

**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 November 2015, acted in conformity with the recommendations of the “Government Commission German Corporate Governance Code” published by the Federal Ministry of Justice and Consumer Protection on 12 June 2015 in the official section of the Federal Gazette (*Bundesanzeiger*) in its version of 5 May 2015 (hereinafter the “Code”) with the deviations stated and explained therein and will in the future act in conformity with the following deviations:

- No. 3.8 para. 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 policy. 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.
- 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.
- No. 4.2.3 para. 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 current compensation system for the Management Board which had been determined before the initial public offering and thus before the application of the Code’s recommendations provides for a share option scheme as the variable component of the Management Board compensation, which was assessed to be appropriate by an independent compensation consultant.

This share option scheme does not contain an explicit rule requiring the consideration of negative developments. It includes 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 are only taken into account 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, for reasons of precaution, a deviation from No. 4.2.3 para. 2 sentence 4. With regard to the recommended cap for the amount of compensation within the meaning of No. 4.2.3 para. 2 sentence 6 the share option program provides for a cap in relation to the number of shares which will be allocated upon the exercise. No cap is foreseen on the achievable amount upon the exercise of the share options. In the opinion of the Supervisory Board such a cap would not be appropriate as it would interrupt the alignment of interest between the shareholders and the members of the Management Board. According to its rationale, the share based compensation aims to achieve an adequate participation in the economic risks and chances of the company by the members of the Management Board. As no cap in relation to the variable component is determined, consequently also no cap in relation to the overall amount of the compensation is determined so that a deviation from No. 4.2.3 para. 2 sentence 6 is declared. Lastly, it cannot be excluded that the agreed performance targets do not comply with the requirements laid down by the Code regarding demanding parameters. Therefore, we also declare, for reasons of precaution, a deviation from No. 4.2.3 para. 2 sentence 7.

The Supervisory Board is convinced that the option scheme for the Management Board is well balanced and appropriate. In the opinion of the Supervisory Board, the compensation, due to the variable, i.e. share-based, compensation component being linked to the share price and due to the long-term nature of the defined targets as well as the significant strike price for exercising the share options, is oriented toward the situation of the Company and its long-term positive development. Against this background, the Supervisory Board does not intend to adjust the agreements concluded with the Management Board.

- 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 are not complied with because the General Meeting of Zalando SE resolved on 11 July 2014 in accordance with sections 286 (5), 314 (3) sentence 1, 315a (1) HGB (German Commercial Code) in connection with article 61 of the SE Regulation that the compensation of the members of the Management Board shall 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. For the duration of a corresponding "opt-out" resolution passed by the General Meeting, the Company will abstain from including in the compensation report the disclosures recommended under No. 4.2.5 para. 3 of the Code in individualized form.
- No. 5.4.5 sentence 2: According to the Code's recommendations, members of the management board of a listed company shall not accept more than a total of three supervisory board mandates in non-group listed companies or in supervisory bodies of non-group companies

which make similar requirements. One of the members of the Supervisory Board of Zalando SE is the CEO of a foreign listed company and currently at the same time has accepted more than three mandates in Supervisory Boards of non-group listed companies or in supervisory bodies of non-group companies which make similar requirements. However, Zalando SE does not consider this to be a limitation of the proper fulfilment of the Supervisory Board member's responsibilities as the Supervisory Board member has sufficient time to perform his mandate at Zalando SE. Since it is not sufficiently clear whether No. 5.4.5 sentence 2 of the Code also applies to Management Boards of foreign listed companies, we declare, for reasons of precaution, a deviation.

Berlin, in November 2016

Zalando SE

The Management Board

On behalf of the Supervisory Board

Robert Gentz

David Schneider

Rubin Ritter

Lothar Lanz