14 of the Swiss Code of Best Practice for Corporate Governance (SCBP), an independent member is a non-executive member, has not been an executive member of the Dufrey Group in the last three years and has no or comparatively minor business relations with the Company. The members shall be appointed, as a rule, for the entire duration of their mandate as Board members and be re-eligible.

The Audit Committee assists the Board of Directors in fulfilling its duties of supervision of management. It is responsible for the review of the performance and independence of the Auditors, the review of and the decision on the audit plan and the audit results and the monitoring of the implementation of the findings by management, the review of the internal audit plan, the assessment of the risk management and the decision on proposed measures to reduce risks, the review of the compliance levels and risk management, as well as the review to propose whether the Board of Directors should accept the Company's accounts. The Audit Committee regularly reports to the Board of Directors on its decisions, assessments, findings and proposes appropriate actions. The Audit Committee generally meets at the same dates the Board of Directors meetings take place, although the Chairman may call meetings as often as business requires. The length of the meetings lasted usually for approxi-

mately 2 to 3 hours in fiscal year 2015, during which the Audit Committee held 5 meetings. The average attendance ratio of the Audit Committee members at its meetings was 100%. The auditors attended 3 meetings of the Audit Committee in 2015. Members of the Group Executive Committee attended meetings of the Audit Committee as follows: CEO 5 meetings, the CFO (who acts as Secretary of the Audit Committee meetings) 5 meetings.

Nomination and Remuneration Committee

Members as of December 31, 2015: Jorge Born (Chairman Nomination and Remuneration Committee), Xavier Bouton, James S. Cohen, Andrés Holzer Neumann.

The members of the Nomination and Remuneration Committee are all non-executive and independent members of the Board of Directors. Pursuant to item 14 of the Swiss Code of Best Practice for Corporate Governance (SCBP), an independent member is a non-executive member, has not been an executive member of the Dufrey Group in the last three years and has no or comparatively minor business relations with the Company. The members shall be appointed by the shareholders' meeting until the next Ordinary General Meeting of Shareholders and be re-eligible.

The Nomination and Remuneration Committee assists the Board of Directors in fulfilling its nomination and remuneration related matters. It is responsible for assuring the long-term planning of appropriate appointments to the positions of the CEO and the Board of Directors, as well as for the review of the remuneration system of the Company and for proposals in relation thereto to the Board of Directors. The Nomination and Remuneration Committee makes recommendations regarding the proposals of the Board of Directors in relation to the maximum aggregate amount of compensation of the Board and of the Group Executive Committee to be submitted to the general Meeting of Shareholders of the Company for approval, as well as in relation to the remuneration package of the CEO and the members of the Board. The Nomination and Remuneration Committee makes proposals on the grant of options or other securities under any other management incentive plan of the Company, if any. The Nomination and Remuneration Committee meets as often as business requires. The 4 meetings held in the fiscal year 2015 lasted about 1 to 3 hours. The average attendance ratio of the Nomination and Remuneration Committee members at its meetings was 100%. The Chairman of the Board of Directors usually participates as a guest in the Nomination and Remuneration Committee meetings. Members of the Group Executive Committee attended meetings of the Nomination

and Remuneration Committee as follows: CEO 4 meetings. External advisors attended 2 meetings of the Nomination and Remuneration Committee in 2015.

Work method of the Board of Directors

As a rule, the Board of Directors meets about six to seven times a year (usually at least once per quarter). Additional meetings or conference calls are held as and when necessary. The Board of Directors held 13 meetings during fiscal year 2015. The meetings of the Board of Directors usually lasted half a day. The average attendance ratio of the Board members at the Board of Directors' meetings was 100%. The Chairman determines the agenda and items to be discussed at the Board meetings. All members of the Board of Directors can request to add further items on the agenda.

The CEO, the CFO, the GCOO and the GC, also acting as Secretary to the Board, attend the meetings of the Board of Directors. Other members of the Group Executive Committee may attend meetings of the Board of Directors as and when required. Members of the Group Executive Committee attended meetings of the Board of Directors in 2015 as follows: CEO 13 meetings, CFO 11 meetings, GCOO 10 meetings, GC 11 meetings, GCCO 1 meeting, COOs of the regions 1 meeting.

The Board of Directors also engages specific advisors to address specific matters when required. External advisors attended pertinent portions of 2 meetings of the Board of Directors in 2015 in connection with the acquisition projects of the Company. The external Auditors attended 3 meetings of the Audit Committee in 2015.

3.6 DEFINITION OF AREAS OF RESPONSIBILITY

The Board of Directors is the ultimate corporate body of Dufrey AG. It further represents the Company towards third parties and shall manage all matters which by law, Articles of Incorporation or Board regulations have not been delegated to another body of the Company.

In accordance with the Board regulations ("Organisationsreglement"), the Board of Directors has delegated the operational management of the Company to the CEO who is responsible for overall management of the Dufrey Group. The following responsibilities remain with the Board of Directors:

- Ultimate direction of the business of the Company and the power to give the necessary directives;
- Determination of the organization of the Company;

- Administration of the accounting system, financial control and financial planning;
- Appointment and removal of the members of the committees installed by itself as well as the persons entrusted with the management and representation of the Company, as well as the determination of their signatory power;
- Ultimate supervision of the persons entrusted with the management of the Company, in particular with respect to their compliance with the law, the Articles of Incorporation, regulations and directives;
- Preparation of the business report, the compensation report and the Meetings of Shareholders and to carry out the resolutions adopted by the Meeting of Shareholders;
- Notification of the judge if liabilities exceed assets;
- Passing of resolutions regarding the subsequent payment of capital with respect to non-fully paid in shares;
- Passing of resolutions confirming increases in share capital and the amendments of the Articles of Incorporation entailed thereby;
- Non-delegable and inalienable duties and powers of the Board of Directors pursuant to the Swiss Merger Act;
- To approve any non-operational or non-recurring transaction not included in the annual budget and exceeding the amount of CHF 10,000,000;
- To issue convertible debentures, debentures with option rights or other financial market instruments;
- To approve the annual investment and operating budgets of the Company and the Dufrey Group;
- To approve the executive regulations promulgated in accordance with the board regulations; and
- To propose an independent voting rights representative for election to the Meeting of Shareholders, and to appoint an independent voting rights representative in the event of a vacancy.

Except for the Chairman of the Board of Directors, who has single signature authority, the members of the Board have joint signature authority, if any.

3.7 INFORMATION AND CONTROL INSTRUMENTS VIS-À-VIS THE SENIOR MANAGEMENT

The Board of Directors ensures that it receives sufficient information from the management to perform its supervisory duty and to make the decisions that are reserved to the Board through several means.

- Dufrey Group has an internal management information system that consists of financial statements, performance indicators and risk management. Information to management is provided on a regular

basis according to the cycles of the business: sales on a weekly basis; income statement, cash management and key performance indicator (KPI) including customer, margins and investment information, balance sheet and other financial statements on a monthly basis. The management information is prepared on a consolidated basis as well as per business unit. Financial statements and key financial indicators / ratios are submitted to the entire Board of Directors on a quarterly basis.

- During Board meetings, each member of the Board may request information from the other members of the Board, as well as from the members of the management present on all affairs of the Company and the Group.
- Outside of Board meetings, each member of the Board may request from the Chief Executive Officer information concerning the course of business of the Company and the Group and, with the authorization of the Chairman, about specific matters.
- The CEO reports at each meeting of the Board of Directors on the course of business of the Company and the Group in a manner agreed upon from time to time between the Board and the CEO. Apart from the meetings, the CEO reports immediately any extraordinary event and any change within the Company and within the Dufrey Group to the Chairman.
- For attendance of the members of the Group Executive Committee at meetings of the Board of Directors or meetings of the Audit Committee or Nomination and Remuneration Committee please refer to section "3.5 Internal organizational structure" above.
- The Audit Committee met 5 times in 2015 with management to review the business, better understand laws, regulations and policies impacting the Dufrey Group and its business and support the management in meeting the requirement and expectations of stakeholders. In meetings of the Audit Committee, the CFO acts as Secretary to the Committee. The Auditors are invited to the meetings of the Audit Committee and attended 3 meetings of the Audit Committee in 2015. Among these meetings some or part of them are also held without management.
- The Global Internal Audit department provides independent risk-based and objective assurance reviews, loss prevention advice, and risk exposure analysis to group companies through 3 different activities streams: Internal Audit, Loss Prevention and Enterprise Risk Management.
- Internal auditing is an independent function that provides objective assurance and consulting activity, aiming to improve our organization's operations. The selection of Internal Audit reviews to be

executed during the year is based on specific methodology throughout the Dufrey Group and includes the consideration of internal and external factors. In fiscal year 2015, Internal Audit conducted over 60 reviews, examining more than 30 operations in all regions, representing a coverage of above 90% of 2015 group net sales, in which the newly acquired business of Nuance was already included. The WDF group was integrated in the Dufrey governance structure in December 2015, nevertheless its operations are already part of the 2016 Dufrey Internal Audit annual plan. Regular follow-up is performed to ensure that risk mitigation and control improvement measures are implemented on a timely basis.

- The Global Loss Prevention activity was created to prevent losses and misappropriations within the group. The day-to-day work is designed to leverage profitability using advanced data mining and anti-fraud techniques. Currently, validations are performed monthly or bimonthly for all group companies and results are proven to provide valuable information for loss prevention purposes. Additionally, we are continuously trying to use new data mining techniques to establish validations that can enhance our coverage and create a higher assurance level over our key retail risks.
- We have in place an Enterprise Risk Management program which sets out our approach for assessing compliance with: relevant laws, corporate policies and procedures, tax regulations, agreements or contracts and integrity policy, anticipating externally imposed guidelines and preventing losses. The program is sponsored by the Group Executive Committee and based on the concept of direct stakeholder assurance feedback, and is distributed among all operations and areas.
- All the results of these Group Internal Audit activities are communicated to key management in charge and to the Group's senior management on an on-going basis, and regular briefings are done to the Audit Committee.
- Detailed information on the financial risk management is provided in Note 38 in the Financial Statements of this Annual Report.

4. GROUP EXECUTIVE COMMITTEE

4.1 MEMBERS OF THE GROUP EXECUTIVE COMMITTEE

As of December 31, 2015, the Group Executive Committee (GEC) comprised seven executives. As of January 1, 2016, Dufry regrouped its business into 5 geographic divisions (previously 4 regions with Nuance and Word Duty Free operations reported as separate entities). The Group Executive Committee was expanded to twelve members, taking into account the larger group structure as a result of the Nuance Group and World Duty Free acquisitions.

The Group Executive Committee, under the control of the CEO, conducts the operational management of the Company pursuant to the Company's board regulations. The CEO reports to the Board of Directors on a regular basis. The following table sets forth the name and year of appointment of the members of the Group Executive Committee, followed by a short description of each member's business experience, education and activities:

| NAME | NATIONALITY | POSITION | GEC MEMBER SINCE YEAR |
|----------------------------|-------------|---|-----------------------|
| Julián Díaz González | Spanish | Chief Executive Officer (CEO) | 2004 |
| Andreas Schneider | Swiss | Chief Financial Officer (CFO) | 2012 |
| José Antonio Gea | Spanish | Global Chief Operating Officer (GCOO) | 2004 |
| Luis Marin | Spanish | Global Chief Corporate Officer (GCCO) | 2014 |
| Jordi Martín-Consuegra | Spanish | Global Resources Director (GRD) | 2016 ¹ |
| Pascal C. Duclos | Swiss | General Counsel (GC) | 2005 |
| Pedro J. Castro Benitez | Spanish | Chief Executive Officer (DCEO) Division Southern Europe and Africa | 2016 ¹ |
| Eugenio Andrades | Spanish | Chief Executive Officer (DCEO) Division UK, Central and Eastern Europe | 2016 ¹ |
| Andrea Belardini | Italian | Chief Executive Officer (DCEO) Division Asia, Middle East and Australia | 2016 ¹ |
| René Riedi | Swiss | Chief Executive Officer (DCEO) Division Latin America | 2000 |
| Joseph DiDomizio | American | Chief Executive Officer (DCEO) Division North America | 2008 |
| Gustavo Magalhães Fagundes | Brazilian | General Manager (GM) Brazil and Bolivia | 2016 ¹ |

¹ Appointment to Group Executive Committee as of January 1, 2016

All agreements entered into with the members of the Group Executive Committee are entered for an indefinite period of time.

Mr. Xavier Rossinyol, former Chief Operating Officer of Region EMEA & Asia, left the Company effective March 31, 2015. Mr. José Carlos Costa da Silva Rosa, former Chief Operating Officer of Region America II, has become active for Dufry in Portugal and left the Group Executive Committee effective October 31, 2015.

4.2 EDUCATION, PROFESSIONAL BACKGROUND, OTHER ACTIVITIES AND VESTED INTERESTS



JULIÁN DÍAZ GONZÁLEZ
Chief Executive Officer, born 1958

Education

Degree in business administration from Universidad Pontificia Comillas I.C.A.D.E., de Madrid.

Professional Background

1989–1993 General Manager at TNT Leisure, S.A. 1993–1997 Division Director at Aldeasa. 1997–2000 various managerial and business positions at Aeroboutiques de Mexico, S.A. de C.V. and Deor, S.A. de C.V. 2000–2003 General Manager of Latinoamericana Duty-Free, S.A. de C.V. Since 2004 Chief Executive Officer at Dufry AG.

Current Board Mandates

Dufry AG, Distribuidora Internacional de Alimentación, S.A. (DIA).



PASCAL C. DUCLOS
General Counsel, born 1967

Education

Licence en droit from Geneva University School of Law, L.L.M. from Duke University School of Law. Licensed to practice law in Switzerland and admitted to the New York Bar.

Professional Background

1991–1997 Senior attorney at law at Geneva law firm Davidoff & Partners. Also academic assistant at the University of Geneva School of Law (1994–1996). 1999–2001 Attorney at law at New York law firm Kreindler & Kreindler. 2001–2002 Financial planner at UBS AG in New York. 2003–2004 Senior foreign attorney at law at the Buenos Aires law firm Beretta Kahale Godoy. Since 2005 General Counsel and Secretary to the Board of Directors at Dufry AG.



ANDREAS SCHNEITER
Chief Financial Officer, born 1970

Education

Degree in business administration and specialization in finance at School of Economy and Business Administration Berne.

Professional Background

1998–2003 various positions at UBS Warburg in Zurich in the area of Mergers and Acquisitions. Joined Dufry in 2003 as Head Corporate Controlling. 2004–2012 Head Group Treasury and since 2005 additionally Investor Relations at Dufry. Since July 2012 Chief Financial Officer at Dufry AG.



LUIS MARIN
Global Chief Corporate Officer, born 1971

Education

Degree in Economic Sciences and Business Administration from Universidad de Barcelona.

Professional Background

1995–1998 Auditor at Coopers & Lybrand. 1998–2001 Financial Controller at Derbi Motos - Nacional Motor S.A. 2001–2004 Head of Finance and Administration of Spanish subsidiaries of Areas (member of the French group Elixir). Joined Dufry in 2004, as Business Controlling Director and since 2012, also responsible for mergers and acquisitions. Since January 2014 Global Chief Corporate Officer at Dufry AG.



JOSÉ ANTONIO GEA
Global Chief Operating Officer, born 1963

Education

Degree in economics and business sciences from Colegio Universitario de Estudios Financieros.

Professional Background

1989–1995 various positions at TNT Express Espana, S.A. Director of Blue Cow Division (1993–1995). 1995–2003 various managerial positions at Aldeasa. Left Aldeasa as Director of Operations. Since 2004 Global Chief Operating Officer at Dufry AG.



JORDI MARTÍN-CONSUEGRA
Global Resources Director, born 1972

Education

Executive MBA from Instituto de Empresa, Madrid. Degree in economics from Universidad Complutense de Madrid and Bachelor of Arts in Combined Studies from University of Wolverhampton, UK.

Professional Background

1996–1998 Business Consultant at Burke in Madrid (today Burke is part of ALTEN Group in Spain). 1998–2000 Director of Consultancy Services at Burke. 2001–2002 Lawson Software Product Manager at Burke in Madrid. 2003–2005 Director of Business Solutions at Burke. 2005–2008 Global Information Technology Director at Dufry AG. 2008–2009 Global Integration Director at Dufry AG. 2009–2012 Global Organization and Human Resources Director at Dufry AG. Since 2012 Global Resources Director at Dufry AG.



PEDRO J. CASTRO BENITEZ

Chief Executive Officer Division Southern Europe and Africa, born 1967

Education

Masters degree in international relations, specializing in foreign trade, from Spanish Diplomatic School in Madrid. Degree in administration and political science, specializing in foreign affairs, from Complutense University in Madrid.

Professional Background

1998 – 2000 General Manager Chile at Aldeasa. 2000 – 2003 Managing Director Canarias at Aldeasa. 2003 – 2006 Chief Executive Officer at Aldeasa Jordan. 2006 – 2010 Director Operations Spain at Aldeasa. 2011 – 2015 Chief Operating Officer International at World Duty Free. Since January 2016 Chief Executive Officer Division Southern Europe and Africa at Dufry AG.



RENÉ RIEDI

Chief Executive Officer Division Latin America, born 1960

Education

Degree in business administration from the School of Economy and Business Administration Zurich.

Professional Background

Prior to 1993 worked in product marketing and international sales of the multinational FMCG (Fast Moving Consumer Goods) company Unilever. 1993 – 2000 Joined Dufry as Sales Manager Eastern Europe. Product Category Manager Spirits & Tobacco (1995 – 1996). Head of Product Marketing (1996 – 1997). Director Division Spirits & Tobacco (Weitnauer Distribution Ltd. 1998 – 2000). 2000 – 2012 Chief Operating Officer Region Eurasia at Dufry AG. 2012 – 2015 Chief Operating Officer Region America I at Dufry AG. Since January 2016 Chief Executive Officer Division Latin America at Dufry AG.



EUGENIO ANDRADES

Chief Executive Officer Division UK, Central and Eastern Europe, born 1968

Education

Degree in Mining Engineering at Politécnica University of Madrid. MS of Economics and Strategy of Colorado School of Mines, Colorado/USA.

Professional Background

Prior to 1996 Consultant at McKinsey & Co and Carboex, a subsidiary of Endesa. 1996 – 2001 Director of Strategy & Development and Investor Relations at Aldeasa. 2001 Chief Executive Officer Jordan and Middle East region at Aldeasa. 2002 – 2007 Director of Strategy & Development and Investor Relations at Aldeasa. 2007 – 2010 Commercial Director and Operations Coordinator at Aldeasa. 2011 – 2014 Chief Commercial Officer at World Duty Free Group. 2014 – 2015 Chief Executive Officer at World Duty Free Group. Since January 2016 Chief Executive Officer Division UK, Central and Eastern Europe at Dufry AG.



JOSEPH DIDOMIZIO

Chief Executive Officer Division North America, born 1970

Education

Bachelor's of Arts degree in Marketing and Business Administration from the University of Bridgeport.

Professional Background

1992 – 2008 several managerial positions in Hudson Group (April – September 2008: President and Chief Executive Officer). 2008 – 2015 Chief Operating Officer Region United States & Canada at Dufry AG. Since January 2016 Chief Executive Officer Division North America at Dufry AG.



ANDREA BELARDINI

Chief Executive Officer Division Asia, Middle East and Australia, born 1968

Education

Degree in Business and Economics, University of Rome (La Sapienza).

Professional Background

1991 – 1996 various positions as Controller and Project Manager at Carlson Wagonlit Travel. 1997 – 1999 Director of Operations Italy at Carlson Wagonlit Travel. 1999 – 2000 Vice President Operations South Europe at Carlson Wagonlit Travel. 2000 – 2004 Executive Vice President Strategy & Development at Aeroporti di Roma. 2004 – 2009 Executive Vice President Commercial Business Management & Development at Aeroporti di Roma. 2009 – 2015 Chief Executive Officer Europe at Nuance Group (since 2013 also Global Chief Commercial Officer at Nuance Group). Since January 2016 Chief Executive Officer Division Asia, Middle East and Australia at Dufry AG.



GUSTAVO MAGALHÃES FAGUNDES

General Manager Brazil and Bolivia, born 1967

Education

Degree in business administration and management and post-graduate degree in HR and marketing from EAESP/Fundação Getúlio Vargas in São Paulo. Master in international economics and management from Bocconi University in Milan, executive MBA from AmBev Corporate University in São Paulo, general management degree from Harvard Business School in Massachusetts, USA.

Professional Background

1996 – 2002 Head of Marketing at AmBev. 2002 – 2009 Chief Operating Officer at Travel Retail, Brasif. 2010 – 2014 Chief Operating Officer at Brasif Holding. 2014 – 2015 COO Dufry Brazil and Bolivia. Since January 2016 General Manager Brazil and Bolivia at Dufry AG.

Other activities and vested interests

As of December 31, 2015, none of the members of the Group Executive Committee of Dufrey AG has had other activities in governing and supervisory bodies of important Swiss or foreign organizations, institutions or foundations under private and public law with the exception of the Board mandates of Mr. Julián Díaz mentioned above. No member of the Group Executive Committee has permanent management or consultancy functions for important Swiss or foreign interest groups, nor holds any official functions and political posts.

4.3 RULES IN THE ARTICLES OF INCORPORATION REGARDING THE NUMBER OF PERMITTED MANDATES OUTSIDE THE COMPANY

In accordance with Article 25 para. 1 of the Articles of Incorporation, dated June 24, 2015, no member of the Group Executive Committee may hold more than two additional mandates in listed companies and four additional mandates in non-listed companies. The following mandates are not subject to the limitations under para. 1 of this Article:

- a) mandates in companies which are controlled by the Company or which control the Company;
- b) mandates held at the request of the Company or any company controlled by it. No member of the Group Executive Committee may hold more than ten such mandates; and
- c) mandates in associations, charitable organizations, foundations, trusts and employee welfare foundations. No member of the Group Executive Committee may hold more than ten such mandates.

For definition of "mandate" please refer to section 3.3 above.

4.4 MANAGEMENT CONTRACTS

Dufrey AG does not have management contracts with companies or natural persons not belonging to the Group.

5. COMPENSATION, SHAREHOLDINGS AND LOANS

5.1 CONTENT AND METHOD OF DETERMINING THE COMPENSATION AND SHAREHOLDING PROGRAMS

Detailed information of compensation, shareholdings and loans to active and former members of the Board of Directors and of the Group Executive Committee in fiscal year 2015 is included in the Remuneration Report on pages 233 to 244 of this Annual Report.

5.2 DISCLOSURE OF RULES IN THE ARTICLES OF INCORPORATION REGARDING COMPENSATION OF THE BOARD OF DIRECTORS AND OF THE EXECUTIVE MANAGEMENT

For rules in the Articles of Incorporation regarding the approval of compensation by the Meeting of Shareholders, the supplementary amount for changes in the Executive Management as well as the general compensation principles please refer to Articles 20 - 22 of the Articles of Incorporation. The Articles of Incorporation do not contain any rules in association with loans, credit facilities or post-employment benefits for the members of the Board of Directors and Executive Management. The rules regarding agreements with members of the Board of Directors and of the Executive Management in terms of duration and termination are stipulated in Article 23. Dufrey's Articles of Incorporation are available on the Company website www.dufrey.com - section Investors - Articles of Incorporation. Direct link:

<http://www.dufrey.com/en/Investors/Articlesofincorporation/index.htm>

6. SHAREHOLDERS' PARTICIPATION RIGHTS

6.1 VOTING RIGHTS AND REPRESENTATION

Each share recorded as share with voting rights in the share register confers one vote on its registered holder. Each shareholder duly registered in the share register on the record date may be represented at the Meeting of Shareholders by the independent voting rights representative or any person who is authorized to do so by a written proxy. A proxy does not need to be a shareholder. Shareholders entered in the share register as shareholders with voting rights on a specific qualifying date (record date) designated by the Board of Directors shall be entitled to vote at the Meeting of Shareholders and to exercise their votes at the Meeting of Shareholders. See section 6.5 below.

Nominees are only entitled to represent registered shares held by them at a Meeting of Shareholders, if they are registered in the share register in accordance with Article 5 para. 4 of the Articles of Incorporation and if they hold a valid written proxy granted by the beneficial owner of the registered shares instructing the nominee how to vote at the Meeting of Shareholders. Shares held by a nominee for which it is not able to produce such a proxy count as not being represented at the Meeting of Shareholders.

As explained under section 2.6 above, BDR holders do not own the Dufre AG shares underlying their BDRs. As a consequence, BDR holders are prevented from exercising directly any of the shareholders' rights provided for by the Company's Articles of Incorporation and by Swiss corporate law. For example, BDR holders are not entitled to personally participate in the General Meetings of the Company. However, BDR holders are entitled to instruct the Depositary Institution to vote the Company's shares underlying their BDRs, according to the instructions sent to them by the Depositary Institution. See section 2.6 above or the Articles of Incorporation on our website:

<http://www.dufre.com/en/Investors/Articlesofincorporation/index.htm>

6.2 THE INDEPENDENT VOTING RIGHTS REPRESENTATIVE

In accordance with Article 10 para. 3 of the Articles of Incorporation, dated June 24, 2015, the independent voting rights representative shall be elected by the Meeting of Shareholders for a term of office extending until completion of the next Ordinary Meeting of Shareholders. Re-election is possible. If the Company does not have an independent voting rights representative, the Board of Directors shall appoint the independent voting rights representative for the next Meeting of Shareholders.

The Company may also make arrangements for electronic voting (Article 11 para. 5). Resolutions passed by electronic voting shall have the same effect as votes by ballot.

The Ordinary General Meeting of Shareholders held on April 29, 2015, re-elected the law firm Buis Bürgi AG, Zurich, as the independent voting rights representative until the completion of the Ordinary General Meeting of Shareholders in 2016. Buis Bürgi AG is independent from the Company and has no further mandates for Dufre AG.

For the upcoming General Meeting of Shareholders on April 28, 2016, the Company will enable its shareholders to send their voting instructions electronically to the independent voting rights representative Buis Bürgi AG through the platform:

<https://www.netvote.ch/dufre>

The corresponding instructions regarding registration and voting procedures on this electronic platform will be sent to the shareholders together with the invitation to the General Meeting.

6.3 QUORUMS

The Meeting of Shareholders shall be duly constituted irrespective of the number of shareholders present or of shares represented. Unless the law or Articles of Incorporation provide for a qualified majority, an absolute majority of the votes represented at a Meeting of Shareholders is required for the adoption of resolutions or for elections, with abstentions, blank and invalid votes having the effect of "no" votes. The Chairman of the Meeting shall have a casting vote.

A resolution of the Meeting of Shareholders passed by at least two thirds of the votes represented and the absolute majority of the nominal value of shares represented shall be required for:

1. a modification of the purpose of the Company;
2. the creation of shares with increased voting powers;
3. restrictions on the transfer of registered shares and the removal of such restrictions;
4. restrictions on the exercise of the right to vote and the removal of such restrictions;
5. an authorized or conditional increase in share capital;
6. an increase in share capital through the conversion of capital surplus, through a contribution in kind or in exchange for an acquisition of assets, or a grant of special benefits upon a capital increase;
7. the restriction or denial of pre-emptive rights;
8. the change of the place of incorporation of the Company;
9. the dismissal of a member of the Board of Directors;
10. an increase in the maximum number of members of the Board of Directors;
11. a modification of the eligibility requirements of the members of the Board of Directors (Article 24 para. 1 of the Articles of Incorporation);
12. the dissolution of the Company;
13. other matters where statutory law provides for a corresponding quorum.

6.4 CONVOCATION OF THE MEETING OF SHAREHOLDERS

The Meeting of Shareholders shall be called by the Board of Directors or, if necessary, by the Auditors. One or more shareholders with voting rights representing in the aggregate not less than 10% of the share capital can request, in writing, that a Meeting of Shareholders be convened. Such request must be submitted to the Board of Directors, specifying the items and proposals to appear on the agenda.

The Meeting of Shareholders shall be convened by notice in the Swiss Official Gazette of Commerce (SOGC) not less than 20 days before the date fixed for the Meeting. Registered shareholders will also be informed by ordinary mail.

6.5 AGENDA

The invitation for the Meeting of Shareholders shall state the day, time and place of the Meeting, and the items and proposals of the Board of Directors and, if any, the proposals of the shareholders who demand that the Meeting of Shareholders be called or that items be included in the agenda.

One or more shareholders with voting rights whose combined holdings represent an aggregate nominal value of at least CHF 1,000,000 may request that an item be included in the agenda of a Meeting of Shareholders. Such a request must be made in writing to the Board of Directors at the latest 60 days before the Meeting and shall specify the agenda items and the proposals made.

6.6 REGISTRATION INTO THE SHARE REGISTER

The record date for the inscription of registered shareholders into the share register in view of their participation in the Meeting of Shareholders is defined by the Board of Directors. It is usually around 2 weeks before the Meeting. Shareholders who dispose of their registered shares before the Meeting of Shareholders are no longer entitled to vote with such disposed shares.

7. CHANGE OF CONTROL AND DEFENCE MEASURES

7.1 DUTY TO MAKE AN OFFER

An investor who acquires more than 33 $\frac{1}{3}$ % of all voting rights (directly, indirectly or in concert with third parties) whether they are exercisable or not, is required to submit a takeover offer for all shares outstanding (Article 135 Financial Market Infrastructure Act, FMIA). The Articles of Incorporation of the Company contain neither an opting-out nor an opting-up provision (Article 125 para. 4 FMIA).

7.2 CLAUSES ON CHANGE OF CONTROL

In case of change of control or in any event which would trigger a mandatory offer pursuant to the FMIA with respect to the Company, the Performance Share Units awarded to the PSU Plan Participants shall vest immediately.

In case of change of control, all amounts drawn under the CHF 2,500,000,000, USD 1,010,000,000, EUR 500,000,000, and EUR 3,600,000,000 multicurrency term and revolving credit facilities agreements and the EUR 250,000,000 letter of credit and bank guarantee facility agreement shall become immediately due and payable. Furthermore, upon the occurrence of a change of control, Dufrey may be required to repurchase the USD 500,000,000 Senior Notes due 2020, the EUR 500,000,000 Senior Notes due 2022 and the EUR 700,000,000 Senior Notes due 2023 at a purchase price equal to 101% of their principal amount, plus accrued and unpaid interest.

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.

8. AUDITORS

8.1 AUDITORS, DURATION OF MANDATE AND TERM OF OFFICE OF THE LEAD AUDITOR

Pursuant to the Articles of Incorporation, the Auditors shall be elected every year and may be re-elected. Ernst & Young Ltd acted as Auditors and has held the mandate as Auditor since 2004. Bruno Chiomento has been the Lead Auditor in charge for the consolidated financial statements of the Company and the statutory financial statements as of December 31, 2015. Mr. Chiomento took the existing auditing mandate in 2015.

8.2 AUDITING FEE

During fiscal year 2015, Dufrey agreed with Ernst & Young Ltd to pay a fee of CHF 3.4 million for services in connection with auditing the statutory annual financial statements of Dufrey AG (including quarterly reviews) and its subsidiaries, as well as the consolidated financial statements of Dufrey Group and a fee of CHF 0.1 million for audit related services.

8.3 ADDITIONAL FEES

Additional fees amounting to CHF 0.6 million were paid to Ernst & Young Ltd for transaction services and CHF 0.7 million for tax services.

8.4 SUPERVISORY AND CONTROL INSTRUMENTS PERTAINING TO THE AUDIT

The Audit Committee as a committee of the Board of Directors reviews and evaluates the performance and independence of the Auditors at least once each year. Based on its review, the Audit Committee recommends to the Board of Directors, which external Auditor should be proposed for election at the General Meeting of Shareholders. The decision regarding this agenda item is then taken by the Board of Directors. When evaluating the performance and independence of the Auditors, the Audit Committee puts special emphasis on the following criteria: Global network of the audit firm, professional competence of the lead audit team, understanding of Dufrey's specific business risks, personal independence of the lead auditor and independence of the audit firm as a company, co-ordination of the Auditors with the Audit Committee and the Senior Management / Finance Department of Dufrey Group, practical recommendations with respect to the application of IFRS regulations.

Within the yearly approved budget, there is also an amount permissible for non-audit services that the Auditors may perform. Within the scope of the approved and budgeted amount, the Chief Financial Officer can delegate non-audit related mandates to the Auditors.

The Audit Committee determines the scope of the external audit and the relevant methodology to be applied to the external audit with the Auditors and discusses the results of the respective audits with the Auditors. The Auditors prepare a management letter addressed to the Senior Management, the Board of Directors and the Audit Committee once per year, informing them in detail on the result of their audit. The Auditors also review the interim quarterly reports before these publications are released.

Representatives of the Auditors are regularly invited to meetings of the Audit Committee, namely to attend during those agenda points that dealt with accounting, financial reporting or auditing matters.

In addition, the Audit Committee reviews regularly the internal audit plan. Internal Audit reports are communicated to management in charge and the Company's senior management on an on-going basis and regular briefings are done to the Audit Committee.

During the fiscal year 2015, the Audit Committee held 5 meetings. The Auditors were present at 3 of those meetings. The Board of Directors has determined the rotation interval for the Lead Auditor to be seven years, as defined by the Swiss Code of Obligation; such rotation occurred the last time in 2015.

9. INFORMATION POLICY

Dufrey is committed to an open and transparent communication with its shareholders, financial analysts, potential investors, the media, customers, suppliers and other interested parties.

Dufrey AG publishes its financial reports on a quarterly basis, both in English and Portuguese. The financial reports and media releases containing financial information are available on the Company website.

In addition, Dufrey AG organizes presentations and conference calls with the financial community and media to further discuss details of the reported earnings or on any other matters of importance. The Company undertakes roadshows for institutional investors on a regular basis.

Details and information on the business activities, Company structure, financial reports, media releases and investor relations are available on the Company's website:

<https://www.dufrey.com>

The official means of publication of the Company is the Swiss Official Gazette of Commerce:

<http://www.shab.ch>

Web-links regarding the SIX Swiss Exchange push-/pull-regulations concerning ad-hoc publicity issues are:

<http://www.dufrey.com/en/OurCompany/NewsandMedia/Latestnews/index.htm>

<http://www.dufrey.com/en/OurCompany/NewsandMedia/Mediareleasesubscription/index.htm>

Web-links regarding the filings made by the Company with the CVM or BM & FBOVESPA are:

<http://www.dufrey.com/en/Investors/CVMFilings/QuarterlyFinancialStatementsITR/index.htm>

<http://www.cvm.gov.br>

<http://www.bmfbovespa.com.br>

The current Articles of Incorporation are available on Dufrey's website under:

<http://www.dufrey.com/en/Investors/Articlesofincorporation/index.htm>

The financial reports are available under:

<http://www.dufrey.com/en/Investors/FinancialReports/index.htm>

For the Investor Relations and Corporate Communications contacts as well as a summary of anticipated key dates in 2015 please refer to pages 246/247 of this Annual Report.

REMUNERATION REPORT DEAR SHARE- HOLDERS

2015 was a transformational year for Dufrey. 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 Dufrey 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 Dufrey 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, Dufrey 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 Dufrey'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 Dufrey, based on the PwC benchmarking. Dufrey 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 Dufrey 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 Dufrey'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 Dufrey 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 PSU's | - 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

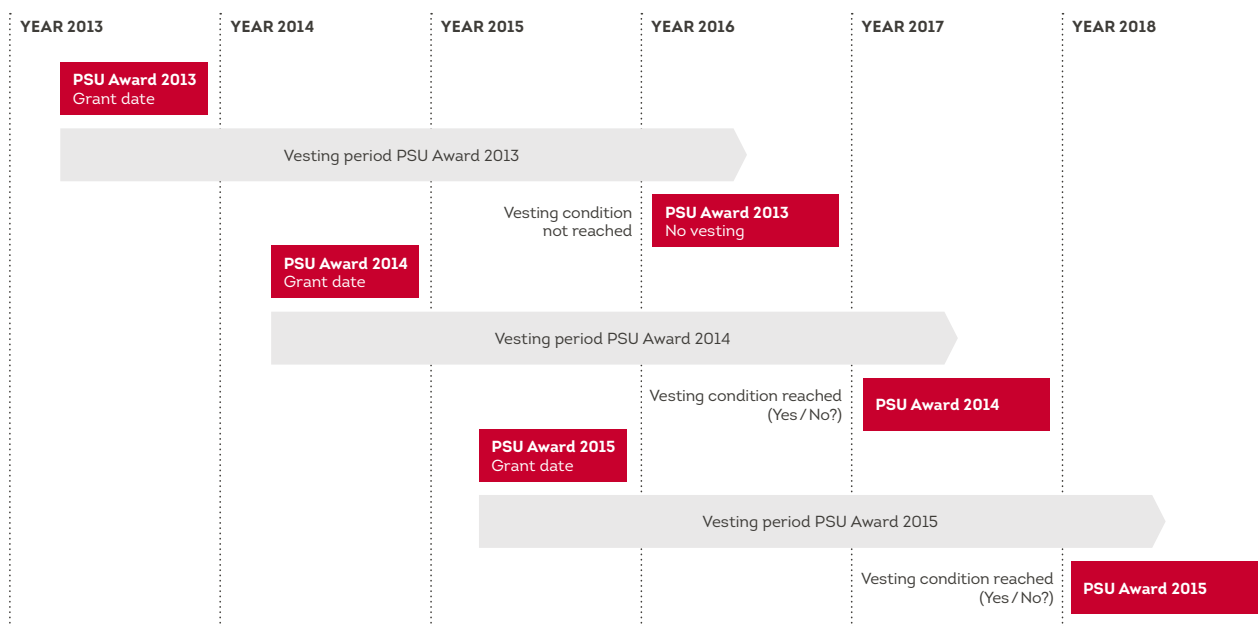
CEO's bonus compensation is determined based on achieved targets and proposed by the Nomination and Remuneration Committee and decided by the Board of Directors once per year. The Nomination and Remuneration Committee as well as the Board of Directors review the compensation of the CEO, CFO, GCOO, GCCO 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.

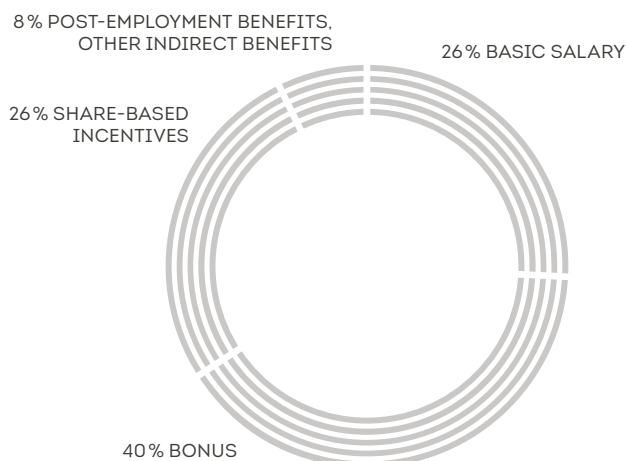
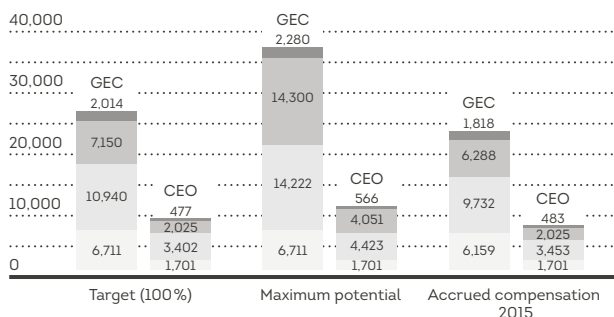
Based on a proposal by the Nomination and Remuneration Committee, the Board of Directors decided to adapt the metrics for the PSU plan from fiscal year 2015 onwards. As described above the adaption to the PSU plan was to change from the annual growth rate of Cash EPS of the one year directly preceding 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