Compensation Report

Management Board (Managing Directors until July 9, 2018)

Compensation for the Management Board (Managing Directors of the monistic PUMA SE until July 9, 2018), which is set by the Supervisory Board (Administrative Board of the monistic PUMA SE until July 9, 2018), consists of non-performance-based and performance-based components. The non-performance-based components consist of a fixed salary and non-cash compensation, whereas the performance-based components consist of bonuses and components with a long-term incentive effect. Along with job assignments and performance of each individual Management Board member, the criteria for calculating the total remuneration are the economic situation, long-term strategic planning and related targets, the long-term durability of targeted results and the company's long-term prospects.

A fixed salary is paid out monthly as non-performance-based basic compensation. In addition, the Management Board members receive non-cash compensation, such as company cars, pension contributions and insurance premiums. In principle, these benefits are granted to all Management Board members in an equal manner and are included in the non-performance-based compensation. The fixed compensation for the three Management Board members amounted to €2.3 million in the financial year (previous year: €2.1 million). Non-cash compensation totaled €0.1 million (previous year: €0.1 million).

The bonus component of performance-related compensation is mainly based on the PUMA Group’s operating result (EBIT) and free cash flow and is staggered according to the degree to which targets are met. In addition, qualitative individual goals are set. An upper limit is also agreed. In the financial year, variable bonuses came to €2.7 million (previous year: €3.9 million).

Pro-rata provisions totaling €5.8 million (previous year: €8.4 million) were set up for the existing compensation program (virtual shares/monetary units) with long-term incentives (from the years 2016 to 2018) for Management Board members in financial year 2018 according to the vesting periods. The performance-based program is based on the medium-term performance of the PUMA SE share. The shares from the 2016 and 2017 programs that were based on the medium-term performance of the Kering SA share were valued as of the reporting date of 12/31/2017 and converted into virtual shares/monetary units of PUMA SE. Further information on this program can be found in chapter 19 of the Notes to the Consolidated Financial Statements.

For the financial year 2019, a new modern compensation program with a long-term incentive for Management Board members will be introduced, which is to be decided on by the Supervisory Board in early 2019.

Management Board members have pension commitments as part of deferred compensation, which are paid from the aforementioned performance-based and/or non-performance-based remuneration for which the company has taken out reinsurance for pension commitments. The proportion of the pension capital that
is already financed through contributions to the pension liability insurance is deemed to be vested. During
the financial year, PUMA allocated €0.5 million for Management Board members (previous year: €0.4
million). The present value of the pension benefits granted to active Management Board members in the
amount of €10.1 million as of December 31, 2018 (previous year: €4.5 million) was offset against the
pledged asset value of the pension liability insurance policy, which was of an equal amount.

There were pension obligations to former members of the Management Board and their widows/widowers
amounting to €3.2 million (previous year: €3.3 million) as well as contribution-based pension commitments
in connection with deferred compensation of former members of the Management Board and Managing
Directors amounting to €10.6 million (previous year: €10.3 million). Both items are accordingly recognized
as liabilities under pension provisions, unless they are offset against asset values of an equal amount.
Pension obligations to former members of the Management Board and their widows/widowers amounted
to €0.2 million (previous year: €0.2 million).

**Supervisory Board (Administrative Board until July 9, 2018)**

In accordance with the Articles of Association, the Supervisory Board (Administrative Board of the monistic
PUMA SE until July 9, 2018) has at least three members; it currently consists of six members. The
compensation of the Supervisory Board is comprised of a fixed and a performance-based component. The
total fixed compensation amounted to €0.2 million (previous year: €0.3 million).

In conformity with § 15 of the Articles of Association, each Supervisory Board member receives a fixed
annual compensation of €25,000.00, which is payable at the end of the Annual General Meeting for the
respective financial year. The fixed compensation is increased by an additional fixed annual amount of
€25,000.00 for the Chairman of the Supervisory Board, €12,500.00 for the Vice Chairman of the Supervisory
Board, €10,000.00 for the Chairman of a committee and €5,000.00 for each member of a committee. The
definitive committees here are the Personnel Committee, the Audit Committee and the Sustainability
Committee.

In addition to the fixed compensation, each Supervisory Board member receives annual performance-based
compensation equal to €20.00 for each €0.01 by which the earnings per share figure as disclosed in the
consolidated financial statements exceeds a minimum amount of €16.00 per share. The performance-based
compensation amounts to a maximum of €10,000.00 per year. The Chairman of the Supervisory Board
receives €40.00 for every €0.01 in profit per share and a maximum of €20,000.00 per year, and the Deputy
Chairman receives €30.00 for every €0.01 in profit per share and a maximum of €15,000.00 per year. As
earnings per share in the financial year are below the minimum amount, no performance-related
remuneration is payable.

A member of the Supervisory Board who is only active for part of a financial year receives pro rata
remuneration calculated on the basis of the period of activity determined for full months.