

## Additional Remuneration Disclosure

- The exceptional share award of 500,000 shares granted to Christopher Bailey as part of his appointment to the Chief Creative and Chief Executive Officer role will vest subject to performance, as outlined on page 93 in the policy section of the 2014 Annual Report. Vesting will be determined by reference to the following key performance criteria:
  - the strategic development of the business measured against the strategic plan approved by the Board from time to time;
  - the Company's financial performance, in assessing which the Remuneration Committee will have reference to the profit before tax condition applied to awards made in 2014 under the Burberry Group Co-Investment Plan;
  - the personal contribution made by Christopher Bailey;
  - the shareholder value delivered in the context of the evolution of the luxury goods markets in which Burberry operated over the period between the Date of Grant and the relevant vesting date; and
  - any other performance factors which are appropriate in assessing the extent of vesting having regard to the interests of shareholders.

The Committee will review progress against these performance criteria after the end of each financial year during the vesting period and record the achievement in each financial year in the Remuneration Report.

- Christopher Bailey's allowance was agreed by the Remuneration Committee as part of his remuneration for his prior role as Chief Creative Officer. It was agreed as a means of providing Christopher Bailey with an increase to his fixed remuneration without increasing other elements of his remuneration. For example if the allowance had been provided as an increase to his salary, this would have substantially increased the value of his annual bonus, share awards, and pension allowance.

25 June 2014