

REMUNERATION SYSTEM FOR THE MANAGEMENT BOARD OF ABOUT YOU HOLDING SE

Publication pursuant to § 120a (2) AktG:

The Supervisory Board has - on the recommendation of the Presidential and Nomination Committee - adopted the remuneration system explained below, which was approved by the shareholders at the first Annual General Meeting of ABOUT YOU Holding SE after its listing on 23 August 2022, with a majority of 97.09% of the votes cast:

I. Main Features of the Remuneration System for the Members of the Management Board of ABOUT YOU Holding SE

The remuneration structure for the members of the Management Board of ABOUT YOU Holding SE ("ABOUT YOU") laid down in the remuneration system is geared towards the long-term development of the ABOUT YOU Group, as a large part of the remuneration consists of variable remuneration components. The long-term compensation component (Long Term Incentive, "LTI") is of particular importance. The design of the LTI promotes the strategic objectives of ABOUT YOU as well as sustainable and profitable growth of ABOUT YOU and the ABOUT YOU Group. Through the primary link to financial and operational objectives as well as the inclusion of ESG parameters in relation to the development of the share price, the LTI ensures that the variable Management Board remuneration is measured on the basis of a comprehensive assessment of the overall development of the ABOUT YOU Group, taking into account the interests of ABOUT YOU shareholders and other stakeholders.

The remuneration system is clear and comprehensible. It complies with the requirements of the German Stock Corporation Act (Aktiengesetz, "AktG") and the recommendations of the German Corporate Governance Code as amended on 28 April 2022 (published in the Federal Gazette on 27 June 2022) (GCCG). With the remuneration system, the Supervisory Board wants to offer fair and appropriate remuneration in order to be able to attract the best national and international candidates for a position on the Management Board for ABOUT YOU in the future as well. At the same time, the remuneration system ensures that it can react appropriately to organisational changes and flexibly take account of changed market conditions.

The Supervisory Board has designed the remuneration system in particular in accordance with the following guidelines, which thus also apply to the determination of the specific remuneration of the Management Board:

Promotion of the business strategy:	The remuneration system as a whole makes a significant contribution to the promotion and implementation of the long-term development and sustainable and profitable growth of ABOUT YOU. This is ensured by setting performance criteria that relate to ambitious annual and multiannual targets.
Respect for ESG criteria:	The remuneration system respects non-financial objectives in the field of environmental social governance (ESG) and promotes their achievement. These are taken into account in both short-term (STI) and long-term (LTI) variable remuneration in order to promote sustainable action by ABOUT YOU.
Pay for Performance:	Alignment of the remuneration model on the basis of a performance-related opportunity-risk profile by setting incentive performance targets.
Definition of ambitious performance indicators:	The remuneration system links variable remuneration with sales growth and underlines the growth targets of ABOUT YOU and the ABOUT YOU Group as the fastest growing digital fashion platform in Europe.
Remuneration for individual achievements:	The individual performance of a member of the Management Board should be taken into account appropriately; successes should be rewarded and missed targets should lead to an appropriate reduction in variable remuneration. This is ensured by the Management Board-specific remuneration structure and target definition.
Appropriate and market-driven remuneration:	The remuneration model guarantees an overall appropriate and customary remuneration; it takes into account the size, complexity and economic situation of ABOUT YOU.
Comparability of remuneration:	The remuneration model guarantees a customary remuneration in relation to the carefully selected comparison group (horizontal comparison) and to the employees of ABOUT YOU (vertical comparison).
Safeguarding the interests of stakeholders and capital market orientation:	The remuneration model links the interests of shareholders and the members of the Management Board through the share-based, capital market-oriented design of the long-term remuneration components in the form of virtual shares. Overall, the incentive is set to increase the value of ABOUT YOU in the long-term and sustainably. In this way, it also makes an important contribution to realizing the interests of other stakeholders such as creditors, customers and suppliers in a sustainably successful development.

II. Participation of the Annual General Meeting, Procedure for Determining, Applying and Reviewing the Remuneration System, Scope

The remuneration system adopted by the Supervisory Board will be submitted to the Annual General Meeting for approval. On the basis of a recommendation by the Executive and Nomination Committee, the Supervisory Board adopted the remuneration system at its meeting on 5 July 2022. If the Annual General Meeting does not approve the remuneration system put to the vote in each case, a revised remuneration system will be presented at the latest at the next following Annual General Meeting.

If necessary, the Supervisory Board may call in an external remuneration expert to (further) develop the remuneration system and to assess the appropriateness of the remuneration. In accordance with Recommendation G.5 GCGC, the Supervisory Board ensures that the external remuneration expert is independent of the Management Board and ABOUT YOU.

The Supervisory Board regularly reviews the appropriateness of the remuneration components. In order to assess the appropriateness of the remuneration of the Management Board, it makes a horizontal and vertical comparison of the remuneration in accordance with Recommendations G.3 and G.4 GCGC. In a horizontal comparison, the Supervisory Board assesses the appropriateness of Management Board remuneration in relation to comparable companies. For this purpose, the Supervisory Board makes a comparison with the Management Board compensation of a group of comparable companies to be determined by the Supervisory Board, taking into account in particular the market position (especially industry, size and country) as well as the economic situation of ABOUT YOU. The companies in the peer group are comparable listed companies primarily from the SDAX from the fashion and/or e-commerce sector and from industries with comparable business models, such as SDAX companies with a focus on digitalisation, e-commerce and fashion. The selected peer companies are disclosed in the annual compensation report. In the consideration, both the positioning of ABOUT YOU in the peer group and the respective compensation components are taken into account. In a vertical comparison, the Supervisory Board assesses the appropriateness of Management Board remuneration in relation to senior management and the workforce as a whole. The Supervisory Board has defined all those employees of the ABOUT YOU Group who report directly to the respective Management Board as senior management.

In the event of significant changes to the remuneration system, but at least every four years, the remuneration system shall be submitted to the Annual General Meeting for approval.

In order to avoid and deal with (potential) conflicts of interest in the Supervisory Board, both the provisions of the German Stock Corporation Act and the recommendations of the GCGC (Principle 19 GCGC and the recommendations E.1 and E.2 GCGC based on this) are also taken into account in the procedure for the determination and implementation as well as for the review of the remuneration system by the Supervisory Board and the Executive and Nomination Committee. Each member of the Supervisory Board must disclose potential conflicts of interest to the chairperson of the Supervisory Board without delay. In its report to the Annual General Meeting, the Supervisory Board provides information on conflicts of interest that have arisen and how they are dealt with. In the event of a conflict of interest, the Supervisory Board member concerned does not participate in the deliberations and resolutions affected. Material and not only temporary conflicts of interest in the person of a Supervisory Board member should lead to the termination of the mandate.

The remuneration system adopted on 5 July 2022 applies to all new Management Board service contracts to be concluded or renewed. In accordance with Section 26j (1) Introductory Act to the Stock Corporation Act and in accordance with the justification of the GCGC, the Management Board service contracts already concluded with the current Management Board members, Sebastian Betz, Tarek Müller and Hannes Wiese ("old contracts") remain unaffected. The previous remuneration practice will continue to apply to these until the end of the respective contract term at the latest, i.e. until the end of 15 April 2025.

When concluding the old contracts, the Supervisory Board has already taken up key points of the subsequent remuneration system submitted to the Annual General Meeting. However, there are discrepancies in some respects; for example, the remuneration of the Management Board on the basis of current contracts, as can be seen from the Remuneration Report, does not contain a dedicated short-term variable remuneration component.

III. Remuneration Components

The total remuneration of each member of the Management Board under the new remuneration system consists of non-performance-related, i.e. fixed, and performance-related, i.e. variable, components. The variable components include a short-term variable incentive ("STI") and the LTI.

The remuneration components described in more detail below are the reference values for the target total remuneration and the maximum remuneration of the members of the Management Board, which are to be determined in the remuneration system in accordance with Recommendation G.1 GCGC.

Fixed Remuneration

The fixed remuneration comprises a fixed, performance-independent basic remuneration, which is paid monthly (12 times a year) as a salary.

The fixed remuneration also includes fringe benefits such as contributions to pension, health and long-term care insurance as well as the provision of a company car or, in the event of a waiver of such, a corresponding compensation payment. In addition, ABOUT YOU takes out appropriate financial loss liability insurance (so-called D&O insurance) for the members of the Management Board to protect against risks arising from their professional activities for ABOUT YOU, whereby the insurance conditions provide for a deductible in accordance with the legal requirements. The Supervisory Board may grant other or additional fringe benefits customary in the market, such as the assumption of relocation costs or costs for double housekeeping. In order to attract qualified candidates for the Management Board, the Supervisory Board may also supplement the remuneration of first-time appointed members of the Management Board with a starting bonus (so-called signing bonus) in an appropriate and market-driven manner – for example, to compensate for forfeited remuneration payments from previous employment or service relationships. The expenses of ABOUT YOU for the sum of the fringe benefits (excl. D&O insurance) are generally limited to an amount of around 30% of the basic remuneration owed annually per year per Management Board member. However, the type, amount and duration of benefits in kind of fringe benefits may vary according to the personal situation of the members of the Management Board and, if necessary, lead to a slight deviation in the proportions of the fringe benefit in the fixed remuneration and the target total remuneration (see Section 0. Fehler! Verweisquelle konnte nicht gefunden werden.). Fringe benefits can only be granted to the extent that the fixed maximum remuneration for each member of the Management Board is complied with.

Variable Remuneration

The variable remuneration components are based on the success of the ABOUT YOU Group. They are composed of the STI and the LTI in accordance with Recommendation G.6 GCGC. The amount of the individual variable remuneration components depends on the achievement of the performance targets set by the Supervisory Board. These are determined by the Supervisory Board before the start of each assessment period.

The Supervisory Board agrees the relative proportions of performance targets individually with each Management Board member in the Management Board service contract in order to create a long-term and performance-based incentive structure that is strongly aligned with the interests of shareholders and other stakeholders in the long-term successful development of the ABOUT YOU Group (cf. Recommendation G.7 GCGC).

a. Short Term Incentive – STI

The STI is a short-term, one-year performance-related remuneration component that is granted annually in cash. The STI incentivises the members of the Management Board to achieve important financial and operational goals for ABOUT YOU as well as ESG goals (financial, operational and ESG goals together "Performance Goals"), which are derived from strategic planning.

The combination of variable Management Board remuneration with operational targets underlines the long-term growth targets of ABOUT YOU and the ABOUT YOU Group as the fastest growing digital fashion platform in Europe. The additional link to financial key figures also creates an incentive for long-term profitable growth. In addition, the authoritative nature of ESG objectives integrates the strategic goal of advancing an environmentally friendly, integrative and sustainable business model into the remuneration of the Management Board.

Against the background of a sustainable, successful development of ABOUT YOU geared to the interests of stakeholders, the Supervisory Board agrees a certain target amount with each member of the Management Board in the Management Board service contract, which is paid out if the sum of the target achievement for the STI targets is 100% ("target STI"). The achievement of the target is limited to a maximum of 200%. If the STI targets actually achieved in a financial year are less than 80%, the STI for the financial year is omitted. Linear interpolation takes place between these values.

Before the beginning of each financial year, the type of Supervisory Board determines the performance targets relevant for determining the STI for each member of the Management Board in relation to the respective financial year ("STI targets"). The relative weighting is 40% financial targets, 40% operational targets and 20% ESG targets. At the first Supervisory Board meeting after the end of the financial year, the Supervisory Board determines the actual achievement of targets for the respective Management Board member in accordance with Recommendation G.9 GCCG.

The performance goals from which the Supervisory Board can select to define STI targets before the beginning of a financial year include the following targets:

<p>Financial</p>	<p>Adjusted EBITDA</p> <p>Total Shareholder Return (TSR)</p> <p>Earnings per Share (EPS)</p>
<p>Operational</p>	<p>Compound Annual Growth Rate - CAGR</p> <p>Free Cash Flow</p> <p>Innovation</p> <p>Development of business areas and markets</p> <p>Implementation of operational measures such as efficiency increases and cost reductions</p>
<p>ESG</p>	<p>Reduction of the annual direct and indirect greenhouse gas emissions of the ABOUT YOU Group within the organization and/or from private label products</p> <p>Increase in the "Sustainable Fashion Share"</p> <p>Diversity in the management levels of the ABOUT YOU Group</p> <p>Data integrity</p> <p>Transparency in the supply chain</p> <p>Employee satisfaction</p> <p>Goods cycle</p>

The Supervisory Board can define further targets and set them as a performance goal for the respective financial year.

The Management Board service contracts concluded in June 2021 and thus before the adoption of the new remuneration system with the current members of the Management Board, Sebastian Betz, Tarek Müller and Hannes Wiese, do not contain a dedicated STI.

b. Long Term Incentive – LTI

The LTI is a four-year virtual stock option programme. It reflects the long-term and sustainable development of the ABOUT YOU Group reflected in the share price of ABOUT YOU over a period of four years and is granted in cash – within the meaning of Recommendation G.10 GCGC – after the four-year term. As a result, the members of the Management Board have a long-term and performance-based incentive structure that is strongly aligned with the interests of shareholders and other stakeholders in the sustainable successful development of the ABOUT YOU Group.

(i.) Granting and Setting of Objectives

The Supervisory Board determines the performance target relevant for determining the LTI ("LTI targets") for each member of the Management Board in relation to the coming 4-year period from the beginning of a financial year. The relative weighting is 40% financial targets, 40% operational targets and 20% ESG targets. The 4-year period begins with the financial year of ABOUT YOU following the target setting and includes the three following financial years ("Reference Period").

The performance targets from which the Supervisory Board can select to define the LTI targets before the beginning of a financial year include, among others, the following targets:

Financial	Adjusted EBITDA Total Shareholder Return (TSR) Earnings per Share (EPS)
Operational	Compound Annual Growth Rate - CAGR Free Cash Flow Innovation Development of business areas and markets Implementation of operational measures such as efficiency increases and cost reductions
ESG	Reduction of the annual direct and indirect greenhouse gas emissions of the ABOUT YOU Group within the organization and/or from private label products Increase in the "Sustainable Fashion Share" Diversity in the management levels of the ABOUT YOU Group Data integrity Transparency in the supply chain Employee satisfaction Goods cycle

The Supervisory Board can define further targets and set them as a performance goal for the respective financial year.

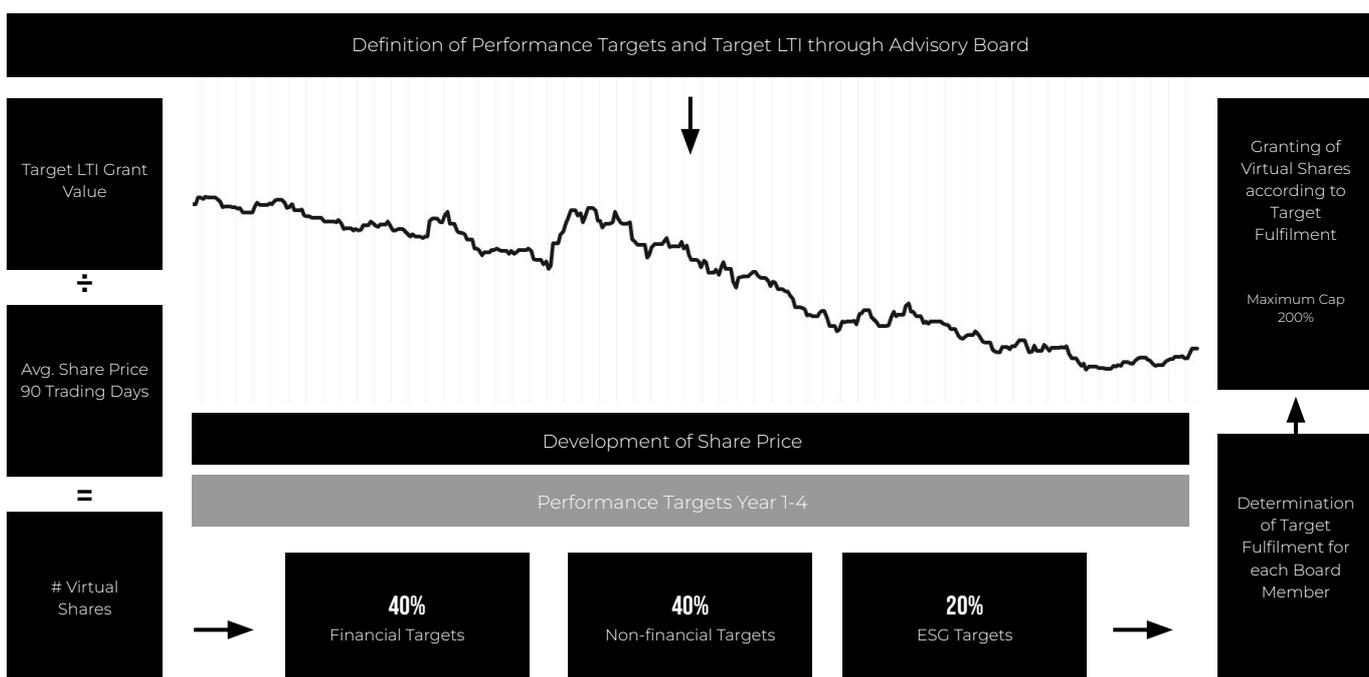
At the beginning of the reference period, each member of the Management Board receives a preliminary number of virtual shares in the amount of the contractually promised target amount ("target LTI"). The conversion into virtual shares is carried out by dividing the promised target amount by the volume-weighted average market price of the ABOUT YOU share (XETRA or successor system) on the last 90 trading days before the start of the plan. Depending on the achievement of the LTI targets, the number of virtual shares may increase or decrease.

(ii.) Target Achievement and Payment

At the first Supervisory Board meeting after the end of the reference period, the Supervisory Board determines the weighted target achievement of the LTI for the reference period for each Management Board member in accordance with G.9 CCGC. The weighted target achievement results from the weighted average of the target achievement of the individual LTI goals and cannot exceed 200%. The target achievement for an LTI target is limited to 200%.

The final number of virtual shares is multiplied by the volume-weighted average market price of the ABOUT YOU share (XETRA or successor system) on the last 90 trading days plus the cumulative dividend payments during the reference period. The amount of the LTI is paid out in the year following the reference period following the Annual General Meeting. The payout is limited to 200% of the target amount (cap).

The Supervisory Board may provide that instead of a cash payment, a corresponding number of ABOUT YOU shares will be transferred. The Supervisory Board may also provide that the Management Board member is obliged to invest a certain proportion of the LTI to be paid out in ABOUT YOU shares.



The Management Board service contracts concluded in June 2021 and thus before the adoption of the new remuneration system with the current members of the Management Board, Sebastian Betz, Tarek Müller and Hannes Wiese, also contain a long-term stock option programme; however, this is not purely virtual, but primarily aimed at granting shares of the Company when the defined objectives are achieved. For further details, please refer to the remuneration report of 24 March 2022 on page 4 et seq., which describes in detail the long-term remuneration component applicable to the current members of the Management Board.

IV. Target Total Remuneration, Remuneration Limits, relative Proportion of Remuneration Components (Remuneration Structure)

The remuneration of the Management Board should be proportionate to its tasks and achievements as well as to the situation of the ABOUT YOU Group. With the remuneration system, the Supervisory Board intends to offer fair and appropriate remuneration in line with the market in order to provide an incentive for the long-term commitment of the members of the Management Board. The Supervisory Board takes this into account when determining a target total remuneration for each Management Board member (see Section 1.).

At the same time, the Supervisory Board intends to adequately reward the successful work of the Management Board. In principle, the Management Board, like a shareholder of ABOUT YOU, should participate in a positive development of ABOUT YOU without taking unreasonable risks. To ensure this, the Supervisory Board determines a maximum remuneration (see Section 2.).

ABOUT YOU is an agile, innovative growth company in a dynamic market and competitive environment. Therefore, with the proposed remuneration structure (see Section 3.) the necessary flexibility in the structural alignment of Management Board remuneration in accordance with the respective circumstances and opportunities, while ensuring the homogeneity of the remuneration structure within the Management Board.

Target Total Compensation

For the coming financial year, the Supervisory Board determines a target total compensation for each Management Board member. The target total remuneration corresponds to the sum of fixed remuneration, target STI and target LTI. An effort-related consideration is decisive.

Total Remuneration

The total remuneration for the respective Management Board position attributable to a financial year is limited to a maximum amount (so-called "Management Board position"). Maximum remuneration within the meaning of Section 87 (1) sentence 2 no. 1 AktG or Recommendation G.1 GCCG). In addition to the caps at the level of the individual performance criteria and the variable remuneration components, the Supervisory Board has set a maximum remuneration which is the total remuneration allocated in each case, i.e. the sum of all remuneration components spent on the respective Management Board member in accordance with IFRS for the respective financial year (expense cap). This includes the fixed remuneration spent for the relevant financial year (basic remuneration incl. fringe benefits) and the amounts attributable to variable short- and long-term remuneration (STI and LTI). The maximum amount (total cap) is EUR 3.00 million for the chairperson of the Management Board, EUR 2.00 million for the vice-chairperson of the Management Board and EUR 1.6 million for a member of the Management Board.

In individual cases, the sum of the remuneration components promised in individual contracts may be significantly below the maximum remuneration determined in accordance with Section 87 (1) sentence 2 no. 1 AktG. If the remuneration for a financial year exceeds this maximum limit, the variable remuneration components will be reduced accordingly.

Relative Proportion of Remuneration Components

Since the Supervisory Board determines the individual remuneration components individually for the Management Board, the expected relative proportion of the individual remuneration components within the meaning of Recommendation G.1 GCGC can only be stated as possible percentage ranges.

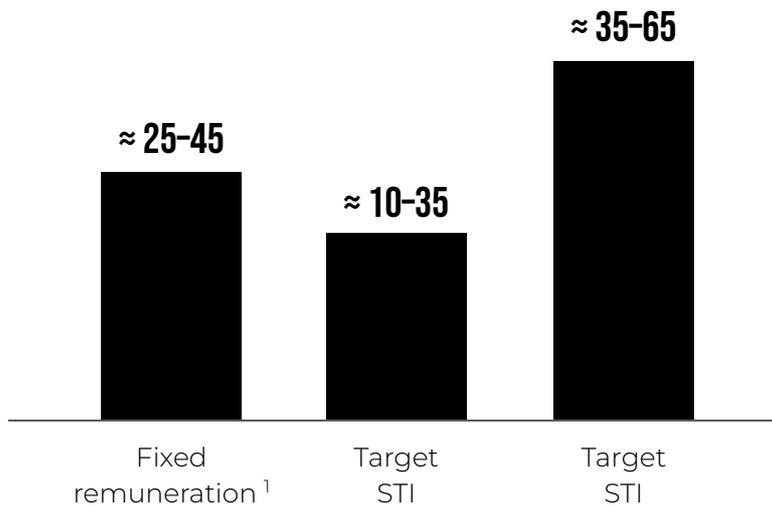
The Supervisory Board will choose the connecting factors for the variable remuneration components in newly concluded or to be extended Management Board service contracts in such a way that a relative proportion of the respective contracts is generally concluded during the term of the respective contracts.

- the fixed remuneration (basic remuneration and fringe benefits) of ~ 25%–45%,
- the target STI of ~ 10%–35% and
- of the target LTI of ~ 35%–65%

is to be expected from the target total remuneration.

When designing the target total remuneration, the Supervisory Board will ensure that the long-term variable remuneration exceeds the short-term variable remuneration in accordance with Recommendation G.6 GCGC. The remuneration structure is thus geared towards long-term and sustainable development.

RELATIVE PROPORTION OF REMUNERATION COMPONENTS (%)



¹ Basic remuneration and fringe benefits

V. Clawback and Retention or Reduction of Remuneration Components

In the event of breaches of duty or compliance, the Supervisory Board may retain or reclaim the variable remuneration components in accordance with Recommendation G.11 GCGC.

On the one hand, it can reduce the variable remuneration components or retain them completely (malus). The STI and LTI are affected, in each case insofar as they have not yet been paid out.

On the other hand, it can reclaim variable remuneration components (clawback consisting of compliance clawback and performance clawback):

- In cases of a grossly negligent or intentional breach of the duty of care of a prudent and conscientious managing director pursuant to Section 93 (1) AktG by a member of the Management Board, the Supervisory Board is entitled, at its dutiful discretion, to reclaim from the Management Board member in whole or in part the variable remuneration components or to allow virtual shares (LTI) to expire paid out for the respective assessment period in which the breach of duty took place (compliance clawback). An assertion of the right of reclaim is excluded if the violation dates back more than 10 years.
- If variable remuneration components linked to the achievement of certain objectives have been wrongly paid out on the basis of incorrect data, the Supervisory Board is entitled, at its dutiful discretion, to reclaim in whole or in part the difference resulting from the recalculation of the amount of variable remuneration compared to the payment made (performance clawback).

These possibilities can also be used if the office as a member of the Management Board or the service relationship with the member of the Management Board has already ended at the time the right of reclaim and/or the right of retention is asserted. The member of the Management Board cannot rely on the fact that the reclaimed variable remuneration no longer exists in his/her assets. Claims for damages against the Management Board member, the right of ABOUT YOU to revoke the appointment and the right of ABOUT YOU to terminate the Management Board service contract without notice remain unaffected.

VI. Regulations at the End of the Activity

In the event of termination of a Management Board contract, outstanding variable remuneration components attributable to the period up to the termination of the contract shall be granted in accordance with Recommendation G.12 GCGC in accordance with the originally agreed objectives and comparison parameters and according to the due dates specified in the contract. If a Management Board contract ends during the course of a financial year, the STI and the LTI are granted pro rata of the service period performed in that financial year.

This does not apply to cases in which the Management Board service contract is terminated without notice for an important reason in the person of the Management Board member and for which he/she is responsible or ends or is dissolved in connection with a resignation of the Management Board member without agreement with the Supervisory Board; in these cases a variable remuneration is not granted for the year in which the termination of the Management Board service contract takes effect.

In the event of premature termination of the Management Board mandate due to the revocation of the appointment, the Management Board member will receive a severance payment in the amount of the remuneration expected to be due for the remaining term of the Management Board service contract of ABOUT YOU, but no more than two years' remuneration (severance payment cap within the meaning of Recommendation G.13 sentence 1 GCGC).

Benefits beyond this severance payment are excluded.

In the event of premature termination of the Management Board mandate due to an amicable termination of the Management Board service contract (with the exception of termination in connection with the resignation of the Management Board member without agreement with the Supervisory Board), the total value of the benefits promised by ABOUT YOU to the Management Board member under such an agreement shall be equal to the amount of the benefits promised by ABOUT YOU for the original remaining term of the Management Board service contract of ABOUT YOU, however, in accordance with G.13 sentence 1 GCGC no more than the value of two annual remunerations.

Commitments in the event of premature termination of the Management Board's activities due to a change of control (so-called "Change of Control") are not made (Recommendation G.14 GCGC).

The Supervisory Board may agree on a post-contractual non-competition clause with a member of the Management Board. In such a case, the severance payment in accordance with Recommendation G.13 sentence 2 GCGC shall be offset against the compensation for absenteeism.

VII. Temporary Deviation and exceptional Developments

In exceptional and duly justified cases, the Supervisory Board may decide to temporarily deviate from the remuneration system if this is necessary in the interest of the long-term well-being of ABOUT YOU. These include, for example, far-reaching changes in the economic framework conditions (e.g. due to an economic or financial crisis or a pandemic), a corporate crisis, the mapping of changed regulatory frameworks, a significant change in business strategy or all other circumstances or events which, alone or together with other circumstances or events, significantly impair or even eliminate the principles of the remuneration system to the extent that an appropriate material incentive for the members of the Management Board can no longer be set or maintained. The Supervisory Board may decide to deviate from the provisions on the remuneration structure and amount (including the maximum remuneration), the provisions relating to the individual remuneration components or the composition of the peer group.

The targets and target values do not change during the respective periods relevant for the achievement of the targets, Recommendation G.8 GCGC. In the event of extraordinary, unforeseen developments (e.g. severe economic crises), the effects of which are not sufficiently reflected in the objective and which render the original corporate targets obsolete, the Supervisory Board may take this into account appropriately in justified special cases when determining the objectives. Generally unfavourable market developments are expressly not regarded as exceptional developments during the year.

VIII. Further Provisions and Reporting

If the member of the Management Board exercises internal Supervisory Board mandates, such an activity is fully compensated by the remuneration as a member of the Management Board of ABOUT YOU. If a member of the Management Board assumes non-Group Supervisory Board mandates, the Supervisory Board decides within the context of the approval whether and to what extent a remuneration is to be credited.

The Management Board and Supervisory Board prepare an annual remuneration report in accordance with the statutory provisions. In the event of a temporary deviation within the meaning of Section 0. the remuneration report of the following year explains the specifically affected components of the remuneration system from which deviations have been made and the necessity of the deviation.