

INVITATION TO THE ANNUAL GENERAL MEETING

OF ZALANDO SE ON MAY 31, 2016



Convenience translation

This translation is a working translation only. Legally binding and relevant is solely the German version.

Zalando SE

BERLIN

ISIN DE 000ZAL1111 (WKN ZAL111)

INVITATION TO THE ANNUAL GENERAL MEETING

Notice is hereby given to the shareholders
of our Company that the

Annual General Meeting

will be held in **Umspannwerk Alexanderplatz**,
Voltairestraße 5, 10179 Berlin,
on **Tuesday, 31 May 2016**
at **10:00 a.m.**



AGENDA

- 1. Presentation of the adopted annual financial statements and the approved consolidated financial statements for fiscal year 2015 together with the consolidated management reports for Zalando SE and the Zalando group and the report of the Supervisory Board as well as the explanatory reports on the information required pursuant to §§ 289 (4), 315 (4) and § 289 (5) of the German Commercial Code (HGB)**

The Supervisory Board approved the annual financial statements and the consolidated financial statements as prepared by the Management Board on 29 February 2016. The annual financial statements have therefore been adopted. No resolution needs to be adopted by the General Meeting in respect of this Agenda Item 1. The documents relating to this Agenda item 1 are available on the Company's website

<https://corporate.zalando.com/en/annual-general-meeting>

and will also be available for inspection at the General Meeting.

- 2. Discharge of the Management Board of Zalando SE for fiscal year 2015**

The Management Board and the Supervisory Board propose to grant discharge to the members of the Management Board of the Company who were in office in fiscal year 2015 in respect of this period.

- 3. Discharge of the Supervisory Board of Zalando SE for fiscal year 2015**

The Management Board and the Supervisory Board propose to grant discharge to the members of the Supervisory Board of the Company who were in office in fiscal year 2015 in respect of this period.

4. Election of auditors

- a) Based on the recommendation of its Audit Committee, the Supervisory Board proposes to appoint Ernst & Young GmbH, Wirtschaftsprüfungsgesellschaft, Stuttgart, Berlin Office, as auditor for the audit of the financial statements and of the consolidated financial statements for fiscal year 2016 and for a review of the condensed accounts and the interim management report for the first six months of fiscal year 2016 and for a review, if applicable, of additional interim financial information within the meaning of § 37w (7) of the German Securities Trading Act (*WpHG*) in fiscal year 2016.
- b) Furthermore, based on the recommendation of its Audit Committee, the Supervisory Board proposes to appoint Ernst & Young GmbH, Wirtschaftsprüfungsgesellschaft, Stuttgart, Berlin Office, as auditor for a review, if applicable, of additional interim financial information within the meaning of § 37w (7) WpHG in fiscal year 2017 until the next General Meeting.

It is intended to take separate votes on Agenda items 4a) and 4b), respectively.

5. **Resolution on the authorization for the granting of subscription rights and the authorization for the granting of stock appreciation rights with subscription rights of Zalando SE to members of the management boards of affiliated companies of Zalando SE as well as to managerial staff members and selected proven key employees of Zalando SE or affiliated companies and on the creation of a conditional capital as well as on an amendment to the Articles of Association**

In order to foster the loyalty of the members of the management boards of affiliated companies as well as managerial staff members and selected proven key employees of the Company or affiliated companies towards the Zalando Group by means of a variable share-based remuneration component with a long term incentive effect and risk elements, an opportunity shall be provided to grant subscription rights for shares of the Company

(“**Performance Shares**”) as well as stock appreciation rights with subscription rights for shares of the Company (“**Performance Options**”) as a remuneration component.

The specific design of the resolution proposal is oriented towards the concept of a share-based remuneration program, while there are certain differences to traditional share option programs with respect to both the Performance Shares and the Performance Options.

In contrast to traditional share option programs, the shares shall, upon exercise of the Performance Shares and achievement of the success target, not be issued against payment of an exercise price which amounts to at least the stock exchange price of one share of the Company at the time of the grant of the subscription rights, but for the lowest issue price of presently EUR 1.00. The main reason for this structure is that in case of a Performance Share the value of the respective share takes the place of a cash remuneration, so that the shares ideally would be issued without any consideration, but – due to the legal requirements of the Stock Corporation Act – are to be issued against payment of the lowest issue price in the amount of EUR 1.00. This does not lead to a specific economic advantage of the Participants in comparison to traditional share option programs, as the amount of the granted subscription rights will already take into account the fact that the Participants receive the full value of the shares (less EUR 1.00) and not just the difference between the stock exchange price of the Zalando shares at the time of the grant of the subscription rights and the stock exchange price of the Zalando shares at the time of the issuance of the share as it would be the case under a traditional share option program. The share-based remuneration to this extent replaces a cash remuneration which would otherwise be granted and which would also be contingent upon the achievement of success targets.

Unlike traditional share option programs, Performance Options only create subscription rights to the extent of an actual increase in value of the Zalando shares: A Performance Option based on a stock appreciation right grants the right to request from the Company a variable remuneration in the amount of the difference between the stock exchange price of one Zalando share at the time of

the grant respectively, in case of so called out-of-the-money Performance Options, 120 % of the stock exchange price of the Zalando shares at the time of the grant, and the stock exchange price at the time of exercise, and to receive such number of shares in the Company at the time of exercise which corresponds to the respective value increase of the Performance Options. Each Performance Option therefore entitles the Participant to receive such fractional amount of a new Zalando share which results from the division of the value increase by the stock exchange price at the time of exercise.

As the Participant is only entitled to receive shares in the amount of the actual value increase, the amount of the newly issued Zalando shares can be significantly reduced.

Ultimately, the proposed authorization is intended to enable the Company to offer an attractive compensation component in order to make attractive and motivating offers in the competition for the best talents also in the future. At the same time, the size of the program encompassing approx. 2.06 % of the Company's share capital, is limited and thus the program also in this regard takes the interests of the shareholders into account.

The Management Board and the Supervisory Board therefore propose to pass the following resolution:

a) Authorization to grant subscription rights for non-par value shares

The Management Board is authorized to issue until 30 May 2021 in total up to 5,098,440 subscription rights for up to 5,098,440 non-par value shares of the Company with a pro-rata share in the share capital of EUR 1.00 each by the granting of (i) subscription rights for shares (the "**Performance Shares**") and (ii) stock appreciation rights with subscription rights for shares (the "**Performance Options**") to members of the management boards of affiliated companies and managerial staff members as well as selected proven key employees of the Company and affiliated companies (the "**Participants**").

The exact group of Participants and the scope of subscription rights (Performance Shares and Performance Options) to be granted to each of them will be determined by the Management Board.

- Performance Shares

Each Performance Share entitles the Participant to receive (subscription right) one share of the Company with a pro-rata share in the share capital of EUR 1.00 against payment of an issue price of EUR 1.00 on the basis of the following provisions.

- Performance Options

Each Performance Option entitles the Participant to participate in the share price increase of one share of the Company between the grant of the Performance Option and its exercise. One Performance Option entitles the Participant to receive from the Company a variable remuneration in the amount (the “**Value Increase**”) by which the stock exchange price of one share on the exercise date (the “**Exercise Date Share Price**”) exceeds either (i) – in case the Participant has elected at-the-money Performance Options (the “**ATM Performance Options**”) – the stock exchange price of one share on the grant date (the “**Base Price**”) or (ii) – in case the Participant has elected out-of-the-money Performance Options (the “**OTM Performance Options**”) – 120% of the Base Price (the Value Increase hereinafter also referred to as the “**Remuneration Entitlement**”) and to receive (subscription right) for this in case of an exercise of the Performance Options the amount of shares in the Company, the value of which (on the basis of the Exercise Date Share Price) corresponds to the respective Value Increase.

Each Performance Option entitles the Participant to receive the fractional amount of one share in the Company which results from the division of

the respective Value Increase (depending on the choice between ATM Performance Options and OTM Performance Options) by the Exercise Date Share Price, up to, however, one share of the Company.

The Base Price is calculated by means of the volume-weighted average closing stock exchange price of one share in the Company on the last 60 trading days in the electronic "Xetra" trading on the Frankfurt Stock Exchange (or a comparable successor system) prior to the respective grant of the Performance Options; the Exercise Date Share Price corresponds to the closing stock exchange price on the day of the exercise of the Performance Option.

In case the number of exercised Performance Options does not entitle the Participant to receive a full number of shares in the Company, the Participant is entitled to receive the next lower number of whole shares in the Company and the difference in value to the sum of fractional amounts shall be paid out in cash.

The key terms for the issue of the subscription rights are as follows:

(1) Entitled persons/distribution of subscription rights

Subscription rights may be issued only to members of the management boards of affiliated companies and managerial staff members as well as selected proven key employees of the Company and affiliated companies. Members of the Management Board of the Company are excluded.

The total volume of subscription rights is apportioned to the groups of entitled persons as follows:

- Members of the management board of affiliated companies receive in total a maximum of up to 764,766 subscription rights,
- managerial staff members and selected proven key employees of the Company and affiliated companies receive in total a maximum of up to 4,333,674 subscription rights.

The Participants receive subscription rights only as members of one group. Double grants are not admissible.

The Participants must, at the time of the granting of the subscription rights, be in a continuous and untermiated employment or service relationship with the Company or an affiliated company.

To the extent that granted subscription rights are forfeited during the authorization period due to (i) the Participant leaving the Company or an affiliated company, (ii) a Participant being irrevocably released from her or his obligation to work or (iii) the employment respectively service relationship is temporarily suspended without entitlement to continued remuneration, an equivalent number of subscription rights may be granted to Participants of the same group of persons.

- (2) Grant of subscription rights (granting periods), vesting, grant date and content of subscription rights

The grant of subscription rights shall be made in annual tranches on 1 July of each year. Notwithstanding the previous sentence, Participants who are eligible for the first time to be granted subscription rights, may also be granted subscription rights on 1 January. If the amendment to the Articles of Association to be resolved as stated under lit. c) is not entered in the Commercial Register prior to 1 July 2016,

the first grant of subscription rights shall take place on the first Monday of the calendar month following the entry. The day on which subscription rights are granted is hereinafter referred to as “**Grant Date**”. In case the Base Price on the Grant Date is below EUR 1.00 (lowest issue price), no Performance Options shall be granted.

The subscription rights granted will vest according to the following timetable over a one-year-period (the “**Vesting**”):

- $\frac{1}{4}$ of the subscription rights (rounded down to the next full number) on the day corresponding by its number to the Grant-Date on each third (3rd) monthly anniversary in the nine months following the Grant Date; fractions of subscription rights resulting from the rounding down shall, in each case, be carried forward and be taken into account when calculating the number of subscription rights vested on the next scheduled Vesting date; and
- the remaining subscription rights on the day corresponding by its number to the Grant-Date on the twelfth monthly anniversary following the Grant Date.

The Vesting of subscription rights granted to a Participant will end and unvested subscription rights will be forfeited without entitlement to compensation, once the relevant Participant no longer is in a continuing and untermiated employment or service relationship with the Company or an affiliated company. The Management Board may provide for further cases in which the Vesting will end and unvested subscription rights will be forfeited without entitlement to compensation. This comprises, in particular, cases where the Participant is irrevocably released from her or his obligation to work or the employment respectively service relationship is temporarily

suspended without entitlement to continued remuneration.

Each subscription right entitles the holder to acquire one non-par value share in the Company (i) against payment of the exercise price specified under (3) or (ii) against contribution of the Remuneration Entitlement as set forth under (3) and has a term of eight years.

The subscription conditions can provide that the Company may, in fulfilment of the subscription right, at its free discretion grant the Participants treasury shares instead of new shares issued out of conditional capital or settle the subscription right in cash. The acquisition of the Company's treasury shares for this alternative satisfaction of the subscription rights must comply with the statutory provisions. No authorization to acquire treasury shares is granted by this resolution.

(3) Exercise price and success target

The exercise price for each share shall be equal to the lowest issue price (§ 9 (1) German Stock Corporation Act (*AktG*)), therefore EUR 1.00.

In case of the exercise of a Performance Share the exercise price for each share shall be paid in cash.

In case of the exercise of Performance Options the exercise price for each share shall be paid by way of the contribution of the Participant's Remuneration Entitlement of the granted stock appreciation rights.

It is a precondition for the exercise of subscription rights in each case that the annual success target is achieved within the four-year waiting period specified under (4).

The success target is achieved if the Compounded Annual Growth Rate of the Net Merchandise Value of the Zalando-Group during

the four years of the waiting period amounts to at least six per cent.

“Net Merchandise Value” means the number of sold articles multiplied with their net sales prices. **“Zalando Group”** means the Company and any company included in the consolidated financial statements (*Konzernabschluss*) of the Company at the relevant point in time.

If the success target is not achieved by the end of the waiting period, all subscription rights granted shall forfeit completely without any compensation.

- (4) Waiting period for first exercise, exercise periods and black-out periods

The waiting period for the first exercise is four years from the time of the Grant Date of the subscription right in each case. On expiry of the waiting period, all vested subscription rights for which the success target under (3) has been achieved can be exercised at any time until the end of the relevant period specified under (2), with the exception of black-out periods. Performance Options may not be exercised in case the Exercise Date Share Price is less than EUR 1.00 (lowest issue price).

The black-out periods are the following in each case:

- the period from the 45th calendar day prior to a Company's General Meeting until the end of the day of such General Meeting;
- the period from the day on which the Company publishes an offer to its shareholders to subscribe for new shares in a stock exchange gazette or the Federal Gazette (*Bundesanzeiger*) up to the day on which the shares of the Company issued in accordance with that right are listed for the first time on the Frankfurt Stock Exchange “ex subscription rights”; and

- from 17 March, 16 June, 16 September and 17 December until the beginning of the first business day after the publication of the respective quarter, half-year or annual report. In the event that, exceptionally, the report is only published after 12:00 a.m., the black-out period extends to the beginning of the second business day after the publication of the respective report.

The Management Board may, acting reasonably, determine further black-out periods or, to the extent permitted by law, abbreviate them.

The black-out periods mentioned above include in each case the days on which the respective black-out period begins and ends. In addition, any restrictions under general legal provisions, in particular the German Securities Trading Act (*WpHG*), are to be observed.

(5) Adjustment in case of Capital Measures/
Protection against dilution

If the Company, during the term of the subscription rights, while granting a direct or indirect subscription right to its shareholders, increases its stock capital by the issue of new shares or issues bonds with conversion or option rights and, in that case, the fixed issue, conversion or option prices per share are less than the Base Price resp. in case of OTM Performance Options less than 120% of the Base Price, the Management Board is entitled to establish financial equality for the Participants. This equality may be established by way of adjustment of the number of subscription rights. The Participants do not have any entitlement to such financial equality. In the case of the issue of shares, conversion bonds or options rights in the course of equity based incentive programs of the Company, no compensation will be granted.

In the event of a capital increase from Company funds by the issue of new shares, the conditional

capital will, in accordance with § 218 AktG, be increased in the same proportion as the share capital. The right of the Participants to subscribe new shares by the exercise of subscription rights shall increase in the same proportion. If the capital increase from Company funds takes place without the issue of new shares (§ 207 (2) sentence 2 AktG), the subscription rights remain unchanged.

In the event of a capital reduction, no adjustment of the exercise price or the subscription right ratio shall take place if the total number of shares is not changed by the capital reduction or the reduction is associated with a repayment of capital or with the acquisition of the Company's own shares for valuable consideration. In the case of a capital reduction by merger of shares without capital redemption and in the case of an increase in the number of shares without any change in capital (share split), the number of shares which can be acquired for each Performance Share or each Performance Option shall be reduced or increased in proportion to the capital reduction or share split.

(6) Non-transferability; cancellation of subscription rights

The subscription rights are, except by way of inheritance, neither transferable nor sellable, and may not be pledged or charged in any other manner. All non-exercised subscription rights are cancelled without compensation on the expiry of eight years after the Grant Date. In cases where the employment or service relationship ends by death, reduced capacity to work, retirement, termination or otherwise without termination, special rules for the cancellation of subscription rights can be included in the subscription conditions.

(7) Other provisions

The new shares which are issued for the purpose of satisfying subscription rights, shall participate in the profits from the beginning of the fiscal year in which they are issued; notwithstanding this, the new shares shall participate in the profits from the beginning of the fiscal year preceding the fiscal year in which such new shares are created, if the General Meeting has not yet adopted a resolution on the appropriation of the distributable profit (*Bilanzgewinn*) of the fiscal year preceding the fiscal year in which such new shares are created.

The Performance Shares and the Performance Options as well as the shares attributable to them can be assumed by a financial institution with the obligation to transfer them to the Participants in accordance with the Company's instructions.

(8) Further details

The Management Board is authorized to determine the further details for the issue of shares out of the conditional capital, in particular, the subscription conditions for the entitled persons. The further details include, in particular, provisions on the distribution of subscription rights within the groups of Participants, provisions on tax and costs, provisions in relation to dividend entitlements prior to the exercise of subscription rights, the procedure for the allocation to the individual entitled persons and the exercise of subscription rights, provisions in relation to the cancellation of subscription rights in the event of the ending of employment or service relationship and further procedural rules.

b) Conditional Capital Increase

The share capital of the Company shall be conditionally increased by up to EUR 5,098,440.00 against contribution in cash and in kind by the issuance of up to 5,098,440 new non-par value shares with a pro-rata share in the share capital of EUR 1.00 to fulfil subscription rights for shares of the Company (Conditional Capital 2016). The Conditional Capital 2016 may only be used to fulfil the subscription rights which have been granted once or several times – partly as a component of stock appreciation rights – in accordance with the resolution of the General Meeting of 31 May 2016. The new shares shall be subscribed either against a cash payment in the amount of the lowest issue price in the meaning of § 9 (1) AktG or against the contribution of the participants' remuneration entitlements under the stock appreciation rights granted to them, which are granted in accordance with the resolution of the General Meeting of 31 May 2016. The conditional capital increase will be implemented only to the extent that subscription rights or stock appreciation rights with subscription rights have been or will be issued in accordance with the resolution of the General Meeting of 31 May 2016, the holders of subscription rights exercise their rights and the Company grants no treasury shares or cash payments for the satisfaction of the subscription rights. The subscription shares will be issued at the lowest issue price of EUR 1.00. The new shares which are issued for the purpose of satisfying subscription rights shall participate in the profits from the beginning of the fiscal year in which they are issued; notwithstanding this, the new shares shall participate in the profits from the beginning of the fiscal year preceding the fiscal year in which such new shares are created, if the General Meeting has not yet adopted a resolution on the appropriation of the distributable profit (*Bilanzgewinn*) of the fiscal year preceding the fiscal year in which such new shares are created.

c) Amendment to the Articles of Association

§ 4 para. 8 of the Articles of Association shall read as follows:

“The share capital of the Company is conditionally increased by up to EUR 5,098,440.00 against contribution in cash and in kind by the issuance of up to 5,098,440 new non-par value shares with a pro-rata share in the share capital of EUR 1.00 to fulfil subscription rights for shares of the Company (Conditional Capital 2016). The Conditional Capital 2016 may only be used to fulfil the subscription rights which have been granted once time or several times – partly as a component of stock appreciation rights – in accordance with the resolution of the General Meeting of 31 May 2016. The new shares shall be subscribed either against a cash payment in the amount of the lowest issue price in the meaning of § 9 (1) AktG or against the contribution of the participants’ remuneration entitlements under the stock appreciation rights granted to them, which are granted in accordance with the resolution of the General Meeting of 31 May 2016. The conditional capital increase will be implemented only to the extent that subscription rights or stock appreciation rights with subscription rights have been or will be issued in accordance with the resolution of the General Meeting of 31 May 2016, the holders of subscription rights exercise their rights and the Company grants no own shares or cash payments for the satisfaction of the subscription rights. The subscription shares will be issued at the lowest issue price of EUR 1.00. The new shares which are issued for the purpose of satisfying subscription rights shall participate in the profits from the beginning of the fiscal year in which they are issued; notwithstanding this, the new shares shall participate in the profits from the beginning of the fiscal year preceding the fiscal year in which such new shares are created, if the General Meeting has not yet adopted a resolution on the appropriation of the distributable profit (*Bilanzgewinn*) of the fiscal year preceding the fiscal year in which such new shares are created.”

6. Resolution on the approval of two new domination and profit and loss transfer agreements between Zalando SE and two subsidiaries

The Management Board and the Supervisory Board propose to approve each of the two new domination and profit and loss transfer agreements between Zalando SE as controlling company and the following two subsidiaries of Zalando SE as respective controlled company:

- a) Metrigo GmbH with registered office in Hamburg
- b) Zalando Media Solutions GmbH with registered office in Berlin.

Zalando SE holds 100 % of the shares in each of the aforementioned subsidiaries. The domination and profit and loss transfer agreements are intended to be the basis for so-called fiscal unities for income tax purposes (*ertragsteuerliche Organschaften*) between Zalando SE and the respective subsidiaries. Since Zalando SE is the sole shareholder of each of the two subsidiaries, no compensation payments or financial settlements pursuant to §§ 304, 305 of the German Stock Corporation Act (*AktG*) are to be made to outside shareholders. The main content of each of the domination and profit and loss transfer agreements (hereinafter referred to as “**Agreement**”) is as follows:

- The controlled company submits its management control (*Leitung*) to the controlling company which is, therefore, entitled to issue instructions (*Weisungen*) to the managing directors of the controlled company with regard to the management control of the company (§ 1 (1) and (2) of the Agreement). The managing directors of the controlled company may claim that instructions be confirmed in writing (§ 1 (3) of the Agreement). The controlling company is not entitled to issue the instruction to the managing directors of the controlled company to amend, maintain or terminate the Agreement (§ 1 (4) of the Agreement).
- The controlled company undertakes to transfer its entire annual profit (*Gewinnabführung*) to the controlling company during the term of the Agreement.

Subject to the formation and dissolution of reserves pursuant to § 4 (1) of the Agreement, the annual profit generated without the transfer of profit, less any losses carried forward from the preceding year, the amount blocked from distribution pursuant to § 268 (8) HGB and any appropriations to the reserves pursuant to § 4 (1) of the Agreement, and plus any amounts withdrawn from the retained earnings pursuant to § 4 (1), shall be transferred (§ 2 (1) of the Agreement). With regard to the admissible maximum profit transfer amount pursuant to § 2 (1), § 301 AktG, as amended from time to time, shall apply *mutatis mutandis* (§ 2 (2) of the Agreement).

- As regards the assumption of losses, the provisions of § 302 AktG, as amended from time to time, shall apply *mutatis mutandis* (§ 3 of the Agreement).
- The controlled company may, with the consent of the controlling company, appropriate amounts from the annual profit to the retained earnings to the extent permissible under commercial law and justified in economic terms on the basis of a reasonable commercial assessment. Any “other retained earnings” within the meaning of § 272 (3) sentence 2 HGB formed at the controlled company during the term of the Agreement shall be dissolved upon the request of the controlling company, where applicable, and be used in accordance with § 302 AktG as amended from time to time to compensate any annual deficit or be transferred as profits (§ 4 (1) of the Agreement). The transfer of income from the release of other reserves, profit carried forward and retained earnings which may exist at the beginning of the term of the Agreement as profit to the controlling company is expressly excluded. The same applies to capital reserves irrespective of whether such capital reserves were established prior to or after the effective date of the Agreement (§ 4 (2) of the Agreement).
- The claim for compensation of the annual deficit pursuant to § 3 of the Agreement shall be due effective as per the end of the last day of any one fiscal year of the controlled company (§ 5 (1) of the Agreement). The claim for the transfer of profits pursuant to § 2 of

the Agreement shall be due effective as per the end of the day when the shareholders resolve on the adoption of the balance sheet in any one fiscal year of the controlled company (§ 5 (2) of the Agreement). Prior to the adoption of the annual financial statements, the controlling company may claim an advance on any profit transfer that is likely to be due for the fiscal year, provided the controlled company's liquidity allows for the payment of such an advance (§ 5 (3) of the Agreement). The controlled company may claim an advance on any likely annual deficit to be compensated in that fiscal year, provided it needs such an advance in view of its liquidity (§ 5 (4) of the Agreement). The claims for the transfer of profit pursuant to § 2 of the Agreement and for the compensation of the annual deficit pursuant to § 3 of the Agreement shall bear interest at a rate of 5 % p.a. pursuant §§ 352, 353 HGB as from the date when they fall due (§ 5 (1) and (2) of the Agreement) (§ 5 (5) of the Agreement).

- The Agreement is concluded subject to the approval of the General Meeting and the shareholders' meeting of the contracting parties, as applicable (§ 6 (1) of the Agreement). The Agreement takes effect upon registration of its existence in the commercial register at the registered seat of the controlled company and shall enter into force – except for the power of management control of the controlling company – with regard to Metrigo GmbH and Zalando Media Solutions GmbH with retroactive effect as from the beginning of the fiscal year in which the Agreement is registered in the commercial register. The right to issue instructions may be exercised only as from the date when the Agreement enters into force upon its registration in the commercial register at the registered seat of the controlled company (§ 6 (2) of the Agreement).
- The Agreement is concluded initially for a term of five years (60 months) as from the beginning of the fiscal year of the controlled company in which the Agreement is registered in the commercial register at the registered seat of the controlled company. The Agreement shall be extended unchanged for a further year each time, unless it is terminated by any party

giving notice one month to expiry at the latest. If the end of the term is not identical with the end of a fiscal year of the controlled company, the term shall be extended until the end of the then current fiscal year (§ 6 (3) of the Agreement).

- The Agreement may be terminated prior to the end of its term by giving notice in writing for good cause (*aus wichtigem Grund*). A good cause shall be deemed, in particular, any of the following events (§ 6 (4) and (5) of the Agreement):
 - The controlling company does no longer hold, directly or indirectly, the majority of voting rights in the controlled company;
 - The controlling company sells and transfers (*veräußert*) or contributes the shares in the controlled company to a third person that is not affiliated with the controlling company in the meaning of §§ 15 AktG;
 - The controlling company or the controlled company is merged, split or liquidated.

It is intended that each shareholders' meeting of the respective subsidiaries is going to approve of the respective domination and profit and loss transfer agreement shortly after the General Meeting of Zalando SE.

Each domination and profit and loss transfer agreement is explained in more detail together with a statement of reasons in a joint report of the Management Board of the Zalando SE and the managing directors of the respective subsidiaries in accordance with § 293a (1) AktG.

These joint reports and the drafts of the domination and profit and loss transfer agreements will be available together with the other documents regarding this Agenda item 6 that are to be made accessible according to the law as from the date of the notice convening the General Meeting at the Company's website via the following link:

<https://corporate.zalando.com/en/annual-general-meeting>

They will be made accessible also in the General Meeting.

It is intended to take separate votes on Agenda Items 6a), 6b) and 6c).

7. Election to replace a Supervisory Board member

Ms. Cristina Stenbeck resigned from office as member of the Supervisory Board and from office as Chairperson of the Supervisory Board with effect as of the end of the General Meeting held on 31 May 2016. Therefore, one new member of the Supervisory Board representing the shareholders must be elected.

Pursuant to (i) Art. 40 (2), (3) of Council Regulation (EC) No 2157/2001 of 8 October 2001 on the statute for a European company (SE) ("**SER**"), (ii) § 17 of the German SE Implementation Act ("**SEAG**"), (iii) § 21 (3) of the German SE Participation Act ("**SEBG**"), (iv) the second section of the Agreement on the Participation of Employees in Zalando SE of 17 March 2014 and (v) § 10 (1) of the Company's Articles of Association, the Supervisory Board has nine members, including six members representing the shareholders and three members representing the employees.

Pursuant to § 10 (2) sentence 1 of the Articles of Association, the six members representing the shareholders are elected by the General Meeting without being bound to an election proposal.

In accordance with the recommendation of the Nomination Committee, the Supervisory Board proposes to elect Mr. Jørgen Madsen Lindemann as member of the Supervisory Board of Zalando SE representing the shareholders – in accordance with § 10 (4) sentence 1 of the Articles of Association – for the remaining term of office of Ms. Cristina Stenbeck, i.e. for the period until the end of the General Meeting that resolves on the formal approval of the members' acts for the fiscal year 2016.

Mr. Jørgen Madsen Lindemann is Chief Executive Officer of Modern Times Group MTG AB and resides in Klampenborg, Denmark.

In accordance with section 5.4.3 sentence 3 of the German Corporate Governance Code, attention is hereby drawn to the following: It is proposed that, after the resignation of Ms. Cristina Stenbeck, Mr. Lothar Lanz is proposed as candidate for the position of the Chairperson of the Supervisory Board.

Supplementary information pursuant to § 125 (1) sentence 5 AktG

Mr. Jørgen Madsen Lindemann is a member of a statutory supervisory board of the companies listed under item (i) below or a member of a comparable controlling body in Germany or abroad of the companies listed under item (ii) below:

- i. None
- ii. Member of the Advisory Board of Turtle Entertainment GmbH, Cologne

Supplementary information pursuant to section 5.4.1 (4) to (6) of the German Corporate Governance Code

Mr. Jørgen Madsen Lindemann is Chief Executive Officer of Modern Times Group MTG AB. Investment AB Kinnevik, a significant shareholder in Zalando SE, holds 47.6% of the voting rights in Modern Times Group MTG AB.

Further information on Mr. Jørgen Madsen Lindemann is available on the internet at

<https://corporate.zalando.com/en/annual-general-meeting>

as from the date of the notice convening the General Meeting.

Company's website and documents and information accessible there

This notice of the General Meeting, the documents to be made available to the General Meeting and further information in connection with the General Meeting can be accessed via the Company's website at

<https://corporate.zalando.com/en/annual-general-meeting>

as from the time at which the General Meeting is convened. All information that is required to be made accessible to the General Meeting will be available to shareholders for inspection also at the General Meeting.

Any counter-motions, election proposals and requests to add items on the Agenda by shareholders that are subject to publication requirements and are received by the Company will also be made accessible via the aforementioned website. The voting results will also be published at this internet address after the General Meeting.

Total number of shares and voting rights at the time of convening

At the time of convening the General Meeting, the registered capital (*Grundkapital*) of the Company amounts to EUR 247,063,258 and is divided into 247,063,258 bearer shares of no par value. Each no par value share grants one vote in the General Meeting. The total number of shares and voting rights at the time of convening the General Meeting thus amounts to 247,063,258, respectively. This total number also includes 23,422 treasury shares held at that point in time from which the Company does not derive any rights.

Prerequisites for attending the General Meeting and for exercising the voting right

Those shareholders shall be entitled to attend the General Meeting and to exercise the voting right who register with the Company at the address stated below in text form (§ 126b of the German Civil Code (*BGB*)) in German or English and forward to the Company at this address a special evidence of their shareholding issued in text form (§ 126b BGB) by their depository institution in German or English:

Zalando SE
c/o HCE Haubrok AG
Landshuter Allee 10
80637 München/Munich
Germany
Fax: +49 (0)89 21027 289
meldedaten@zalando.de

The evidence of shareholding must refer to the start of 10 May 2016 (0:00 hrs – so-called “**Record Date**”). The registration and evidence must be received by the Company at the address indicated above by the end of 24 May 2016 (24:00 hrs) at the latest.

The only persons who will be treated as shareholders in relation to the Company and may therefore attend the meeting and exercise the voting right are those persons who have provided the special evidence of shareholding in time. Should this evidence not be provided or not be provided in the proper form, the Company may reject the shareholder.

The right to attend or the extent of the voting right is based exclusively on the shareholder's shareholding as of the Record Date. The Record Date does not entail any restriction on the ability to sell the shares held. Even in the case of complete or partial sale of the shareholding after the Record Date, only the shareholding of the shareholder as of the Record Date is relevant for the right to attend and the extent of the voting right, meaning that sales of shares after the Record Date have no effect on the right to attend and the extent of the voting right. The same applies to acquisitions of shares or additional shares after the Record Date. Persons who do not yet own any shares as of the Record Date and only become shareholders afterwards are only entitled to attend and vote in respect of the shares held

by them if they obtain a proxy or authorization to exercise such rights from the previous shareholder. The Record Date has no significance for dividend entitlement.

After receipt of the registration and special evidence of shareholding by the Company, admission cards for the General Meeting will be sent to the shareholders. Unlike the registration, however, the admission card is not a condition for attending the General Meeting; it only simplifies procedures at the admission desks for entrance to the General Meeting.

Details on the online shareholder service

The Company offers shareholders who have registered for the General Meeting the possibility to use an online shareholder service. Shareholders registered for the General Meeting will receive, together with the admission card, access data to such service. Shareholders who have received several admission cards should note that they will receive access data for the online system with respect to each of these admission cards.

Together with the admission card, the shareholders are also provided with the necessary information on the use of the online shareholder service, which is available until the end of 30 May 2016 (24:00 hrs). Further information in addition is available at the Company's web site at

<https://corporate.zalando.com/en/annual-general-meeting>.

Procedure for voting by proxy

Shareholders may have their voting rights and other rights in the General Meeting exercised by proxy holders, e.g. by a bank, an association of shareholders, proxies appointed by the Company or a third party, after having granted a corresponding proxy. In these cases too, it is necessary to timely register for the General Meeting and to provide evidence of shareholding in accordance with the provisions above. Should the shareholder grant a proxy to more than one person, the Company may refuse one or more of these.

According to § 134 (3) sentence 3 AktG and § 17(4) of the Articles of Association, the granting of the proxy, its revocation

and the evidence of the proxy to be provided to the Company must be in text form. In the event that a proxy is to be granted to a bank, an association of shareholders or another person or institution of equal status pursuant to § 135 (8) and (10) AktG, no specific form is required under applicable law or the Articles of Association. Please note, however, that in such cases the institutions or persons to be appointed as proxy holders may require a special form of proxy because § 135 AktG requires them to keep a verifiable record of the proxy. Please therefore agree on a possible form of proxy with the party to be appointed as proxy holder in such cases.

The proxy may be granted to the proxy holder or to the Company. Evidence of a proxy granted may be provided by the proxy holder presenting such evidence (for example, the original proxy or a copy thereof) at the admission desk on the day of the General Meeting. Evidence may also be sent by mail to the following address:

Zalando SE
c/o HCE Haubrok AG
Landshuter Allee 10
80637 München/Munich
Germany
Fax: +49 (0)89 21027 289

For electronic transmission the Company offers the possibility of sending the evidence by email to *vollmacht@zalando.de*.

The aforementioned transmission channels are also available if the proxy is to be granted by means of a declaration to the Company, in which case no separate evidence of the proxy needs to be provided. Also the revocation of a proxy that has been granted may be declared directly to the Company using the aforementioned transmission channels.

Evidence of a proxy granted in or during the General Meeting may be provided by presenting such evidence (for example, the original proxy) at the exit desk.

Shareholders wishing to appoint a proxy holder are requested to use the form of proxy provided by the Company for granting such proxy. Such form of proxy will be sent to the duly registered persons together with the admission card and can be requested by mail to the address Zalando SE, c/o HCE Haubrok

AG, Landshuter Allee 10, 80637 München/Munich, Germany, by fax +49 (0)89 21027 289 or by email vollmacht@zalando.de. In addition to this, a proxy form can also be downloaded from the Company's website at

<https://corporate.zalando.com/en/annual-general-meeting>.

Proxies may also be granted or revoked electronically via the Company's online shareholder service until the end of 30 May 2016 (24:00 hrs). Shareholders can obtain further details on the Company's online shareholder service on the internet at

<https://corporate.zalando.com/en/annual-general-meeting>.

Voting by official Company proxies

We offer our shareholders as a service the possibility of granting a proxy to proxy holders appointed by the Company and bound by the shareholder's instructions to exercise their voting right in the General Meeting. Where a proxy is granted to a proxy holder appointed by the Company, instructions on the exercise of the voting right must be given to such proxy holder. Proxy holders are obliged to vote according to these voting instructions. Proxy holders will not exercise the voting right without having received such explicit instructions.

The authorization of such proxies, the issuing of voting instructions and any amendments of such as well as the revocation of proxy authorization must be effected in text form; they may be made by the following methods only:

Prior to the General Meeting, a proxy with instructions to the proxy holders can be granted by means of the form of proxy and instructions received by shareholders together with their admission card for the General Meeting. To ensure timely receipt of the admission card, it should be ordered from the shareholder's depository bank as early as possible. The relevant form is also available for downloading on the Company's website at

<https://corporate.zalando.com/en/annual-general-meeting>.

For organisational reasons, the proxy and instructions issued to the proxy holders prior to the General Meeting must be received by the Company by 30 May 2016 (24:00 hrs). The proxy and instructions issued to the proxy holders appointed by the Company shall be sent exclusively to the following address:

Zalando SE
c/o HCE Haubrok AG
Landshuter Allee 10
80637 München/Munich
Germany
Fax: +49 (0)89 21027 289
vollmacht@zalando.de

Proxy authorizations and voting instructions timely received that way can also be withdrawn or amended in advance of the General Meeting using these same methods when received by the Company by 30 May 2016 (24:00 hrs).

The proxy and instructions to the proxy holders appointed by the Company may also be issued, amended or revoked electronically via the Company's online shareholder service by the end of 30 May 2016 (24:00 hrs). Shareholders can obtain further details on the Company's online shareholder service on the internet at

<https://corporate.zalando.com/en/annual-general-meeting>.

On the day of the General Meeting, proxy authorization and voting instructions for the Company proxies as well as amendments and the revocation can be effected in text form also at the entrance and exit desks at the General Meeting. This possibility is available to the shareholders regardless of whether they intend to then leave or to continue their participation in the General Meeting.

If the proxies receive the power of attorney and the instructions for the same shareholding – in each case in a timely manner – both by means of the form for granting power of attorney and issuing instructions and also via the online shareholder service, exclusively the power of attorney granted and instructions issued using the form for granting power of attorney and issuing instructions will be considered to be binding without regard to the time of receipt. A power of attorney granted and instructions issued by means of a form for granting power of attorney and

issuing instructions cannot be revoked or changed via the online shareholder service.

If the Company has received absentee ballots in addition to a power of attorney having been granted and instructions having been issued to the proxy, the absentee ballots will always be considered to have priority; accordingly, the proxies will not make use of the power of attorney granted to them in this regard and will not represent the relevant shares.

Further information on the issue of proxies and instructions to the proxy holders appointed by the Company is contained in the admission card sent to the duly registered shareholders. Such information can also be viewed on the internet at

<https://corporate.zalando.com/en/annual-general-meeting>.

Procedure for voting by absentee voting

Shareholders may exercise their voting right by absentee voting without participating in the General Meeting. Timely notification by the shareholders of their intention to attend the General Meeting and evidence of shareholding are indispensable also for this way of voting. For the cast of the vote by way of absentee voting, the online shareholder service or the absentee voting form sent together with the admission card can be used.

If no express or clear vote is cast in the absentee voting with regard to an item on the Agenda, this is considered to be an abstention on this Agenda item. The casting of votes by absentee voting is limited to voting on the proposals for resolutions (including any adjustments) of the Management Board and the Supervisory Board and on proposals by shareholders for resolutions announced with an addendum to the Agenda pursuant to § 122 (2) AktG.

The casting of votes by means of absentee voting must be received by the Company at the following address by no later than 30 May 2016 (24:00 hrs):

Zalando SE
c/o HCE Haubrok AG
Landshuter Allee 10
80637 München/Munich
Germany
Fax: +49 (0)89 21027 289
briefwahl@zalando.de

Absentee votes timely received in such a manner can also be withdrawn or amended in advance of the General Meeting using these communication channels when received by the Company by 30 May 2016 (24:00 hrs).

The casting of votes by absentee voting via the online shareholder service must be fully completed by no later than 30 May 2016 (24:00 hrs). A revocation or a change in the cast of the vote made via the online shareholder service is also possible up to that time. An admission card is required in order to be able to cast an absentee vote via the online shareholder service. Shareholders receive access through the Company's website at

<https://corporate.zalando.com/en/annual-general-meeting>.

Shareholders can find the details in the explanations provided there.

Proxies can also use absentee voting. The provisions on granting, revoking and providing proof of proxy are not affected.

If the voting right is exercised for one and the same shareholding – in each case in a timely manner – both by means of the absentee voting form and via the online shareholder service, exclusively the vote cast by means of the absentee voting form will be considered to be binding without regard to the time of receipt. A vote cast by means of an absentee voting form cannot be revoked or changed via the online shareholder service.

If a shareholder or a third party granted proxy by the shareholder participates in the General Meeting in person, any previous vote cast by absentee voting will cease to be valid.

Information on shareholders' rights pursuant to Art. 56 SER in conjunction with § 50 (2) SEAG, § 122 (2) AktG, § 126 (1), § 127, § 131 (1) AktG*

Requests to add items to the Agenda pursuant to Art. 56 sentences 2 and 3 SER, § 50 (2) SEAG, § 122 (2) AktG

Shareholders whose shares together amount to not less than one twentieth of the share capital or represent a *pro rata* amount of EUR 500,000 (corresponding to 500,000 shares) may request that items be put on the Agenda and announced. Each new item must be accompanied by a statement of reasons or a resolution proposal.

Shareholders of the Company are not subject to the requirement applicable to a German stock corporation according to which shareholders must have held their shares for at least three months (Art. 56 SER in conjunction with § 50 (2) SEAG).

The request is to be addressed to the Management Board of the Company in writing and must be received by the Company at least 30 days prior to the meeting, i.e. by the end of 30 April 2016 (24:00 hrs) at the latest. Any requests to add items to the Agenda which are received after such date will not be taken into account.

Requests to add items to the Agenda shall be sent to the following address:

Zalando SE
- Management Board -
Tamara-Danz-Straße 1
10243 Berlin
Germany

* The provisions of the German Stock Corporation Act apply to the Company pursuant to Art. 9 (1) (c) (ii) of Council Regulation (EC) No 2157/2001 of 8 October 2001 on the statute for a European company (SE) ("SER").

Counter-motions and election proposals by shareholders pursuant to § 126 (1), § 127 AktG

Shareholders may send counter-motions against proposals by the Management Board and Supervisory Board on specific items on the Agenda and proposals for the election of the auditor and the election of the members of the Supervisory Board. Counter-motions must include a statement of reasons for same; election proposals do not have to include a statement of reasons. Counter-motions to the Agenda and election proposals are to be sent exclusively to the following address:

Zalando SE
c/o HCE Haubrok AG
Landshuter Allee 10
80637 München/Munich
Germany

or by fax: +49 (0)89 21027 289
or by email: *gegenantraege@zalando.de*.

Counter-motions and election proposals received by the Company at the aforementioned address at the latest by the end of 16 May 2016 (24:00 hrs), subject to the further prerequisites of §§ 126, 127 AktG, will be made accessible, including the name of the shareholder and – in the case of motions – the statement of reasons, on the Company's website at

<https://corporate.zalando.com/en/annual-general-meeting>

immediately following receipt. Any statements or comments made by the Management will also be published at the same internet address.

Right to information pursuant to § 131 (1) AktG

At the General Meeting, any shareholder or shareholder representative may request the Management Board to provide information on matters relating to the Company, the legal and business relations of the Company with affiliated companies and on the situation of the Group and companies included in the consolidated financial statements as long as this information is necessary for the proper assessment of an item on the Agenda. Requests for information at the General Meeting are always to be made verbally in the course of a discussion.

Further explanations on shareholders' rights

Further explanations on shareholders' rights pursuant to Art. 56 SER in conjunction with § 50 (2) SEAG, § 122 (2), § 126 (1), § 127, § 131 (1) AktG are available on the Company's website at

<https://corporate.zalando.com/en/annual-general-meeting>.

Berlin, April 2016

Zalando SE
The Management Board

