

**Declaration by the Management Board and the Supervisory Board of Zalando SE regarding
the recommendations of the Government Commission German Corporate Governance Code
pursuant to Section 161 AktG (German Stock Corporation Act)**

The Management Board and the Supervisory Board of Zalando SE declare that Zalando SE has, since the publication of the last annual declaration of conformity in December 2017 except for the deviations stated and explained below under 1. to 5., acted in conformity with the recommendations of the Government Commission German Corporate Governance Code in its version of February 7, 2017, published by the Federal Ministry of Justice and Consumer Protection on April 24, 2017, in the official section of the Federal Gazette (*Bundesanzeiger*) (hereinafter the “Code”).

Due to the introduction of the new compensation system for the Management Board effective as of December 1, 2018, the Management Board and the Supervisory Board of Zalando SE declare that Zalando SE will in the future act in conformity with the recommendations of the Code except for the deviations stated and explained below under 1. to 3.:

- 1. No. 3.8 Paragraph 3:** According to the Code’s recommendations, a deductible shall be agreed upon for the members of the Supervisory Board when taking out D&O policies. The company takes the view that such a deductible is not in itself suitable to increase the performance and sense of responsibility of the Supervisory Board members. Furthermore, it reduces the attractiveness of Supervisory Board positions and thus the company’s opportunities when competing for qualified Supervisory Board candidates.
- 2. No. 4.2.1 Sentence 1:** According to the Code’s recommendations, the Management Board shall have a chairman or spokesman. So far the three members of the Management Board of Zalando SE have worked together on an equal footing without any member performing the function of chairman or spokesman. The Supervisory Board does not see any reason why it should change this established and successful cooperation.
- 3. No. 5.1.2 Sentence 2:** According to the Code’s recommendation, the Supervisory Board shall take diversity into account when appointing Management Board members. The Supervisory Board acknowledges and appreciates the importance of diversity. With regard to the Management Board’s composition, qualification shall still be the decisive criterion. The Supervisory Board strives to adequately consider the various fields of core competencies of the business model. For the time being, the Supervisory Board does not apply a specific diversity concept with respect to the Management Board. The Supervisory Board hereby takes into account that the company since its founding in 2008 has always been and still is a founder-led company with a very lean Management Board structure, which since 2010 consists of only three members cooperating on an equal footing. This lean structure has proven successful in the past. Besides, the Supervisory Board acknowledges that the Management Board for its part

appreciates and promotes the importance of inclusion and diversity in the company overall and in the management of the company in particular. The Management Board aims to further increase the diversity in the management levels below itself, paying attention particularly to a variety of professional experience and expertise and aiming for an appropriate consideration of women and internationality. The Supervisory Board will continuously reconsider this decision on a diversity concept in the long-term succession planning and develop a diversity concept for the Management Board in the future when considered appropriate.

- 4. No. 4.2.3 Paragraph 2 Sentences 4, 6 and 7:** According to the Code's recommendations, both positive and negative developments shall be taken into account when determining variable components of the compensation paid to members of the Management Board. The amount of compensation shall be capped, both overall and for the variable compensation components, and the variable compensation components shall be related to demanding, relevant comparison parameters.

The previous compensation system for the Management Board, which was valid until November 30, 2018 and which had been determined before the initial public offering and thus before the application of the Code's recommendations, provided for a share option scheme as the variable component of the Management Board compensation. This share option scheme did not contain an explicit rule requiring the consideration of negative developments. It included performance targets linked to the average annual growth rate of the aggregated retail value of all sales transactions with persons or enterprises not belonging to the Zalando group. Negative developments were taken into account solely by the fact that the execution of option rights, due to the strike price for the execution of the option rights, can become unattractive; therefore, we declare, as a precautionary measure, a deviation from No. 4.2.3 paragraph 2 Sentence 4 for the past. With regard to the recommended cap for the amount of compensation within the meaning of No. 4.2.3 paragraph 2 Sentence 6, the share option program provided for a cap in relation to the number of shares that will be allocated upon the exercise. No cap was foreseen on the monetary value of the share options upon the exercise to avoid an interruption of the alignment of interest between the shareholders and the members of the Management Board, and to achieve adequate participation in the economic risks but also chances of the company by the members of the Management Board. As no cap in relation to the variable component was determined, consequently also no cap in relation to the overall amount of the compensation was determined, so that a deviation from No. 4.2.3 paragraph 2 Sentence 6 is declared for the past. Lastly, it could not be excluded that the agreed performance targets did not comply with the requirements laid down by the Code regarding demanding parameters. Therefore, we also declare, as a precautionary measure, a deviation from No. 4.2.3 paragraph 2 Sentence 7 for the past.

The new compensation system for the members of the Management Board which came into effect on December 1, 2018 is in line with all recommendations under No. 4.2.3 of the Code. Consequently, no deviation from No. 4.2.3 is declared for the future.

- 5. Nos. 4.2.4 and 4.2.5:** According to the Code's recommendations, the compensation of the members of the Management Board shall be disclosed by name, divided into fixed and variable components as well as fringe benefits. These recommendations were not complied with because the general meeting of Zalando SE on July 11, 2014 resolved in accordance with Sections 286 (5), 314 (3) Sentence 1, 315e (1) (previously 315a (1)) HGB in connection with Article 61 of the SE Regulation that the compensation of the members of the Management Board will not be disclosed by name in the annual and consolidated financial statements of Zalando SE to be prepared for fiscal years 2014 up to (and including) 2018. Thus, the company abstained from including in the compensation report the disclosures recommended under No. 4.2.5 paragraph 3 of the Code in individualized form.

In the course of the introduction of the new compensation system for the members of the Management Board, the company has decided to disclose the compensation of the members of the Management Board by name in line with the Code's recommendation in the future, starting with the annual and consolidated financial statements of Zalando SE to be prepared for the fiscal year 2018.

Berlin, in December 2018

Zalando SE

The Management Board

On behalf of the Supervisory Board

Robert Gentz

David Schneider

Rubin Ritter

Lothar Lanz