

Remuneration system for the members of the Management Board of Bijou Brigitte modische Accessoires AG

1. Principles of the remuneration system

The remuneration system for the members of the Management Board of Bijou Brigitte modische Accessoires AG (hereinafter also referred to as "Bijou Brigitte") is aligned with the Company's strategic objectives. The core objectives are ensuring sustainable company growth and high profitability while maintaining financial independence and strength and considering an ecologically sustainable way of working. The remuneration system sets incentives for the Company's sustainable long-term growth, thus safeguarding jobs and promoting resource-saving work. The amount of remuneration to be paid is based on the relevant Management Board member's experience, their areas of activity and responsibility, and their performance, and is therefore defined individually. The Supervisory Board shall ensure that the remuneration is commensurate with the Company's financial situation. Furthermore, when the amount of remuneration is being determined, whether the level of remuneration is customary in the Company's peer group, but also within the Company itself, is taken into account so as to ensure appropriate and competitive remuneration.

The Supervisory Board decides on the structure and amount of remuneration to be paid to the Management Board members of Bijou Brigitte. The remuneration system complies with the provisions of the German Stock Corporation Act and takes the recommendations of the German Corporate Governance Code (the "GCGC") into account. Where a company departs from the recommendations in the GCGC, this is disclosed in the Company's declaration of compliance pursuant to Section 161 AktG and any departures are explained. There is no separate personnel committee at Bijou Brigitte or any other committee that addresses the remuneration of the Management Board.

When developing the present remuneration system, the Supervisory Board was guided in particular by the following principles:

- promoting the sustainable long-term business development of Bijou Brigitte and supporting its corporate strategy;
- complying with the regulatory provisions of the German Stock Corporation Act and the German Corporate Governance Code, taking into account the departures stated in the Company's declaration of compliance; and
- pay-for-performance remuneration.

The Supervisory Board may temporarily depart from the remuneration system (procedures and regulations on remuneration structure) and its individual components (type, amount and grant date) as well as in relation to individual components of the remuneration system, including the targets for the variable remuneration components, or introduce new remuneration components or additional or alternative targets if this is expedient for the long-term commercial interests of Bijou Brigitte. The Supervisory

Board reserves such departures for extraordinary circumstances, such as an economic or corporate crisis, pandemics, natural disasters or similar circumstances. Such departures may provisionally lead to a departure from the maximum remuneration.

2. Components of the remuneration of Management Board members – overview and explanation

In accordance with Section 87a (1) AktG, the Supervisory Board shall resolve a clear and transparent remuneration system for the members of the Management Board, which is explained in more detail below.

- 2.1 A remuneration cap – for both fixed remuneration and performance-related remuneration – is an individual component of all Management Board contracts.

Notwithstanding the foregoing, the maximum remuneration (maximum expense for the Company comprising the sum of all remuneration to be paid for the financial year concerned, including the fixed annual base salary, fringe benefits and variable remuneration components but excluding any termination benefits), regardless of whether it is paid in the financial year or at a later date, must not exceed EUR 1.2 million for an ordinary Management Board member. The maximum remuneration for the Chairman of the Management Board must not be more than twice this amount.

- 2.2 The remuneration system for the members of the Management Board is closely tied in with the strategic corporate objective of generating continuous and sustainable profitable growth and makes an important contribution to achieving this corporate objective. Sustainable long-term growth and profitability increases are supported by incorporating the KPIs (Group earnings and the Group's profit margin) as well as environmental aspects into the Management Board remuneration. The remuneration system aims to optimise the Company's profitability and increase profit, on the basis of which variable remuneration is subsequently determined. The remuneration system contains financial and non-financial performance criteria.

- 2.3 The remuneration system for the members of the Management Board of Bijou Brigitte is composed of the components shown in the following overview:

Fixed remuneration	
Annual base salary	Contractually agreed non-performance-related remuneration, divided into and payable in twelve equal monthly instalments plus a 13th month, half of which is paid with the salary for June and the other half with the salary for November
Annual salary increase	Contractually agreed non-performance-related increase in monthly remuneration, implemented on 1 January of each year for the duration of the contract of employment
Fringe benefits	Company car (also available for personal use), contribution towards health and nursing care insurance, as well as different insurance benefits and general employee benefits
Variable remuneration	
Performance-related remuneration with a short-term incentive component	Basis of assessment: earnings before taxes (EBT) as presented in the consolidated annual financial statements for the financial year in question. Each Management Board member receives an individually established percentage share of this amount.
Performance-related remuneration with a long-term incentive component	Multiple-year basis of assessment: The prerequisite for payment is an increase in the Group's profit margin (Group earnings/consolidated revenue, as presented in the consolidated financial statements for the financial year in question) for three consecutive years retrospectively. In the event of a payout, an amount of EUR 10,000.00 shall be paid for each percentage point increase in the Group's profit margin during the period under review. This is capped at EUR 100,000.00.
Performance-related eco-bonus with a long-term incentive component	Multiple-year basis of assessment: The prerequisite for payment is a 25% reduction in electricity consumption, measured against the average electricity consumption per store in Germany as determined in an energy audit, comparing the years 2020 and 2024. If the target is achieved, each member of the Management Board will receive a bonus of EUR 25,000.00. For each percentage point reduction in electricity consumption above 25%, the bonus will increase by EUR 1,000.00.

Total remuneration is calculated as the sum of fixed remuneration and variable remuneration. In principle, the remuneration system is designed in such a way that the share of variable remuneration is tied to the Company's success, thus following the pay-for-performance approach and focusing on the sustainable and long-term development of Bijou Brigitte.

Where a Management Board member's contract of service starts or ends during the year, the member will only receive a proportional amount of the fixed and variable remuneration.

The annual base salary is comprised of contractually agreed non-performance-related remuneration, divided into and payable in twelve equal monthly instalments plus a 13th month, half of which is paid with the salary for June and the other half with the salary for November. The monthly remuneration shall be increased, in each case on 1 January of each year for the duration of the contract of employment.

Members of the Management Board of Bijou Brigitte are entitled to a company car that is also available for personal use. In addition, the Management Board members receive a contribution towards health and nursing care insurance. Furthermore, accident and personal liability insurance policies as well as D&O insurance are taken out for the members of the Management Board. The other fringe benefits are benefits that are also available to other employees of Bijou Brigitte. These include travel health insurance, the use of works amenities such as the canteen or underground car park, and a contribution towards the company pension scheme. The members of the Management Board can also take advantage of the medical health tests and check-ups available to all Bijou Brigitte employees.

Total variable remuneration is composed of performance-related remuneration with a short-term incentive component and performance-related remuneration with a long-term incentive component, as well as a performance-related eco-bonus with a long-term incentive component.

The amount of the variable short-term bonus shall be stipulated in the contract of each individual Management Board member. Short-term and long-term variable remuneration shall be paid out in cash.

An important success factor for Bijou Brigitte is good presentation of items, both in the shop window and on the shop floor. This requires bright, neutral illumination, achieved through a combination of background lighting and numerous special spotlights. Both light generation and air conditioning in the stores significantly determine the Company's overall consumption of electrical energy, which is why an eco-bonus has been included in the remuneration system for Management Board members. This aims to reduce electricity consumption in the stores in the long term, for example through the use of innovative lighting technologies, thereby reducing the Company's carbon footprint and helping to conserve resources. Electricity consumption in the German stores is measured and documented by means of statutory energy audits that take place every four years. These serve as the basis for calculating the eco-bonus.

The relationship between fixed and variable remuneration essentially depends on the specific reference values and thus on the particular case. It is not possible to specify a concrete ratio between the fixed and variable remuneration components in advance because the actual amount of the variable remuneration will depend on the achievement of targets in the individual case, which can only be determined retrospectively. Assuming 100% target achievement, the share of variable remuneration should

amount to between approx. 40% and 50% of total remuneration, and the share of fixed remuneration to between approx. 50% and 60% of total remuneration. These percentages may differ on account of the link to performance-related success factors, the occurrence of which cannot be predicted. In addition, the shares stated may differ depending on the costs of the contractually agreed fringe benefits.

- 2.4 The basis of assessment for the performance-related remuneration with a short-term incentive component is the earnings before taxes (EBT) reported in the consolidated annual financial statements for the financial year in question. Each Management Board member receives an individually established percentage share of this amount. This places emphasis on increasing Bijou Brigitte's profitability while taking the collective performance of the Management Board into account.

By contrast, the basis of assessment for the performance-related remuneration with a long-term incentive component is three years, and this is only paid out if the Company increases its consolidated profit margin (Group earnings/consolidated revenue as reported in the consolidated financial statements for the financial year in question) for three consecutive years retrospectively. This remuneration component thus contributes to the consideration of Bijou Brigitte's sustainable long-term corporate development. In the event of a payout, an amount of EUR 10,000.00 shall be paid for each percentage point increase in the Group's profit margin during the period under review. This is capped at EUR 100,000.00.

The performance-related eco-bonus with a long-term incentive component is aimed at promoting environmentally sustainable action in the Company. This bonus will only be paid out if there is a 25% reduction in electricity consumption, measured against the average electricity consumption per store in Germany as determined in an energy audit, comparing the years 2020 and 2024. If the target is achieved, each member of the Management Board will receive a bonus of EUR 25,000.00. For each percentage point reduction in electricity consumption above 25%, the bonus will increase by EUR 1,000.00.

The performance-related remuneration with a short-term incentive component and performance-related remuneration with a long-term incentive component are payable after approval of the consolidated financial statements for the financial year in question, but at the earliest together with the payment of the Management Board member's salary for the month of April. The performance-related eco-bonus with a long-term incentive component is payable after approval of the consolidated financial statements for the financial year in which the basis of assessment ends, but at the earliest when the findings of the energy audit are made available.

- 2.5 There is no provision for deferral periods for the payment of remuneration components.
- 2.6 There is no provision for the Company to claw back variable remuneration components because this would contradict the nature of performance-related remuneration from the Supervisory Board's perspective. The sustainability requirement is also sufficiently satisfied by the remuneration components specified in the remuneration system and the conditions for granting them without the need for a clawback clause.

- 2.7 There is no provision for share-based payment.
- 2.8 The terms of the employment contracts correspond to the duration of the appointment and, in the event of reappointment, shall be extended in each case by the duration of the reappointment. Normally, members of the Management Board are initially appointed for three years. When reappointed, this is normally for five years.

Due to the fixed term of the employment contracts, they generally do not provide for the possibility of ordinary termination. The right of both parties to extraordinary termination for cause within the meaning of Section 626 of the German Civil Code (Bürgerliches Gesetzbuch – BGB) remains unaffected.

No promises of compensation for dismissal have been agreed, nor has a severance cap or severance pay in the event of a change of control been agreed. There are also no commitments relating to pension and early retirement arrangements.

- 2.9 In accordance with statutory requirements and the recommendations of the German Corporate Governance Code, and taking into account the departures pursuant to the Company's declaration of compliance, the remuneration of the members of the Management Board is based on the customary level of management board remuneration in the Company's peer group and on the Company's economic situation and future prospects. The tasks and performance of the corresponding Management Board member and the salary structure within the Company are also taken into account.

The Supervisory Board monitors salary trends in the Company. The remuneration system is structured to promote the success of the Company as a whole. No individual targets are set for the Management Board members.

The Supervisory Board assesses the appropriateness of the remuneration of the individual Management Board members based on their professional experience and on comparisons with other companies. To ensure appropriateness, the Supervisory Board regularly conducts a horizontal and a vertical comparison. In the horizontal comparison, the remuneration of the members of the Management Board of Bijou Brigitte is compared with the remuneration of management board members from peer companies. The vertical analysis examines the Company's internal remuneration structure, comparing the remuneration of the Management Board with the remuneration of senior management and the overall workforce. The first management level below the Management Board and the employees of all German companies of the Bijou Brigitte Group were used as the main benchmark groups.

- 2.10 The Supervisory Board shall submit the remuneration system that it adopts to the Annual General Meeting for approval any time there is a significant change, but at least every four years. If the Annual General Meeting does not approve the system presented, the Supervisory Board shall present a revised remuneration system to the Annual General Meeting for approval no later than at the next Annual General Meeting. All employment contracts to be amended, extended or newly concluded are based on this remuneration system.

The Supervisory Board shall take appropriate measures to ensure that potential conflicts of interest of the Supervisory Board members involved in the deliberations and decisions on the remuneration system are avoided and, if necessary, resolved. Each member of the Supervisory Board is obliged to report conflicts of interest to the Chairman of the Supervisory Board. The Chairman of the Supervisory Board shall notify the deputy Chairman of any conflicts of interest affecting the Chairman. The Supervisory Board shall decide on how to deal with an existing conflict of interest on a case-by-case basis.

3. Scope

This remuneration system applies to all current Bijou Brigitte Management Board member contracts as well as to all contracts or contract extensions to be entered into in future. The existing Management Board member contracts have a term of five years and already satisfy the requirements of this remuneration system.